

# UNIPOL GRUPPO FINANZIARIO

## 2009 ANNUAL REPORT



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# **Unipol Gruppo Finanziario S.p.A.**

*Registered and Head Offices at Via Stalingrado 45, Bologna*

*Share capital €2,391,426,100.00 fully paid-up*

*Tax Code and Bologna Company Registration no. 00284160371 – R.E.A. no. 160304*

## **2009 Annual Report**

Bologna, 25 March 2010



# Contents

|  |    |
|--|----|
| <b>Company's bodies</b> .....  | 5  |
| <b>Introduction</b> .....  | 7  |
| <b>Performance of securities and essential figures</b> .....   | 11 |
| <b>Management report</b>   |    |
| Business performance .....   | 14 |
| Contribution of the insurance service business unit .....  | 15 |
| Asset and financial management .....   | 16 |
| Transactions to streamline the structure of the sources of finance .....   | 20 |
| Risk management policy (Article 2428 Civil Code) .....   | 21 |
| Human resources .....  | 21 |
| Information systems .....  | 21 |
| Internet .....   | 22 |
| Research and development .....   | 22 |
| Data Protection (Legislative Decree 196/2003) .....  | 22 |
| Report on corporate governance and ownership within the meaning of Article 123-bis of<br>Legislative Decree 58 of 24 February 1998 ..... | 23 |
| Social and environmental responsibility .....  | 23 |
| Relations with the Companies in the Group .....  | 25 |
| Results of companies controlled directly .....   | 27 |
| Investments held by the Boards of Directors and Statutory Auditors, the General<br>Manager and the key managers .....                    | 31 |
| Significant events after the end of the financial year .....   | 32 |
| Business outlook .....   | 32 |
| Resolutions to be put to the Ordinary Shareholders' Meeting .....  | 33 |
| <b>2009 Financial Statements</b>   |    |
| Balance Sheet .....  | 36 |
| Income Statement .....   | 40 |
| <b>Notes to the Financial Statements</b>   |    |
| Structure and contents of the financial statements .....   | 43 |
| Valuation criteria .....   | 43 |
| Information on the Balance Sheet and the Income Statement .....  | 47 |
| Other information .....  | 65 |
| <b>Appendices to the Notes to the Financial Statements</b>   |    |
| Reclassified income statement .....  | 74 |
| Schedule of changes in equity over the last two years .....  | 75 |
| Schedule showing the usage and availability of the equity reserves at 31 December<br>2009 .....  | 76 |

|   |            |
|---|------------|
| Statement of cash flows .....   | 77         |
| Schedule showing the changes in intangible fixed assets during the year .....   | 78         |
| Schedule showing the changes in tangible fixed assets during the year .....   | 79         |
| Schedule showing movements in investments under financial fixed assets.....   | 80         |
| Statement of investments exceeding 10% of the total at 31 December 2009 .....   | 81         |
| List of shares and securities included in current assets at 31 December 2009.....   | 82         |
| Schedule showing the temporary differences that led to deferred taxes being recorded .....  | 83         |
| Information on indebtedness at 31 December 2009 .....   | 84         |
| <b>Statement on the separate financial statements in accordance with Article 81-ter<br/>of Consob Regulation 11971/1999 .....</b> | <b>85</b>  |
| <b>Board of Statutory Auditors' Report .....</b>  | <b>87</b>  |
| <b>Auditors' Report.....</b>  | <b>99</b>  |
| <b>Subsidiaries' accounts .....</b>   | <b>102</b> |

## Company's bodies

|  |  |  |
|--|--|--|
|  | <b>Honorary Chairman</b>                   | Enea Mazzoli                                     |
| Board of Directors                       | <b>Chairman</b>                            | Pierluigi Stefanini                              |
|  | <b>Vice Chairman</b>                       | Vanes Galanti                                    |
|  | <b>Chief Executive Officer</b>             | Carlo Salvatori                                  |
|  | <b>Members of the Board</b>                |  |
|  | Jean Dominique Antoni                      | Ivan Malavasi                                    |
|  | Francesco Berardini                        | Massimo Masotti                                  |
|  | Sergio Betti                               | Enrico Migliavacca                               |
|  | Rocco Carannante                           | Pier Luigi Morara                                |
|  | Pier Luigi Celli                           | Sergio Nasi                                      |
|  | Gilberto Coffari                           | Marco Pedroni                                    |
|  | Piero Collina                              | Giuseppe Politi                                  |
|  | Sergio Costalli                            | Francesco Vella                                  |
|  | Jacques Forest                             | Marco Giuseppe Venturi                           |
|  | Fabrizio Gillone                           | Luca Zaccherini                                  |
|  | Claudio Levorato                           | Mario Zucchelli                                  |
|  | <b>Secretary to the Board of Directors</b> | Roberto Giay                                     |
| Board of Statutory Auditors              | <b>Chairman</b>                            | Roberto Chiusoli                                 |
|  | <b>Standing Auditors</b>                   | Giorgio Picone<br>Domenico Livio Trombone        |
|  | <b>Alternate Auditors</b>                  | Cristiano Cerchiai<br>Giovanni Battista Graziosi |
| General Manager                          |  | Carlo Cimbri                                     |
| Manager in charge of financial reporting |  | Maurizio Castellina                              |
| Independent auditors                     |  | KPMG S.p.A.                                      |



# Introduction

## ***Macroeconomic background***

In 2009 the serious crisis which, following the explosion of the property bubble, had besieged the financial markets in 2008, was finally overcome.

Mediobanca estimates total funds supplied to banks from European governments and the United States to be €3,271bn. To these resources, designed to prop up the financial sector, should be added the economic stimulus packages launched by a number of countries (just under USD1,400bn was provided by the United States and China alone). Even monetary policy has played its part with interest rates falling to an all-time low. Equally important were the non-conventional quantitative easing policies employed by central banks, destined to reduce the total amount of illiquid assets on the market and increase liquidity. Thanks to this raft of measures devised to help the financial system, the risk of an economic depression and recessionary fall has been brief and less serious than previously estimated by many observers. The key decision in 2009 was resolute public sector intervention aimed at sustaining both the financial system and, to a lesser degree, the economic cycle. The results have proved satisfactory: productive activity has increased progressively throughout the course of the year. The United States' GDP, which over the course of the year has seen a contraction of 2.4% has recorded progressive quarterly growth, with +2.2% in the third quarter and +5.7% in the final quarter of 2009. The stagnation in international commerce (-11.9% in 2009) has damaged those economies which rely more heavily on the export cycle, for example Germany and Japan, which recorded a decrease of 5% in GDP, with Italy recording a fall of -4.9%. France (-2.2%) and Spain (-3.6%) are showing more positive signs. Growth in the emerging Asian markets continues, led by China with an increase of 8.7% of gross domestic product. China is now in a position to overtake Japan to become the world's second largest economy in 2010.

The improvement in terms of economic trends has provided financial markets with stimulus, having recovered from the lows experienced in March 2009. Low interest rates, public sector commitment to support banks and strategic productive sectors (for example, incentives offered for the replacement of second-hand cars), the lack of tension on prices, have given rise to expectations, perhaps a little too optimistically, of economic development. Prices of raw materials are a good reflection of market sentiments, picking up from their lowest-ever level reported at the beginning of the year without prompting a sense of return to the prices reported in mid-2008 (the highest oil price fluctuation ranged between 70 and 80 dollars per barrel). The average consumer price index was negative in the United States (-0.3%) and only modest in the Eurozone (+0.3%), whilst in Italy it reached +0.8%. Nevertheless, developed countries need to do their sums, bearing in mind two phenomena that emerged throughout the course of 2009 which will be of importance in the future: the burden of public finances and the rise in unemployment.

As far as the first issue is concerned, Dubai's property market crash is a perfect example; with its involvement in the public holding Dubai World, this has been a real eye-opener in terms of the default risk of the Emirates. The problem was only solved through the intervention of neighbouring Abu Dhabi. A far worse indicator can be found in the crisis concerning the allocation of public funds in Greece. Downgrading carried out by the main credit rating agencies has shed light on the situation, revealing a combination of structural problems indicative of an undynamic economy and loss of competitiveness due to its adhesion to a Common European Monetary Union.

The consequences of Greece's troubles have had an impact on the single European currency, which, in the latter part of 2009, lost strength against the dollar. The issue of trust has spread to other Eurozone economies (Ireland, Spain, and Portugal), deepening the spread between government security yields in the aforementioned countries and those in Germany. On the other hand, there is now some apprehension concerning public finances in a number of countries: the OECD predicts that by the end of 2009 the correlation between public debt and GDP will put the USA at 83.9% and Japan at 189.3%. In Italy, owing to its more robust banking system offering modest public sector intervention and owing to the noticeable prudence of the government's countercyclical policy, public debt on gross national product rose from 105.8% in 2008 to

115.4% by the end of 2009.

There is little doubt that the most alarming phenomenon is the negative situation regarding unemployment. In both the USA and the Eurozone 2009 ended with almost 10% of the population unemployed and looking for work. These statistics are cause for concern with regard to both the related social costs and unemployment itself; the latter could have recessionary impact on the economic system in terms of a contraction of the internal market. As a result of such anxieties in all developed countries there has been a significant increase in the propensity of families to save. For the USA, UK and Spain this could prove valuable in helping to restore the imbalance resulting from the crisis which broke out in August 2007. The huge surplus savings in Asian markets, America's excess debt and the strong concentration of income in most nations are all serious obstacles to a harmonious development of the global economy.

In light of these circumstances, Italian GDP has seen a contraction of 5%, explained by the fall in investment in machinery, tools and means of transport (-17.7%), the reduction in construction investment (-7.9%) and a fall in the purchase of consumer goods (-1.8%). Foreign sales activity has perpetuated recessionary trends, explained by a greater fall in exports (-19.1%) (absolute value) than in imports (-14.5%). The annual average number of persons employed has fallen by 1.6% compared with 2008: by the end of the year there will be just under 2.2 million unemployed in Italy. Interventions by public authorities in charge of countercyclical policy and restriction of the standard taxable amount have led to a rise in the deficit, equivalent to 5.3% of GDP.

### **Financial markets**

In response to official rates being fixed at 0.25% in the USA (from the end of 2008) and 1% in the Eurozone (from May 2009), the forward interest rate curve has been lowered significantly: the 3-month Euribor rate dropped from 2.89% at the end of 2008 to 0.66% at the end of 2009; the dollar Libor rate fell from 1.43% to 0.25%. More prominent changes were evident in long-term rates, with the USA's 10-year Bond yield ending the year at 3.84%, whilst Germany's 10-year Bund yield ended the year at 3.39%. As a whole European bond markets have recorded a positive performance over the period of 4.3%. The USA's performance in contrast has been negative at -3.7% in dollars and -6.7% in euros. Economic growth and the return of stress and illiquidity to the credit markets have brought considerable benefits in terms of corporate bond prices; the spread of 5-year European bonds fell during the course of 2009 to 102 points, down from 177 to 75 basis points; for issuers, the reduction was equivalent to 43 centimes, down from 118 to 75.

Stock markets, having witnessed a continued fall in the first quarter, recorded a particularly positive performance in the second and third quarters of 2009, taking advantage of monetary policies and the renewed growth of the main emerging economies. In 2009 share indices rose at a rate of approximately 20% (+23% S&P500 index, +19% Nikkei 225 and the FTSE Italy, +27% on the MSCI World index). It should be noted, however, that by the end of 2009 the Asian stock exchange indices had not returned to previous levels prior to the collapse of Lehman Brothers in September 2008.

Raw materials are also on the rise (+34.6% CRB index); particularly oil, which has risen from 39 to 77.8 dollars a barrel (+97%) and gold (+27.6 in dollars per ounce).

The dollar/euro exchange rate reached a maximum of 1.50 in November 2009, up from 1.40 at the end of 2008. Subsequently, the dollar has picked up and continues to progress (1.36 at the end of February).

At the start of 2010 the major global stock exchanges have registered significant improvements, followed by a partial recovery. At the end of the first two-month period, the following results are reported: -0.95% S&P500, -7.98% DJ Eurosto 50, -3.99% Nikkei 225 and -8.75% FTSE Italy. In the same period, 3-month bonds remained stable at (0.25%) for USA and (0.60%) for the Eurozone. Ten-year government bonds fell in the Eurozone, the USA and the UK. In the first few months of 2010 bond markets recorded a positive overall performance of between 0.5% and 1.8%.

### **Consumer savings**

Following economic decline in 2008 the wealth of families has recovered in 2009 thanks to greater propensity to save and above all else the recovery of the financial markets. On the other hand, spending has fallen (-1.7%), with people apprehensive about losing their jobs because of the economic crisis. In this context, margins to stimulate a considerable increase and return to prior consumer credit are reduced. All the same, in response to the low level of interest rates, some signs of borrowing to acquire property are appearing, as

demonstrated by the increase in bank mortgage loans, up by 6.1% in December.

Recent financial upheavals have led families to adopt strict saving patterns. They have taken advantage of products which ensure capital guarantee and minimal yield, for example, life insurance policies, in particular separately-managed businesses, which, according to the latest statistics provided by ISVAP recorded a previously unheard of number of premiums worth approximately €77.5bn in 2009. Following the debacle of 2008 which saw funds negative to the tune of over €130bn, the unit trust division managed to contain the damage (-€3bn in 2009). By examining the data throughout the course of the year the funds system has seen a trend in growth, with positive net cash flow over the entire last six months of the financial year. The Bank of Italy's most recent data on net fund assets indicates that in the third quarter and based on a return to spending by savers, net growth in terms of resources is over €10bn.

### ***Insurance business***

The global insurance industry has proved strong in light of the storm whipped up by the financial system. The insurance markets, reinsurance markets included, have continued on as normal. The sector has fallen victim to the drastic fall in the prices of many of the securities in portfolio; nonetheless, the gearing of overall capital levels of the insurance companies has remained acceptable, with few exceptions (Aig, Yamato Life) in the face of this extraordinary situation.

In Italy, the 2009 financial year has been characterised by the dichotic trend of the two main groupings of businesses: compared with the Life business that recorded an all-time high in premium income (approximately €77.5bn), the Non-Life businesses as a whole recorded a contraction close to 2%.

Behind the exceptional result achieved by the Life business in 2009 is an economic situation characterised by two catalysts in terms of premiums earned: the low level of interest rates and the increase in the propensity for families to save. This has enabled both banks and networks of financial advisers to benefit. Data by ANIA in relation to new individual insurance policies demonstrate how banks have seen new business develop by 66% compared to 2008, whilst financial advisers have generated a rate of growth exceeding 250%. With continued reference to new individual insurance policies, the agency channel had to be content with a modest increase of 6%. Financial market conditions have influenced the success of traditional products (separately-managed businesses and contracts with specific funds) most of which appear in Class I (new products +164%) and Class V (+106%). The poor appeal of linked products is not surprising: new products in Class III fell by almost 62% when compared with 2008.

In 2009, the result of the main Non-Life technical account, being the Motor TPL continued to deteriorate. Even after efforts made by introducing government-backed schemes in previous years, the competitive climate signified a reduction in the average premium, which proved unsustainable for the sector's technical result. Income contracted by 4% in the first nine months of 2009 in comparison with the same period in 2008. With regard to the claims rate of the motor TPL, data provided by ANIA on the first three quarters of 2009 shows both an increase in the frequency of claims (+0.05%), in addition to a slight increase in average cost (+0.4%). Combined with the significant weakening of the technical result for the business, an increase in the number of fraudulent claims linked to social tensions at this difficult economic time is not uncommon.

Alongside this is the crisis in the automobile market, although some of its negative impacts have been softened by incentives introduced by the government. The fall in car registrations and the discounts offered by car dealers have slowed down the premiums earned by the motor property damage business (-2.6% in the first three quarters). These factors, together with an increase in accidents caused by meteorological events have contributed to the incapacity to generate income by this class, traditionally a reliable source for Italian companies in terms of technical results.

As early as the start of the second half of 2009 the Non-MV Non-Life business with links to companies felt the negative impacts of the downward spiral in the economic cycle. The progressive decline in activity entailed a reduction in the volume of insurable items, in particular within the transport insurance. Companies' economic problems were reflected in the cost reductions made, including insurance costs. Credit and bond insurance classes were penalised by a general reduction of the credit rating of companies. To top off this difficult situation an increase in the volume of accident claims occurred, due to wilful acts committed as a result of the

exasperation caused by the difficulties faced by many companies. Even within this sector, atmospheric events contributed to the rise of the ratio claims/premiums.

Worrying details have also emerged from the personal insurance segment. The climate of insecurity, linked with occupational risks, is causing families to prudently hold back on the purchase of consumer goods. In the retail sector too, fewer Non-Life policies were taken out; Italians see the aforementioned policies as an expense and not as something to improve quality of life and are therefore reluctant to spend their savings on them. Similarly, as far as collective policies are concerned, owing to the difficult situation companies find themselves in, little room is left for consistent growth of company allocation in favour of supplementary health funds.

As a whole, Non-Life premium income in Italy should inch towards 2% in 2009, with the MV sector experiencing the largest contraction (-3.3%). The remaining Non-MV Non-Life sectors will maintain their performance, which is comparable to a period of stagnation.

If the resurgence in the financial markets in the last three quarters of 2009 has injected life into company accounts, the steep fall in the technical results of the main Non-Life businesses constitutes an obstacle which will be difficult to overcome in terms of the sector's income. The financial year ends with the majority of Italian insurance companies intent on modifying tariffs (not only in MV TPL) in order to record their economic performance with sustainability in mind.

### ***Banking and assets under management***

Once the credit risk of the major banks was overcome thanks to public sector intervention, the credit institutes' process of financial resetting continued. In Italy in particular, the credit sector showed signs of an increase in customer deposits. Direct deposits rose by 9.3%, with bonds up by 11.2%. The total loans to the economy only rose by 0.5%, which underlines how loans to non-financial companies have seen a fall of 2.4%. These figures indicate the effort made by Italian banks to restore the balance between assets and liabilities. The loan excess index reached 90.8% in December, a far cry from the 104% obtained at the end of 2007. Nevertheless, it would be wrong to ignore the effects of the credit crunch on the figures; on the contrary, the strength of credit within the Italian economy based on the correlation between the stock of loans and GDP has risen from 1.09 in 2007 to reach an estimated 1.17 by the end of 2009.

The modest growth in loans can be substantially explained by the weakness of the economic cycle, although increased selectivity criteria governing credit-granting procedures, in addition to the rise in the risk premium for borrowers by the banks should be mentioned here.

As far as rates are concerned, the need to increase customer deposits and the urgency to extend the duration of liabilities by way of the large output of bonds have signified a drastic reduction of the mark-down. The steep fall in profitability has not been compensated by an increase in loan mark-up. 2009 saw a reduction in the securities spread of bank rates, remaining stagnant at just over 2% in the last quarter.

The Italian credit institutions have ridden out the financial storm better than their counterparts in other countries thanks to the minimal exposure to toxic securities. In fact, the mix of Italian bank loans is structurally centred towards businesses and families. Paradoxically, this overriding factor may become a weakness at the stage where businesses find themselves in crisis. Disturbing signs of the deterioration of credit quality is evidence of the above. At the end of 2009, net doubtful loans in the Italian banking system surpassed 2%. Owing to the fragile economic situation, the increase in bank risks is concentrated predominantly on businesses; consumers are also apprehensive due to the rise in unemployment.

The factors discussed are a discouraging prospect in terms of interest margin. The margin on services shows more encouraging signs thanks to increased operations on securities from the second quarter of the year. Nevertheless, on the bank's financial statements the effects of non-performing loans will be significant; adequate coverage should be provided when adjustments are made. The outlook for 2009 indicates a laborious process for Italian banks in finding growth opportunities. According to estimates from ABI, the sector's ROE will decrease from 4.4% in 2008 to 2.4% in 2009.

# Performance of securities and essential figures

## **Information on the performance of securities**

At the end of December 2009 Unipol ordinary shares were priced at €0.959, a fall of 12.84% over the year compared with a 19.19% rise in the general FTSE Italia all-share index, 19.47% in the FTSEMIB index and 0.70% in the FTSE Insurance all-share index. The official price of Unipol preference shares was €0.621, a fall of 18.70%.

## **Capitalisation**

At the end of December 2009 total capitalisation amounted to €1,982m (-14%), of which €1,420m related to ordinary shares (-11.6%) and €562m related to preference shares (-19.7%).

# Management report

Dear Shareholders,

The year just ended is the last year in which UGF's Chief Executive Officer Carlo Salvatori will act in this capacity; at the Board of Directors meeting on 17 December last year, he announced his decision to leave the Group after the Meeting to approve the 2009 financial statements.

Chairman Pierluigi Stefanini and the Board of Directors expressed their thanks to the CEO for all his valuable work carried out throughout the period 2006-2009. In a negative financial context, Salvatori focused on management reorganisation, redefining strategies and financial strengthening, even to the extent of maintaining the correct solvency of the financial conglomerate.

Under the guidance of Carlo Salvatori the Group, which has just emerged from an intense period of growth and a brief, but traumatic period of extraordinary work for the acquisition of BNL, was able to reorganise itself in line with redefined strategies, the value of internal resources and innovation of business values.

2009 saw the completion of the reorganisation carried out under the 2006-2009 Business Plan, which led to the creation of UGF Assicurazioni, today one of the leading insurance companies in Italy.

Today the Group is made up of a holding company, UGF S.p.A., which controls UGF Assicurazioni, several single-purpose companies (Linear, Unisalute and Navale), a bancassurance company (BNL Vita) and UGF Banca, the parent of the Banking Group of the same name.

At the Board of Directors Meeting held on 17 December 2009 the majority shareholder communicated the decision to propose at the next general shareholders' meeting the current General Manager Carlo Cimbri for the position of Chief Executive Officer of UGF, recognising his capabilities and managerial qualities suited to the professional and valued customs of the Group, his intellect and outlook which are necessary to the management of UGF's future development.

Your Company carried out in full its role of holding and service company for the UGF insurance and banking Group during 2009.

The economic and financial situation in which the Group operated throughout the 2009 financial year was characterised by a worsening economic crisis which began in the second half of 2008 and a deterioration in business results in terms of Non-Life insurance, historically the most important business segment in terms of the Group's economic performance. After a negative start of the year and although they had not stabilised, the financial markets experienced an upturn that enabled the leading companies in the Group to close with a profit.

The financial statements of Unipol Gruppo Finanziario as at and for the year ended 31 December 2009, which we are submitting for your examination and approval, closed with a **net profit of €128.8m**, significantly better than the loss incurred in the previous year (-€2.9m).

## Reorganising the Group's companies and departments

With effect from 1 February 2009, the necessary authorisations having been obtained, Aurora Assicurazioni S.p.A. was merged into Unipol Assicurazioni S.p.A., both companies being wholly owned subsidiaries of the holding UGF, which gave rise to a single large insurance company – the third largest on the Italian market – which took the name of 'UGF Assicurazioni S.p.A.' The new company continues to benefit from the commercial strength of the Unipol and Aurora brand names since the sales networks have been kept distinct and independent. Their optimum presence throughout the country and their efficiency enable the sales networks to fulfil the additional aim of continuing to provide distinct and specific products and services to customers.

On the same date, the business unit of UGF S.p.A. relating to the management of dedicated insurance was contributed to UGF Assicurazioni.

The merger saw effective financial results from 1 February 2009 and effective taxable and financial income from 1 January 2009. The transfer saw effective financial results and effective taxable and financial income from 1 February 2009, following the effective merger.

The end of the internal reorganisation process was marked by the convention held in September 2009, which also saw the introduction of a major publicity campaign, which recounted the history of the Group for the first time. The campaign involved an event which was held at the Cesena Stadium, where more than 10,000 people, including Group personnel, agents and consultants from all over the country were present. It was more of a show than a convention, a performance able to evoke emotions and a chance to communicate the information in the Charter of Values which had just been finalised, thanks to skilful organisation, the presence of numerous artists and the participation of top management meetings which emphasised the strong desire to meet the Group's business objectives by means of responsible methods and with the aim of long-term sustainability.

The publicity campaign subsequently caught the eye of television, the press, the internet, cinema and bill posts; the objective was to promote the new brands and establish the Group's role as a leader in the Italian insurance and finance sector. With the slogan 'A MISURA DEL TUO DOMANI' (IN CHARGE OF YOUR DESTINY), the desire to transmit a message which reflected the UGF Group's values using a novel idea and visual language, bringing the message home to more people and answering their wishes at a time of great uncertainty and global change is prominent.

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The year began with introductory activity involving the acquisition of the Arca Vita Group; the transaction was completed on 24 December 2009 and the necessary authorisation procedures had already begun. This business deal was destined not only to replace the bancassurance partnership of BNL Vita and BNP Paribas, due to expire at the end of 2011, but also to reinforce the development of the Group's activity in the bancassurance sector, the Life and Non-Life sectors, by initiating a long-term relationship with Italian banking institutions; Banca Popolare in Emilia Romagna ('BPER') and Banca Popolare in Sondrio ('BPSO'), being the main banking establishments in the country in terms of their significant value and market affinity.

The contract, which is valid for ten years, outlines, subordinate to the authorisation of the relevant Authority, UGF's acquisition of the majority of the Arca Insurance Group and exclusive distribution of Life and Non-Life insurance products via branches across the banking network which is already in operation alongside the Arca Group.

The ARCA Insurance Group, of which Arca Vita (active in the Life business) and Arca Assicurazioni (active in the Non-Life business) are part, distributes its insurance products via over 2,000 branches, predominantly the most popular establishments (including BPER and BPSO with approximately 1,600 branches), in addition to a specific agency channel, represented by approximately 160 insurance agencies.

More specifically, UGF is to acquire 60% of the share capital of Arca Vita S.p.A at a price of approximately €277m from companies which form part of the BPER Banking Group and from BPSO and Arca Vita is to acquire an additional 28.95% of Arca Assicurazioni S.p.A's share capital, of which it already retains 64.08%, equal to approx. €43m from BPER and from BPSO. The amounts for the acquisition of the aforementioned shares are subject to adjustments, time delays, based on the achievement of development objectives specified at the contractual stage.

When finalising the terms of partnership, UGF, BPER and BPSO also subscribe to:

- a shareholder agreement to govern the business aspects of the partnership and Arca Vita and Arca Assicurazioni's rules of corporate governance;
- an agreement governing the mutual call options which can be exercised by the parties in case of termination of the partnership.

## Business performance

The excellent performance of the subsidiaries enabled Unipol Gruppo Finanziario to end 2009 with a **net profit of €128.8m** and also to pay a dividend.

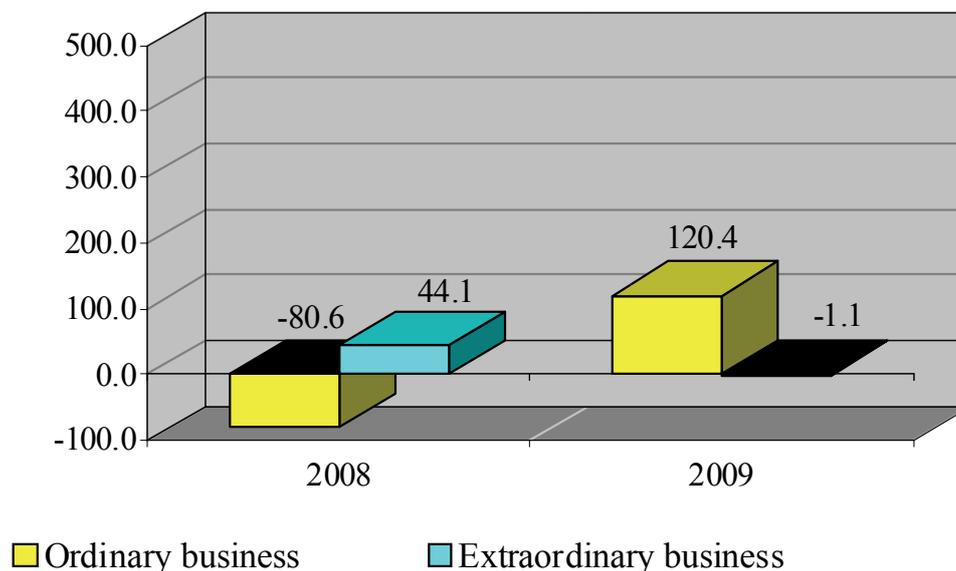
Because of the contribution of Group insurance services on 1 February 2009 comparison with the figures for the previous year, in particular those for the core business of providing services, is not like-for-like and is therefore of limited significance.

The figures that best illustrate business performance are as follows:

- A. The UGF Group's revenues from its core business as a holding and service company amounted to €48.3m (€257.7m in 2008).
- B. Other revenues and income amounted to €16m and were almost exclusively related to costs recovered for staff seconded to Group companies (€13.5m in 2008).
- C. Production cost amounted to €121m and included all the operating costs arising out of core holding company business carried out in 2009 (€328m in 2008).
- D. Income on investments amounted to €158.5m and included dividends from investments, both those of strategic importance and those held for trading (€54.4m in 2008). The part of this item relating to subsidiaries included €140m of dividends for the year and €14.2m of cash dividends.
- E. Net ordinary financial expense totalled -€7.7m (income of €2.8m in 2008).
- F. Adjustments to financial assets were positive to the tune of €26.5m and related to the adjustment to market values of the company's share and bond portfolio (-€81m in 2008).
- G. The result of ordinary business was positive to the tune of €120.4m (-€80.6m in 2008).
- H. The result of extraordinary business was negative to the tune of €1.1m (€44.1m in 2008, thanks to the capital gain of €49.1m from the sale of the investment in Quadrifoglio Vita).
- I. Pre-tax profit was €119.3m (a loss of €36.5m in 2008).
- J. Income taxes had a positive impact of €9.5m on the income statement (€33.6m in 2008).

## Ordinary and extraordinary business

(in €m)



Shareholders' equity at 31 December 2009, including the net profit for the year, amounted to €4,459.7m (€4,430.9m at 31/12/2008). The variation was due to the results for 2009.

### Contribution of the insurance service business unit

The contribution of UGF's insurance business unit to UGF Assicurazioni became effective on 1 February 2009. It did not affect the book and tax values, in accordance with and for the purposes of Article 176 of Presidential Decree 917 of 22 December 1986.

€57m of assets and €48m of liabilities were contributed and the figures for the main items in the contribution balance sheet shown below:

#### Assets:

- €25.6m of tangible fixed assets (assets, equipment, fixtures and fittings, hardware, vehicles, telephone equipment, etc.);
- €18.9m of intangible fixed assets (software, licences, etc.);
- €6.6m of receivables from Group companies;
- €6m in other assets.

#### Liabilities:

- €39.5m due to employees (€26m of it for employees' leaving entitlement);
- €6.4m of payables to Group companies;
- €2.1m in other liabilities.

The balance sheet drawn up at 31 January 2009 showed that the net equity value of the business unit that was contributed was €9.1m.

Under the contribution, 2,293 employees were also transferred to UGF Assicurazioni, 40 of whom were managers.

The effects of the contribution mentioned above are recorded in the Notes to the Financial Statements as comments on the variations in the balance sheet items compared with the previous year.

## Asset and financial management

### Financial operations

Financial management guidelines for 2009 favoured low-risk short-term investments in cash and investments in government bonds that could be easily converted into cash. Trading helped to achieve profitability objectives.

Investments in bonds in the bond portfolio were reduced during the year in favour of government bonds and cash and the duration profile continued to be very prudent.

There were no new investments in the share portfolio; the market risk was managed through portfolio hedging strategies that enabled the company's net equity to be carefully monitored at times when prices were tumbling. There are currently no share portfolio hedging strategies in place.

The share portfolio was made up of securities with a defensive and very liquid profile. The cash component accounted for approximately 70% of the portfolio by virtue of the €750m bond issue in December.

### Tangible and intangible fixed assets

During 2009 tangible and intangible fixed assets, net of depreciation/amortisation, fell from €54.1m to €11.8m, a decrease compared with the previous year of €42.3m, mainly owing to the contribution of assets to UGF Assicurazioni.

The breakdown of tangible and intangible fixed assets and the variations over the previous year are set out in the table below.

| <b>TANGIBLE AND INTANGIBLE FIXED ASSETS</b>                     |             |             |                   |               |
|---|-------------|-------------|-------------------|---------------|
| <i>(amounts in €m)</i>  |             |             |                   |               |
|   | 31/12/09    | 31/12/08    | <i>Variations</i> |               |
|   |             |             | <i>value</i>      | <i>%</i>      |
| <b>Tangible fixed assets</b>                                    |             |             |                   |               |
| - Plant and machinery   | 0.1         | 5.2         | (5)               | (98.7)        |
| - Other assets  | 0.6         | 19.6        | (19)              | (97.0)        |
| <b>Total</b>  | <b>0.7</b>  | <b>24.8</b> | <b>(24)</b>       | <b>(97.3)</b> |
| <b>Intangible fixed assets</b>                                  |             |             |                   |               |
| - Start-up and capital costs                                    | 0.0         | 12.5        | (13)              | (99.7)        |
| - Research, development and advertising costs                   | 9.6         | 0.0         | 10                |               |
| - Assets under development/construction and payments on account | 1.0         | 0.0         | 1                 |               |
| - Other   | 0.5         | 16.7        | (16)              | (97.0)        |
| <b>Total</b>  | <b>11.1</b> | <b>29.3</b> | <b>(18)</b>       | <b>(62.0)</b> |
| <b>TOTAL TANGIBLE AND INTANGIBLE FIXED ASSETS</b>               | <b>11.8</b> | <b>54.1</b> | <b>(42)</b>       | <b>(78.2)</b> |

€9.6m of Advertising costs were for the institutional advertising campaign, which focused on the UGF Group's

new brand architecture and was launched in the final quarter of the year and amortised, with the consent of the Board of Statutory Auditors, over three years. This item also included approximately €1m of assets under development for the launch of the Solvency II project, which is expected to be implemented during 2010.

## Financial fixed assets

Financial fixed assets rose from €4,209.2m to €4,385.2m during 2009, an increase of €176m compared with the previous year.

The breakdown of financial fixed assets and the variations over the previous year are set out in the table below.

| <b>FINANCIAL FIXED ASSETS</b>       |                |                |                   |               |
|-------------------------------------|----------------|----------------|-------------------|---------------|
| <i>(amounts in €m)</i>              |                |                |                   |               |
|                                     | 31/12/09       | 31/12/08       | <i>Variations</i> |               |
|                                     |                |                | <i>value</i>      | <i>%</i>      |
| <b>Financial fixed assets</b>       |                |                |                   |               |
| <i>- Investments</i>                |                |                |                   |               |
| - Subsidiaries                      | 4,286.4        | 4,084.0        | 202.4             | 5.0           |
| <b>Total</b>                        | <b>4,286.4</b> | <b>4,084.0</b> | <b>202.4</b>      | <b>5.0</b>    |
| <i>- Receivables</i>                |                |                |                   |               |
| - Other                             | 98.5           | 104.9          | (6.4)             | (6.1)         |
| <b>Total</b>                        | <b>98.5</b>    | <b>104.9</b>   | <b>(6.4)</b>      | <b>(6.1)</b>  |
| <b>Other securities</b>             | <b>0.4</b>     | <b>20.3</b>    | <b>(19.9)</b>     | <b>(98.2)</b> |
| <b>TOTAL FINANCIAL FIXED ASSETS</b> | <b>4,385.2</b> | <b>4,209.2</b> | <b>176.0</b>      | <b>4.2</b>    |

Details of investments are shown in a table in the Notes to the Financial Statements.

The breakdown of investments according to type of business and the changes compared with the previous year were as follows (in €m):

|                              | 2009           | Changes compared with 2008 |
|------------------------------|----------------|----------------------------|
| Insurance                    | 3,459.5        | 66.2                       |
| Banks and financial services | 806.4          | 136.2                      |
| Other investments            | 20.5           | 0                          |
|                              | <b>4,286.4</b> | <b>202.4</b>               |

Investments varied as follows during the year:

### **Capital injections for future share capital increases**

- €35m for a future increase in the share capital of Navale Assicurazioni on 20 March 2009;
- €30.6m for a future increase in the share capital of BNL Vita carried out in two €15.3m tranches on 23 March 2009 and 30 June 2009 respectively;
- €136.2m for an increase in UGF Banca's share capital on 31 October 2009.

### **Divestments**

There were no divestments of investments during the year.

## Own shares and shares of parents

There were 47,561 own shares in the portfolio at 31 December 2009, representing 0.002% of the share capital, with a total value of €43,670.

The Shareholders' Meeting did not pass any resolutions relating to shares of the indirect parent Holmo S.p.A. under Article 2359-bis of the Civil Code.

In accordance with Article 2359-bis of the Civil Code the Shareholders' Meeting held on 22 April 2009 voted to authorise the Board of Directors to purchase shares in the parent Finsoe within the limits of the level of the provision for the purchase of shares of the parent.

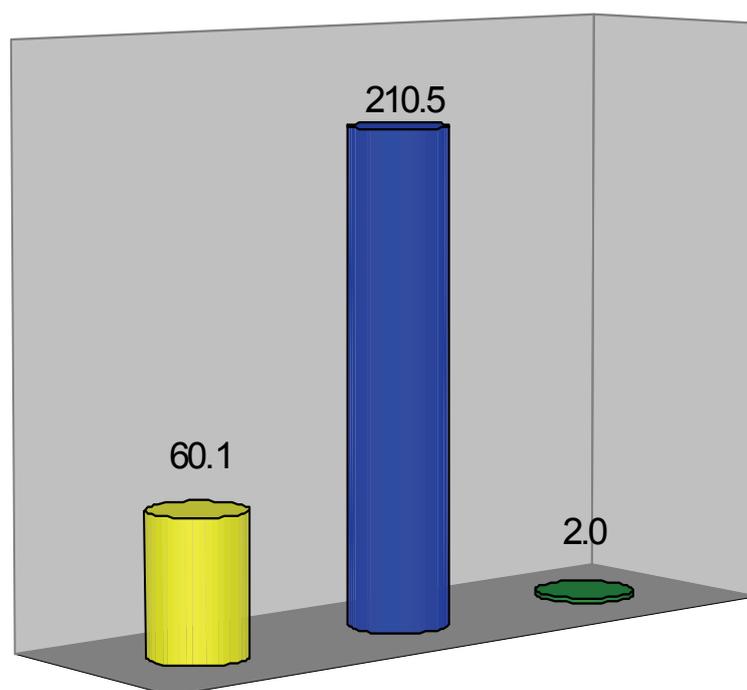
The company held no shares of Finsoe at 31 December 2009.

No own shares nor shares in the parents were bought or sold during the year.

## Current financial assets

This item totals €272.7m, a decrease of €11.4m compared with the previous year.

The breakdown is shown in the chart below (in €m):



■ Listed shares    ■ Listed bonds    ■ Foreign investment funds/options

## Receivables

Receivables included €300m of term bank deposits maturing on 31 March 2010 with the subsidiary UGF Banca.

## **Liquid funds**

Bank deposits and cash in hand at 31 December 2009 amounted to €534.8m, an increase of €117.9m compared with the balance at 31 December 2008.

## Transactions to streamline the structure of the sources of finance

Bond loans issued by UGF amounted to €925m at 31 December 2009 (€600m of subordinated bond loans in 2008), and related to two senior bond loans with nominal amounts of €175m and €750m issued during the year.

Transactions carried out as part of the process to streamline the structure of the Group's sources of finance are listed below:

- during June 2009 UGF made a voluntary public offer for the entire subordinate bond loan known as 'UGF 5.66% fixed/floating callable' expiry date 2023, issued in 2003 with a nominal amount of €300m. The offer, which was resolved by UGF's Board of Directors on 4 June 2009 at a price of €87.5 for each €100 of nominal amount, concluded on 9 July 2009. Applications for a nominal amount of €38.3m were received, a take-up rate of 12.77%;
- on 1 July 2009 UGF issued a senior bond loan for €175m, which had been resolved by the Board of Directors on 25 June 2009. The loan, which is not expected to be listed, was issued at par, will be for three years and will earn interest at an annual fixed rate of 5.25%. The issue, which was fully subscribed during June by private placement, was sold through UGF Merchant S.p.A. to qualified investors, including the parents Finsoe S.p.A. and Holmo S.p.A. The issue provides cash to fund the strategies of the companies in the UGF Group and the work to streamline the financial position of the Group itself;
- once the required permits had been obtained the subsidiary UGF Assicurazioni took over as issuer of the UGF 7% subordinated bond loan maturing in 2021 and the 5.66% loan maturing in 2023, each of which has a nominal amount of €300m, on 5 August 2009 and 29 December 2009 respectively;
- on 4 December 2009 UGF completed the placement of a senior bond issue for a nominal amount of €750m, at an issue price of €99.314, all of it with institutional investors. The issue, which was approved by UGF's Board of Directors on 12 November 2009, forms part of a Euro Medium Term Notes (EMTN) scheme for a maximum of €2bn and is intended to streamline the UGF Group's debt structure, enabling it to be refinanced and the average duration to be extended. The loan, which was listed on the Luxembourg Stock Exchange, has a seven-year term and bears interest at an annual fixed rate of 5%. Mediobanca and JP Morgan acted as joint lead managers and bookrunners and UGF Banca as co-lead manager.

€305.8m of loans to the subsidiary UGF Assicurazioni when it took over as issuer of the two subordinated bond loans also came under this heading.

The loans, which at the request of UGF Assicurazioni are repayable, in whole or in part, at sight (and in any case at least three days before the date of repayment of the credit facilities to the noteholders), are remunerated at the three-month Euribor rate plus 100 basis points.

## Risk management policy (Article 2428 Civil Code)

The financial risk was managed by periodically monitoring the principal indicators of exposure to the rate risk, the share risk, the credit risk and the liquidity risk.

The rate risk was managed by adjusting the assets to the liabilities and managing them jointly.

The duration of the portfolio investment, which is an indicator of exposure to the rate risk, was 0.40 years at 31 December 2009.

As regards the credit risk, 63% of the securities portfolio was concentrated in the investment grade segment (BBB or higher according to Standard & Poor's).

To be specific, 2% of the debt securities were rated double A, 27% single A and 34% triple B.

As for the share risk, excluding investments, the indicator of sensitivity to the Eurozone share market (Beta coefficient) was 0.92.

The liquidity risk was limited because almost the entire portfolio (70.8% in the case of bonds and 100% in the case of shares) consisted of listed securities.

## Human Resources

At 31 December 2009 the Company had 417 employees.

The number of full-time equivalent (FTE) employees was 410.

| Number of staff | 31/12/2009 |            |            | 31/12/2008   |              |              |
|-----------------|------------|------------|------------|--------------|--------------|--------------|
|                 | Ave        | Final      | FTE        | Ave          | Final        | FTE          |
| Full-time       | 584        | 416        |            | 2,603        | 2,601        |              |
| Temporary       | 1          | 1          |            | 3            | 2            |              |
| <b>TOTAL</b>    | <b>585</b> | <b>417</b> | <b>410</b> | <b>2,606</b> | <b>2,603</b> | <b>2,477</b> |

The decrease since 31 December 2008 was due to the contribution.

29,941 days or 218,569 hours of training were provided by the Human Resources and Organisation Department during 2009 (either itself or through specialist outside companies) for all the companies in the Group and was centralised in the holding company UGF.

Training for the Group's insurance employees totalled 8,869 days, 7,304 of which were classroom based and 1,565 distance learning.

Training for the Group's banking employees totalled 21,072 days, 18,362 of which were classroom based and 2,710 distance learning.

## Information systems

The IT Department was finalising the plan to overhaul the Group's IT services, which was begun in the second half of 2007 and included measures for the:

- strategic development of the Group's technological architecture;

- revamp of the Group's basic operating systems (e.g. Non-Life and Life) and development and introduction of new ones (CRM – Customer Relationship Management, Administration, Management Control etc.);
- rationalisation of and research into procedures for managing and monitoring IT services;
- transformation of its role from supplier of technology to principal partner for the provision of services and tools to support business growth, thanks to the introduction of procedures for increasingly close collaboration with the business departments.

The following were the principal activities carried out in 2009:

- The Group's new Non-Life system became operational during 2009. It was expanded to include new applications and uses the latest web technology.
- Work continued on developing the Group's new Life system which, after the introduction in 2008 of the first subsystem dedicated to group policies, introduced the first part of the New Individual Life System.
- Several Agencies were provided with the new Group CRM system, which gives an integrated view of customers' insurance and banking requirements in order to improve customer service and increase business potentials by developing opportunities for cross-selling and up-selling.
- New integrated systems for General Ledger, Purchasing, Management Control and Financial reporting were introduced and Human Resources systems were standardised. Systems supporting Central Auditing work were also extensively automated.
- In order to optimise, supplement and increase synergies within the Group, work continued on rationalising and concentrating the information systems of the various Companies by transferring Linear's server farm to the Group's central data centre in the summer of 2009 and completely renewing and consolidating the Sertel, Unisalute and Linear call centre infrastructure into a new single platform for the whole Group.

The measures to be carried out in 2010 are geared to launching new products, improving operational efficiency, developing integrated marketing opportunities vis-à-vis Group customers and introducing modern and efficient technologies in order to improve the monitoring, availability and quality of services.

This work included completing the setting up of an integrated disaster-recovery infrastructure at Group level and beginning to implement the Solvency II project.

## Internet

The Parent UGF S.p.A.'s site, [www.unipolqf.it](http://www.unipolqf.it) enables users to access the sites of the various Companies in the Group as well as to obtain information on UGF.

## Research and development

Unipol Gruppo Finanziario did not carry out any research and development during 2009.

## Data protection (Legislative Decree 196/2003)

In accordance with the provisions of Legislative Decree 196/2003 – the Data Protection Act – Unipol Gruppo Finanziario S.p.A. updated its Data Protection Document within the statutory time limit. This document, which will be updated once a year, covers the security measures provided for in Appendix B to the Data Protection Act and contains the following information:

- list of operations involving personal information;
- distribution of duties and responsibilities of the various departments responsible for processing personal information;

- analysis of risks affecting information held;
- existing measures and measures to be adopted in order to guarantee that information is complete and available and that areas and premises are protected;
- criteria and procedures for restoring information after it has been destroyed or damaged;
- organising training in processing personal information;
- outsourcing the processing of personal information.

## Report on corporate governance and ownership in accordance with Article 123-bis of Legislative Decree 58 of 24 February 1998

The information required by Article 123-bis of Legislative Decree 58 of 24 February 1998 and amended by Article 5 of Legislative Decree 173 of 3 November 2008, is contained in the annual report on corporate governance, which has been approved by the Board of Directors and published, together with the management report, in accordance with Article 89-bis of the Regulation adopted by CONSOB in its ruling 11971 of 14 May 1999 and with Section IA.2.6. Guidelines on the Regulation Governing Markets Organised and Managed by the Borsa Italiana S.p.A..

The annual corporate governance report is in the Corporate Governance section on the Company's website ([www.unipolgf.it](http://www.unipolgf.it)).

## Social and environmental responsibility

### Corporate Mission Statement

*We are responsible for improving our Customers' quality of life by providing solutions that support and safeguard their projects.*

*The Group's entrepreneurial strategy is effective, profitable and sustainable and is based on the contribution made by its employees and the value that they add.*

The UGF Group's set of values was completed during 2009 with the Board of Directors' approval of the new Code of Ethics. During the previous year, in fact, the new Charter of Values, drawn up with the full collaboration of employees and agents as part of the 'Unisono project', had laid the foundation for an initiative aimed at giving the Group a stronger, shared and clear identity following its major restructuring and expansion.

The new Code of Ethics, the full text of which, together with the Charter of Values, can be seen on [www.unipolgf.it](http://www.unipolgf.it), identifies standards and types of behaviour that the whole Group, starting with the directors and the senior executives, must uphold in dealings with both internal and external stakeholders in the search for maximum compatibility at all levels. In order that this objective may be pursued consistently, tools for implementing, checking and monitoring the Code were set up: the Ethics Committee, made up of the members of the Board of Directors who belong to the Committee for Social Responsibility, and the Head of Ethics, to whom requests for information and information about alleged infringements of the Code may be sent.

The Code of Ethics was publicised during 2009 by being added to the Internet and intranet sites of all the companies in the Group, all of which had approved the Code, whilst all employees and agents were also given paper copies.

The Charter of Values and Code of Ethics were also presented at two meetings with Group suppliers. Specific training on the Code of Ethics for both employees and agents is planned for 2010. The Ethics Committee drew up the first Ethics Report on the work done during the year and in particular on measures taken as a result of information received. Once it has been submitted to the Board of Directors the Report will be published as part of the Group's 2009 Sustainability Report.

The 2009 Sustainability Report also represents the change in the method of reporting on corporate responsibility, which the UGF Group carried out as early as 1993 with the publication of the annual Social Report. The concept of sustainability, which is also covered by the corporate Mission insofar as it refers to entrepreneurial strategy that is "sustainable in the long run" and subsequently to "looking ahead" (with a commitment to "guarantee that the company will continue to be managed effectively and profitably" that excludes "waste and squandering of resources, with a view to achieving sustainability in the long term"), is indicative of a strategy based on the ability to combine economic and profit objectives ever more closely with social objectives, i.e. safeguarding and recognising the value of individuals, and environmental objectives, i.e. reducing energy consumption and protecting natural resources, in such a way as to balance the interests of the various stakeholders.

Because of both its origins and the ways in which it has grown and the business decisions it has made the UGF Group has always been characterised by long-term strategies and by attention to individuals, whether customers, employees or people unconnected with the Company, and to respect for the environment. Proof of this can be seen in the Social Reports drawn up over the years. Today, in the face of the changes that are taking place worldwide and also changes in the requirements and awareness of individuals and communities, new initiatives must be developed and in particular processes incorporating concern for social and environmental sustainability still further into policies and core business must be implemented as one of the keys to businesses remaining competitive in the market.

This is why the Committee for Corporate Responsibility of UGF's Board of Directors has, in agreement with the Group's top management, decided to promote a growing commitment along those lines, the initial results of which have already been included in the 2009 Sustainability Report (see [www.unipolqf.it](http://www.unipolqf.it)). In addition, work was already begun last year on drawing up the Group's 2010-2012 Sustainability Plan, which will be integrated into UGF's Business Plan.

## Relations with the Companies in the Group

Unipol Gruppo Finanziario S.p.A., a holding and service company, carries out management and coordination activities in accordance with Article 2497 et seq. of the Civil Code.

It is controlled by Finsoe S.p.A., which holds 50.75% of the ordinary share capital, and indirectly by Holmo S.p.A., which holds 80.90% of Finsoe S.p.A.'s share capital.

None of UGF S.p.A.'s shareholders carries out any of the management and coordination activities, in accordance with Article 2497 et seq. of the Civil Code.

The contribution of UGF's insurance business unit to UGF Assicurazioni was completed on 1 February 2009, the Parent UGF continuing to provide the services that do not affect the competitiveness of the individual operating companies.

Until 31 January 2009 the services UGF provided for Group companies were in the following areas:

- IT;
- Communications;
- Audit;
- Risk management;
- Claims management and settlement;
- Administrative (bookkeeping, tax, administrative and financial reporting services);
- Property, purchases and auxiliary services;
- Life and Non-Life marketing and technical;
- Staffing, organisation and training;
- Management planning and control;
- Legal, corporate and compliance.

As from 1 February 2009 UGF has provided services in the following areas:

- Staff and organisation (human resources);
- Risk management;
- Audit;
- Management planning and control;
- Legal (legal services, internal control, risk management and compliance with regulations/legislation);
- Communications;

Fees are based on external costs incurred, for example for products and services acquired from suppliers, and on the costs arising out of the activities of the companies themselves, i.e. generated by their own staff, and taking account of:

- the performance objectives that provision of the service to the Company must achieve;
- the strategic investments that UGF must make in order to guarantee the agreed levels of service;
- the requirement for the service provided to be largely in line with market terms.

The costs of providing centralised services specifically included the following components:

- staffing costs;
- operating costs (IT, logistics etc.);
- general costs (consultancy, legal costs etc.).

For centralised services the operating companies are charged a mark-up to take account of the allocated cost.

Fees are paid annually and take account of the results of the checks carried out jointly by UGF and its subsidiaries.

UGF Assicurazioni provides the Group companies, including UGF, with services in the following areas:

- Non-Life and Life management control;
- Legal affairs and data protection;
- IT services;
- Development of Non-Life projects and alternative channels;
- Life Business;
- Administrative (bookkeeping, tax, administrative and financial reporting services);
- Property, purchases and auxiliary services;
- Claims management and settlement;
- Budget and sales planning;
- Finance

Unipol SGR carried out asset management for UGF until 31 January 2009, when this activity too was entrusted to UGF Assicurazioni.

The fees charged to the Group companies for these services are based on the allocated cost.

Financial and commercial transactions with UGF Banca came under the usual types of transaction and as far as banking activity was concerned were for services, deposit accounts or corporate financing. The financial effects of these transactions were governed by the market terms applied to major customers.

Unipol Gruppo Finanziario also carried out transactions with Companies in the Group relating to secondment of staff, corporate financing and renting property. These relations did not include any atypical or unusual transaction and were governed by normal market terms.

UGF opted to join Finsoe S.p.A.'s national consolidated tax scheme for the three-year period 2007-2008-2009 and signed an agreement governing the resulting financial relations.

## Results of companies controlled directly

### UGF Assicurazioni S.p.A.

Registered Office: Bologna

Share capital: €150,300K

Book value: €2,936,344K

Percentage owned: 100% direct

The company is authorised to carry out Non-Life and Life insurance and reinsurance and capitalisation business and may also set up and manage open-ended pension funds.

UGF Assicurazioni ended 2009 with a net profit of €137.4m.

The major features of business performance during the year ended 31 December 2009 are analysed below.

With effect from 1 January 2009, UGF Assicurazioni (formerly Unipol Assicurazioni) merged the related company Aurora Assicurazioni, therefore the figures for 2008 related to the activities of the companies as they were at the time, with the percentage variation being based on the overall pro forma figure for 2008.

- 3.5% decrease in Non-Life premiums (direct business); in Life business premiums up 5.3%; total direct premiums up 0.4%.

Premiums by the end of 2009 had reached €5,894.7m, €5,865m of which was from direct business, broken down as follows:

| <b>Premiums<br/>(in €m)</b> | <b>Non-Life</b> | <b>Life</b>    | <b>Total</b>   | <b>Var. %</b> |
|-----------------------------|-----------------|----------------|----------------|---------------|
| Direct business             | 3,677.3         | 2,187.8        | 5,865.0        | 1.3%          |
| Indirect business           | 25.9            | 3.7            | 29.6           | 2.3%          |
|                             | <b>3,703.2</b>  | <b>2,191.5</b> | <b>5,894.7</b> | <b>1.3%</b>   |
| Ceded premiums              | 101.0           | 16.7           | 117.7          |               |
| Retained premiums           | <b>3,602.2</b>  | <b>2,174.7</b> | <b>5,776.9</b> |               |
| Breakdown %                 | 62.4%           | 37.6%          | 100.0%         |               |

The net retention of premiums written was 98%, up on the previous year (95.4%).

- The loss ratio for direct business was 85.7% compared with 76.4% at 31 December 2008.
- The results of the technical account, which also included operating expenses and the relevant gains on investments, was €204.6m (-€659.4m in 2008), €234.5m of it from Life business and €62.5m from Non-Life business.
- Operating expenses (which included acquisition and purchase commissions and other acquisition and administrative expenses) amounted to a total of €913.6m (-4.3%) and accounted for 15.5% of premiums (16.1% in 2008). Net of commissions from reinsurers, operating expenses amounted to €893.9m (-0.3%).
- By the end of 2009 technical provisions set aside for Life and Non-Life business had reached a total of €18,596.3m (+4.2% compared with the previous year) and €18,232.3m net of the reinsurers' share. The ratio of technical provisions to premiums was 179.0% in Non-Life business (171.8% in 2008) and 546.0% in Life business (541.1% in 2008).

The Company's shareholders' equity, including the operating results, amounted to €1,337.5m.

## **Navale Assicurazioni S.p.A.**

Registered Office: Milan

Share capital: €96,250K

Book value: €176,676K

Percentage owned: 99.83% direct

The company is authorised to carry out Non-Life insurance and reinsurance business.

The Company recorded a net loss for the year of €36m compared with a net loss of €9.5m for 2008.

The major features of business performance during the year ended 31 December 2009 are analysed below.

- Premiums from direct business are 7.7% higher than in the previous year. Premiums totalled €267.9m at 31 December 2009 (€248.7m at 31/12/2008). The net retention of premiums written was 96.3%, up on the previous year (87.9%).
- The loss ratio for direct business was 98.3% compared with 75.1% at 31 December 2008.
- The results of the technical account, which also included operating expenses and returns on investments, was -€50.2m (-€10.9m in 2008).
- Operating expenses (which included acquisition and purchase commissions and other acquisition and administrative expenses) amounted to a total of €67.3m (€65.2m at 31/12/2008) and accounted for 25.1% of premiums (26.2% in 2008). Net of work ceded administrative expenses amounted to €66.3m.
- Gross technical provisions set aside totalled €635.5m at the end of 2009 (€583.9m at 31/12/2008), €557.8m net of amounts borne by reinsurers (€495.0m at 31/12/2008). The ratio of technical provisions to premiums was 237.3% (234.8% in 2008).

The Company's shareholders' equity, including the operating results, amounted to €95.6m.

## **Compagnia Assicuratrice Linear S.p.A.**

Registered Office: Bologna

Share capital: €19,300K

Book value: €45,507K

Percentage owned: 100% direct

The company is authorised to carry out Non-Life insurance business and mostly sells MV products direct using alternative channels such as the telephone and the Internet.

The Company recorded a net profit for the year of €14.2m compared with €4.2m at 31 December 2008.

The major features of business performance during the year ended 31 December 2009 are analysed below.

- Premiums from direct business are 3.4% lower than in the previous year. Premium income totalled €160.0m at 31 December 2009 (€165.6m at 31/12/2008). The net retention of premiums written was 96.3%, up on the previous year (87.9%).
- The loss ratio for direct business was 79.7% compared with 76.0% at 31 December 2008.
- The results of the technical account, which also included operating expenses and returns on investments, was €18.9m (€11.5m in 2008).
- Operating expenses (which included acquisition and purchase commissions and other acquisition and administrative expenses) amounted to a total of €27.8m (€27.5m at 31/12/2008) and accounted for 17.4% of premiums (16.6% in 2008).
- Gross technical provisions set aside totalled €234.5m at the end of 2009 (€240.9m at 31/12/2008), €234.2m net of amounts borne by reinsurers (€240.7m at 31/12/2008). The ratio of technical provisions to premiums was 146.6% (145.5% in 2008).

The Company's shareholders' equity, including the operating results, amounted to €50.5m.

## **Unisalute S.p.A.**

Registered Office: Bologna

Share capital: €17,500K

Book value: €31,570K

Percentage owned: 98.48% direct

The company is authorised to carry out Non-Life insurance business and specialises in the Health class.

The Company recorded a net profit for the year of €9.9m compared with €8.6m in 2008.

The major features of business performance during the year ended 31 December 2009 are analysed below.

- Premiums from direct business are 17.9% higher than in the previous year. Premiums reached €160.4m at 31 December 2009 (€136.8m at 31 December 2008). The net retention of premiums written was 99.8%, up on the previous year (97.4%).
- The loss ratio for direct business was 78.2% compared with 75.2% at 31 December 2008.
- The results of the technical account, which also included operating expenses and returns on the relevant investments, was €13.6m (€12.5m in 2008).
- Operating expenses (which included acquisition and purchase commissions and other acquisition and administrative expenses) amounted to a total of €23.6m (€22.2m at 31/12/2008) and accounted for 15% of premiums (15.9% in 2008).
- Gross technical provisions set aside totalled €128.9m at the end of 2009 (€98.6m at 31/12/2008), €128.4m net of amounts borne by reinsurers (€97.7m at 31/12/2008). The ratio of technical provisions to premiums was 80.4% (72.1% in 2008).

The Company's shareholders' equity, including the operating results, amounted to €40.5m.

## **BNL Vita S.p.A.**

Registered Office: Milan

Share capital: €160,000K

Book value: €269,394K

Percentage owned: 51%

The company is authorised to carry out Non-Life insurance business.

The Company recorded a net profit for the year of €132.8m compared with a net loss of €87m for 2008.

The major features of business performance during the year ended 31 December 2009 are analysed below.

- Premiums from direct business are 98.7% higher than in the previous year. Premiums totalled €3,050.8m at 31 December 2009 (€1,535.3m at 31/12/2008). The net retention of premiums written was 99.9%, almost unchanged since the previous year.
- The results of the technical account, which also included operating expenses and returns on the relevant investments, was €174.0m (-€129.6m in 2008).
- Operating expenses (which included acquisition and purchase commissions and other acquisition and administrative expenses) amounted to a total of €22.1m (€22.4m at 31/12/2008) and accounted for 0.7% of premiums (1.5% in 2008).
- Gross technical provisions set aside totalled €6,257.1m at the end of 2009 (€4,382.9m at 31/12/2008), €6,241.5m net of amounts borne by reinsurers (€4,363.5m at 31/12/2008). The ratio of technical provisions to premiums was 205.1% (285.6% in 2008).

The Company's shareholders' equity, including the operating results, amounted to €410.9m.

## **UGF Banca S.p.A.**

Registered Office: Bologna

Share capital: €904,500K

Book value: €800,841K

Percentage owned: 100% (\*)

(\*) direct holding of 67.74% of the ordinary share capital and indirect holding of 32.26%

The Company recorded a net profit for the year of €5.7m compared with a net loss of €88.5m for 2008.

The major features of business performance during the year ended 31 December 2009 are analysed below.

- Customer deposits amounted to €9.5bn, an increase of 9.3% compared with 31 December 2008 (€8.7bn) whilst lending to customers amounted to €9.2bn, an increase of 8.7% compared with 31 December of the previous year (€8.5bn).
- Net doubtful debts amounted to €194m (€127m in 2008), an incidence of 2.1% on lending, concentrated in the property sector.
- Indirect customer deposits amounted to €21.7bn (€20.3bn in 2008), €1.8bn of which were assets under management and €19.9bn funds under administration.
- Gross income reached €331.4m (+5.2% compared with 2008).
- Operating costs of €225.3m were up (+16.4% compared with 2008), owing to the increase in both staffing costs (+17.8%) and other administrative expenses (+15.6%). The increase was due both to the increase in the number of employees following the start of work on splitting the bank into divisions and to several extraordinary costs incurred during preparations for outsourcing IT work, which took place on 4 January 2010.
- Value adjustments to take account of impairment losses on receivables and other financial assets amounted to €55.9m (€212.1m in 2008).

The Company's shareholders' equity, including the operating results, amounted to €1,039.9m (€827.8m in 2008). There was a €201m share capital increase during 2009.

## **Unipol SGR S.p.A.**

Registered Office: Bologna

Share capital: €5,000K

Book value: €5,550K

Percentage owned: 100% direct

The Company managed the assets of the insurance companies in the UGF Group until 31 January 2009 (until 31/3/2009 in the case of BNL Vita), when the activity was transferred to the related company UGF Assicurazioni.

The Company recorded a net profit for the year of €0.1m compared with €4.4m in 2008.

The major features of Unipol SGR's business performance during the year ended 31 December 2009 are analysed below.

- Net commissions were 86% down on the previous year. Commission income amounted to €1.6m at 31 December 2009 (€11.6 in 2008).
- Administrative expenses amounted to €1.4m (€5.2m at 31/12/2008), an incidence of 83% on commission income (44.3% at 31/12/2008).
- The operating result fell from €4.4m in 2008 to €0.1m at 31 December 2009.
- Financial assets held for trading amounted to €5.0m (€6.1m at 31/12/2008).

The Company's shareholders' equity, including the operating results, amounted to €6m.

## Ambra Property S.p.A.

Registered Office: Bologna

Share capital: €100K

Book value: €20,495K

Percentage owned: 100% direct

The company was set up on 24 June 2008 and began operating in the hotel business on 1 July 2008, therefore the 2009 financial year was the company's first full year of operation and comparison with the figures for the previous year is of limited significance. The hotel business was operated in the property at Piazza della Costituzione 1, Bologna.

The Company recorded a net loss for the year of €0.1m compared with a net profit of €0.1m in 2008.

The major features of business performance during the year ended 31 December 2009 are analysed below (with no corresponding figures for 2008).

- Production reserves €4.0m.
- Production costs €4.1m.
- €4.3m of tangible fixed assets for the property in which the UNA WAY Hotel Bologna Fiera is situated

The Company's shareholders' equity, including the operating results, amounted to €4.3m.

## Investments held by the Boards of Directors and Statutory Auditors, the General Manager and the key managers

In accordance with the provisions of Article 79 of CONSOB Ruling 11971 of 14 May 1999 (the Issuer Regulation), the investments held in the Company by the Directors, Statutory Auditors, General Manager and key managers, including those held by spouses from whom they are not legally separated and by minor children, direct or through subsidiaries, trust companies or an intermediary, as shown in the register of members and ascertained from communications received and other information obtained from these directors, statutory auditors and key managers, are listed below.

None of them held shares in subsidiaries.

| Beneficiary<br>First name and surname | Company                   | Category<br>of shares | No. shares<br>owned<br>at the start of the<br>year | Purchased<br>In 2009 | Sold<br>In 2009 | No. shares<br>owned<br>at the end of the<br>year |
|---------------------------------------|---------------------------|-----------------------|--|----------------------|-----------------|--|
| Sergio BETTI                          | Unipol Gruppo Finanziario | Pref                  |  | 6,000                |                 | 6,000  |
| Rocco CARANNANTE                      | Unipol Gruppo Finanziario | Pref                  | 22,400   |                      |                 | 22,400   |
| Gilberto COFFARI                      | Unipol Gruppo Finanziario | Ord                   | 4,020  |                      |                 | 4,020  |
| Fabrizio GILLONE                      | Unipol Gruppo Finanziario | Pref                  | 235,000  |                      |                 | 235,000  |
| Ivan MALAVASI                         | Unipol Gruppo Finanziario | Ord                   | 6,000  | 4,000                |                 | 10,000   |
| Giuseppe POLITI                       | Unipol Gruppo Finanziario | Ord                   | 500  |                      |                 | 500  |
| Carlo SALVATORI                       | Unipol Gruppo Finanziario | Ord                   | 200,000  |                      |                 | 200,000  |
| Luca ZACCHERINI<br>Giovanni           | Unipol Gruppo Finanziario | Ord                   | 10,000   |                      |                 | 10,000   |
| Battista GRAZIOSI (1)                 | Unipol Gruppo Finanziario | Ord                   | 10,872   |                      |                 | 10,872   |
|                                       |                           | Ord                   | 5,000  |                      |                 | 5,000  |
| KEY MANAGERS (2)                      | Unipol Gruppo Finanziario | Pref                  | 5,000  |                      |                 | 5,000  |

(1) No. of shares owned through spouse.

(2) Total.

This table does not indicate Unipol Gruppo Finanziario shares allocated free to the General Manager nor to key managers since they are described in the relevant section of the Notes to the Financial Statements.

## Significant events after the end of the financial year

In addition to what has already been mentioned in the first part of this report, in particular relating to the project to acquire the ARCA Group, it should be mentioned that in the first few months of 2010 the Group has been drawing up the new 2010-2012 Business Plan, which will be submitted to the relevant company bodies for approval in May and will subsequently be presented within the Group and to the market and the financial community.

The development of the Plan, based on the guidelines provided by the General Manager Carlo Cimbri will involve various 'themed areas' with the participation of all company areas. The approach used therefore relies on strong involvement and adhesion to the management process of the project; management will directly aim to achieve results set out for the following three-year period.

## Business outlook

The macroeconomic context continues to be critical in 2010 and in the first few months has been characterised by a rise in the unemployment rate, stagnation in consumption and concern about the increase in public borrowing. Financial markets are showing signs of instability, partly as a result of concerns about the increase in the indebtedness of several countries, with tensions in the currency markets.

Against this background, Group investment policies are based on the maximum prudence, with a high level of liquidity being maintained, the creditworthiness of new investments being rigorously assessed and the rate risk and share risk being hedged.

Group performance in insurance business during the period following the closure of the 2009 financial statements shows a drop in Life premiums as a result of the expected drop in BNL Vita business, which had recorded particularly good improvements, especially in the first half of 2009, whilst the channels belonging to UGF Assicurazioni are maintaining their performance.

In Non-Life business UGF Assicurazioni, the principal insurance company in the Group, increased MV TPL tariffs as from 1 January in both the Unipol division and the Aurora division as part of a more complex and diverse review of tariffs launched towards the end of 2009.

Measures taken to derecognise policies with poor technical performance, combined with the selective effects triggered by the tariff review, are producing a fall in the portfolio, and consequently also in premiums, in line with expectations. In addition, the positive reversal of the trend in UGF Assicurazioni MV TPL claims reported, which began in the final quarter of 2009, is continuing and by the end of February they were considerably down compared with the same period last year. The Group's Non-Life and Life insurance activities will be strengthened in 2010 by the acquisition of the Arca Vita Group, which has already been mentioned, for which the contracts have been signed and the requisite authorisation procedures have been initiated.

In banking business it is worth mentioning that, after preparations lasting several months, on 4 January 2010 UGF Banca successfully transferred the information system to the new Cedacri IT platform, which replaced that of CSE. This is a decision of strategic importance for the Banking Group, being the technological evolution of a system intended to facilitate growth over the next few years and bring about major financial benefits, including reductions in costs.

Although the problems in the economy as a whole and in the sector are likely to continue, the initial positive effects of the many measures taken are expected to manifest themselves this year, particularly in Non-Life business.

## Resolutions to be put to the Ordinary Shareholders' Meeting

Dear Shareholders,

In submitting the Financial Statements for 2009 and the report for your approval we should like to make the following proposals regarding the net profit for the year:

- (i) to approve the Annual Financial Statements of Unipol Gruppo Finanziario S.p.A. as at and for the year ended 31 December 2009, together with the Management Report, which showed a net profit for the year of €128,819,303;
- (ii) to allocate the net profit of €128,819,303 as follows:
  - > €28,422,249.36 to the extraordinary reserve;
  - > the rest of the profit, amounting to 77.94% of the total, to the dividend, as follows:
    - €32,997,759.37 to the dividend on preference shares (911,540,314 x 0.0362);
    - €45,876,459.37 to the dividend on ordinary shares (1,479,885,786 x 0.0310);
    - €21,522,834.90 to a further dividend on preference and ordinary shares (2,391,426,100 x 0.0090);
- (iii) therefore, by allocating the profit as set out above, to approve the distribution of a dividend of €0.0400 per ordinary share, a dividend of €0.0452 per preference share and total dividends of €100,397,053.64;
- (iv) to fix 27 May 2010 as the date to start paying the dividend (coupon to be detached on 24/5/2010).

Bologna, 25 March 2010

**The Board of Directors**



Company **UNIPOL GRUPPO FINANZIARIO SPA**

Share capital subscribed **€ 2.391.426.100**

Paid-up **€ 2.391.426.100**

Registered Offices in BOLOGNA - Via Stalingrado 45

Bologna company registration no. 00284160371

**ANNUAL REPORT**

**BALANCE SHEET  
and  
INCOME STATEMENT**

**2009 Financial Year**

**(amounts in €)**

# UNIPOL GRUPPO FINANZIARIO SPA

## Balance Sheet

| <b>ASSETS</b>   | <b>31.12.2009</b>    | <b>31.12.2008</b>    |
|---|----------------------|----------------------|
| <b>A) SHARE CAPITAL PROCEEDS TO BE RECEIVED</b>         | <b>0</b>             | <b>0</b>             |
| <i>- incl. capital called up</i>                        | <i>0</i>             | <i>0</i>             |
| <b>B) FIXED ASSETS</b>                                  |                      |                      |
| I Intangible fixed assets                               |                      |                      |
| 1) Start-up and capital costs                           | 32.002               | 12.547.119           |
| 2) Research, development and advertising costs          | 9.594.527            | 0                    |
| 4) Concessions, licences, trademarks and similar rights | 1.656                | 0                    |
| 6) Assets under development and payments on accounts    | 998.500              | 0                    |
| 7) Other  | 496.421              | 16.728.042           |
| Total   | 11.123.106           | 29.275.161           |
| II Tangible fixed assets                                |                      |                      |
| 2) Plant and machinery                                  | 65.597               | 5.165.096            |
| 4) Other assets   | 598.015              | 19.649.094           |
| Total   | 663.612              | 24.814.190           |
| III Financial fixed assets                              |                      |                      |
| 1) Investments in:                                      |                      |                      |
| a) subsidiaries   | 4.286.378.109        | 4.083.995.027        |
| Total investments                                       | 4.286.378.109        | 4.083.995.027        |
| 2) Financial receivables:                               |                      |                      |
| d) from others  | 98.480.205           | 104.913.635          |
| - incl. due within 12 months                            | 379.148              | 1.094.575            |
| Total financial receivables                             | 98.480.205           | 104.913.635          |
| 3) Other securities                                     | 369.441              | 20.314.524           |
| Total   | 4.385.227.755        | 4.209.223.186        |
| <b>TOTAL FIXED ASSETS</b>                               | <b>4.397.014.473</b> | <b>4.263.312.537</b> |

| <b>ASSETS</b>                               | <b>31.12.2009</b>    | <b>31.12.2008</b>    |
|---|----------------------|----------------------|
| <b>C) CURRENT ASSETS</b>                    |                      |                      |
| I Inventory                                 | 0                    | 0                    |
| Total                                       | 0                    | 0                    |
| II Receivables                              |                      |                      |
| 1) trade receivables                        | 1.353.389            | 1.784.276            |
| - incl. due after 12 months                 | 0                    | 0                    |
| 2) from subsidiaries                        | 444.791.881          | 136.648.299          |
| - incl. due after 12 months                 | 0                    | 0                    |
| 3) from associates                          | 3.050                | 46.226               |
| - incl. due after 12 months                 | 0                    | 0                    |
| 4) from parents                             | 71.364.605           | 62.558.396           |
| - incl. due after 12 months                 | 0                    | 0                    |
| 4 bis) tax receivables                      | 11.046.979           | 8.823.961            |
| - incl. due after 12 months                 | 1.213.532            | 0                    |
| 4 ter) deferred tax assets                  | 9.805.298            | 12.005.848           |
| - incl. due after 12 months                 | 0                    | 0                    |
| 5) from others                              | 9.183.064            | 7.848.504            |
| - incl. due after 12 months                 | 601.077              | 971.620              |
| Total                                       | 547.548.266          | 229.715.510          |
| III Current financial assets                |                      |                      |
| 4) Other investments                        | 60.115.055           | 50.419.558           |
| 5) Own shares                               | 43.670               | 51.794               |
| 6) Other securities                         | 212.495.111          | 233.559.327          |
| Total                                       | 272.653.836          | 284.030.679          |
| III Liquid funds                            |                      |                      |
| 1) Bank and postal accounts                 | 534.739.168          | 416.703.620          |
| - including from subsidiaries               | 532.831.856          | 412.589.873          |
| 3) Cash -in-hand and cash equivalents       | 16.236               | 190.762              |
| Total                                       | 534.755.404          | 416.894.382          |
| <b>TOTAL CURRENT ASSETS</b>                 | <b>1.354.957.506</b> | <b>930.640.571</b>   |
| <b>D) PREPAYMENTS AND ACCRUED INCOME</b>    |                      |                      |
| 1) Accrued income                           | 2.302.355            | 3.647.560            |
| 2) Prepayments                              | 10.491.420           | 2.771.698            |
| 3) Discount on loans                        | 5.105.240            | 0                    |
| <b>TOTAL PREPAYMENTS AND ACCRUED INCOME</b> | <b>17.899.015</b>    | <b>6.419.258</b>     |
| <b>TOTAL ASSETS</b>                         | <b>5.769.870.994</b> | <b>5.200.372.366</b> |

# UNIPOL GRUPPO FINANZIARIO SPA

## Balance Sheet

| LIABILITIES   | 31.12.2009           | 31.12.2008           |
|---|----------------------|----------------------|
| <b>A) SHAREHOLDERS' EQUITY</b>                        |                      |                      |
| I Share capital                                       | 2.391.426.100        | 2.391.426.100        |
| II Share premium reserve                              | 1.051.879.236        | 1.051.879.236        |
| III Revaluation reserves                              | 20.700.874           | 20.700.874           |
| IV Legal reserve                                      | 478.285.220          | 478.285.220          |
| V Statutory reserves                                  | 0                    | 0                    |
| VI Reserve for own shares in portfolio                | 43.670               | 51.794               |
| VII Other reserves                                    | 388.557.620          | 391.422.792          |
| -Extraordinary reserve                                | 222.659.830          | 222.659.830          |
| -Reserve for own shares/parents' shares               | 144.956.330          | 144.948.206          |
| -Warrant conversion reserve                           | 0                    | 314.007              |
| -Share exchange reserve                               | 20.941.460           | 21.047.004           |
| -Negative goodwill                                    | 0                    | 21.956               |
| -Reserve pursuant to Art. 2426 (8-bis) Civil Code     | 0                    | 2.105.774            |
| -Reserve under Regional Law 46, 12/4/1967, Sicily     | 0                    | 326.014              |
| -Rounding reserve                                     | 0                    | 1                    |
| VIII Retained earnings or losses                      | 0                    | 0                    |
| IX Profit (loss) for the year                         | 128.819.303          | (2.873.296)          |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                     | <b>4.459.712.023</b> | <b>4.330.892.720</b> |
| <b>B) PROVISIONS FOR RISKS AND CHARGES</b>            |                      |                      |
| 2) Tax provisions, incl. for deferred tax liabilities | 2.072.845            | 8.156.666            |
| 3) Other provisions                                   | 9.129.296            | 9.172.541            |
| <b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>         | <b>11.202.141</b>    | <b>17.329.207</b>    |
| <b>C) EMPLOYEES' LEAVING ENTITLEMENT</b>              | <b>3.973.708</b>     | <b>29.926.066</b>    |
| <b>D) PAYABLES</b>                                    |                      |                      |
| 1) Bonds  | 925.000.000          | 600.000.000          |
| - incl. due after 12 months                           | 925.000.000          | 600.000.000          |
| 3) Shareholder loan                                   | 12.856.225           | 14.917.335           |
| - incl. due after 12 months                           | 0                    | 0                    |
| 7) Trade payables                                     | 24.059.692           | 27.356.698           |
| - incl. due after 12 months                           | 0                    | 0                    |
| 9) Payables to subsidiaries                           | 315.149.015          | 135.584.069          |
| - incl. due after 12 months                           | 0                    | 0                    |
| 10) Payables to associates                            | 4.769                | 351.896              |
| - incl. due after 12 months                           | 0                    | 0                    |
| 12) Tax payables                                      | 2.400.267            | 4.409.541            |
| - incl. due after 12 months                           | 0                    | 0                    |
| 13) Social security charges payable                   | 1.967.184            | 5.670.053            |
| - incl. due after 12 months                           | 0                    | 0                    |
| 14) Other payables                                    | 6.661.327            | 14.540.762           |
| - incl. due after 12 months                           | 0                    | 0                    |
| <b>TOTAL PAYABLES</b>                                 | <b>1.288.098.479</b> | <b>802.830.354</b>   |

| <b>LIABILITIES</b>                                | <b>31.12.2009</b>    | <b>31.12.2008</b>    |
|---|----------------------|----------------------|
| <b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>    |                      |                      |
| 1) Accrued expenses                               | 6.884.643            | 18.713.187           |
| 3) Premium on loans                               | 0                    | 680.832              |
| <b>TOTAL ACCRUED EXPENSES AND DEFERRED INCOME</b> | <b>6.884.643</b>     | <b>19.394.019</b>    |
| <b>TOTAL LIABILITIES</b>                          | <b>5.769.870.994</b> | <b>5.200.372.366</b> |

| <b>GUARANTEES, COMMITMENTS &amp; OTHER MEMORANDUM ACCOUNTS</b> | <b>31.12.2009</b>    | <b>31.12.2008</b>    |
|--|----------------------|----------------------|
| <b>I GUARANTEES GIVEN</b>                                      |                      |                      |
| 1) Sureties to third parties                                   | 448.994              | 421.094              |
| 3) Other personal guarantees to subsidiaries                   | 561.689.000          | 0                    |
| <b>TOTAL GUARANTEES GIVEN</b>                                  | <b>562.137.994</b>   | <b>421.094</b>       |
| <b>II OTHER MEMORANDUM ACCOUNTS</b>                            |                      |                      |
| 1) Commitments   | 756.015.490          | 156.471.120          |
| 2) Third parties' assets                                       | 2.453.663            | 2.453.663            |
| 3) Securities with third parties                               | 1.663.193.000        | 1.457.094.481        |
| 4) Others  | 4.131.565            | 604.388.635          |
| <b>TOTAL OTHER MEMORANDUM ACCOUNTS</b>                         | <b>2.425.793.718</b> | <b>2.220.407.899</b> |
| <b>TOTAL GUARANTEES, COMMITMENTS &amp; OTHER MEM. ACCOUNTS</b> | <b>2.987.931.712</b> | <b>2.220.828.993</b> |

## UNIPOL GRUPPO FINANZIARIO SPA

### Income Statement

|  | 31.12.2009          | 31.12.2008          |
|--|---------------------|---------------------|
| <b>A) PRODUCTION RESERVES</b>                    |                     |                     |
| 1) Turnover from sales and services              | 48.274.431          | 257.658.120         |
| 5) Other revenues and income:                    |                     |                     |
| b) sundry income                                 | 15.971.544          | 13.536.723          |
| Total other revenues and income                  | 15.971.544          | 13.536.723          |
| <b>TOTAL PRODUCTION RESERVES</b>                 | <b>64.245.975</b>   | <b>271.194.843</b>  |
| <b>B) PRODUCTION COST</b>                        |                     |                     |
| 7) Services                                      | 36.143.225          | 99.945.028          |
| 8) Use of third party assets                     | 5.440.041           | 19.173.336          |
| 9) Personnel expenses:                           |                     |                     |
| a) wages and salaries                            | 37.817.494          | 112.094.476         |
| b) social security contributions                 | 10.627.872          | 30.922.270          |
| c) s employees' leaving entitlement              | 2.637.500           | 8.961.756           |
| e) other costs                                   | 7.468.266           | 22.703.565          |
| Total staff                                      | 58.551.132          | 174.682.067         |
| 10) Amortisation, depreciation and write-downs:  |                     |                     |
| a) amortisation of intangible fixed assets       | 13.894.519          | 15.364.808          |
| b) amortisation of tangible fixed assets         | 1.199.848           | 12.448.733          |
| Total amortisation, depreciation and write-downs | 15.094.367          | 27.813.541          |
| 13) Other provisions                             | 775.270             | 3.360.000           |
| 14) Other operating costs                        | 5.099.936           | 3.074.997           |
| <b>TOTAL PRODUCTION COST</b>                     | <b>121.103.971</b>  | <b>328.048.969</b>  |
| <b>OPERATING LOSS (A-B)</b>                      | <b>(56.857.996)</b> | <b>(56.854.126)</b> |
| <b>C) FINANCIAL INCOME AND CHARGES</b>           |                     |                     |
| 15) Income from investments:                     |                     |                     |
| a) in subsidiaries                               | 154.237.709         | 51.254.517          |
| c) in other companies                            | 4.251.638           | 3.157.158           |
| Total income from investments                    | 158.489.347         | 54.411.675          |

## Income Statement (continued)

|   | 31.12.2009         | 31.12.2008          |
|---|--------------------|---------------------|
| 16) Other financial income:                     |                    |                     |
| a) from receivables classified as fixed assets  | 8.772.146          | 6.153.458           |
| 1) from subsidiaries                            | 0                  | 5.643.331           |
| 4) from other companies                         | 8.772.146          | 510.127             |
| c) from securities classified as current assets | 17.880.122         | 20.741.629          |
| d) other income                                 | 33.603.442         | 50.381.991          |
| 1) from subsidiaries                            | 3.391.529          | 32.482.079          |
| 4) from other companies                         | 30.211.913         | 17.899.912          |
| Total other financial income                    | 60.255.710         | 77.277.078          |
| 17) Interest and other financial charges:       |                    |                     |
| a) from subsidiaries                            | 1.201.817          | 253.770             |
| c) from parents                                 | 3.618.477          | 0                   |
| d) from other companies                         | 63.112.280         | 73.663.421          |
| Total interest and other financial charges      | 67.932.574         | 73.917.191          |
| 17-bis) Exchange rate gains/(losses)            | (28.764)           | (538.375)           |
| <b>NET FINANCIAL INCOME</b>                     | <b>150.783.719</b> | <b>57.233.187</b>   |
| <b>D) ADJUSTMENTS TO FINANCIAL ASSETS</b>       |                    |                     |
| 18) Write-backs:                                |                    |                     |
| a) investments                                  | 8.208.801          | 0                   |
| c) securities classified as current assets      | 23.802.021         | 1.499.270           |
| Total write-backs                               | 32.010.822         | 1.499.270           |
| 19) Write-downs:                                |                    |                     |
| a) investments                                  | 602.375            | 27.332.654          |
| c) securities classified as current assets      | 4.940.973          | 55.133.913          |
| Total write-downs                               | 5.543.348          | 82.466.567          |
| <b>TOTAL ADJUSTMENTS</b>                        | <b>26.467.474</b>  | <b>(80.967.297)</b> |
| <b>E) EXTRAORDINARY INCOME AND EXPENSES</b>     |                    |                     |
| 20) Income:                                     |                    |                     |
| a) Gains on sale of assets                      | 22.389             | 49.090.924          |
| b) Other income                                 | 9.199.152          | 2.036.830           |
| Total income                                    | 9.221.541          | 51.127.754          |
| 21) Expense:                                    |                    |                     |
| a) Losses on sale of assets                     | 149.384            | 10.275              |
| c) Other expense                                | 10.190.090         | 6.982.858           |
| Total expense                                   | 10.339.474         | 6.993.133           |
| <b>NET EXTRAORDINARY INCOME/(EXPENSE)</b>       | <b>(1.117.933)</b> | <b>44.134.621</b>   |
| <b>PROFIT BEFORE TAXATION</b>                   | <b>119.275.264</b> | <b>(36.453.615)</b> |
| 22) Current and deferred income taxes           |                    |                     |
| a) current income tax                           | (5.808.038)        | (17.707.310)        |
| b) deferred tax expense                         | (6.083.821)        | (15.873.009)        |
| c) deferred tax income                          | 2.347.820          | 0                   |
| Total income taxes                              | (9.544.039)        | (33.580.319)        |
| <b>NET PROFIT (LOSS) FOR THE YEAR</b>           | <b>128.819.303</b> | <b>(2.873.296)</b>  |

The undersigned declare that the financial statements give a true and fair view of the accounting books.

The Company's legal representative

**The Chairman**

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***Pierluigi Stefanini***

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The Statutory Auditors

**Roberto Chiusoli**

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**Giorgio Picone**

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**Domenico Livio Trombone**

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# Notes to the Financial Statements

## Structure and contents of the financial statements

Unipol Gruppo Finanziario S.p.A.'s 2009 financial statements are drawn up in accordance with the provisions of the Italian Civil Code and the national accounting standards approved by the Italian Accounting Standard Setter (OIC). In fact, being an insurance holding company under Article 1 para. 1aa) of Legislative Decree 209/2005 (Insurance Code), Unipol Gruppo Finanziario must draw up its consolidated financial statements in accordance with IFRS but cannot apply these same international standards to the Company's separate financial statements under Article 4 of Legislative Decree 38/2005.

The financial statements consist of the Balance Sheet, the Income Statement and these Notes to the Financial Statements. They are also accompanied by the management report.

As laid down in Article 2423, para. 5, of the Civil Code, the figures on the balance sheet and the income statement are expressed to the nearest whole Euro, whilst unless otherwise indicated the figures recorded in the notes to the financial statements are expressed in €K as allowed by the provisions of Article 2423 of the Civil Code.

The Company's financial statements were drawn up clearly and give a true and fair view of the company's financial position and results of operations for the year.

The valuation criteria were adopted on a going concern assumption, in accordance with the criteria of accruals, relevance and significance of the accounting information.

There were no significant events after the end of the year that could affect the financial statements results.

As an addition to the information provided by the mandatory layouts mentioned above, the figures in the income statement are restated in the attached reclassification schedule and are accompanied by the schedule of variations in shareholders' equity and by the statement of cash flows.

The financial statements present corresponding figures.

They have been audited by KPMG S.p.A., to which the Shareholders' Meeting has entrusted the engagement for 2006-2011.

## Valuation criteria

The valuation criteria used to draw up the financial statements at 31 December 2009, of which the main ones are listed below, are the same as those used to draw up the financial statements for the previous year, with the sole exception of the valuation of the dividends of the subsidiaries recorded under fixed assets. In fact, as from the current year these dividends are recorded 'on maturity', that is in the year in which the subsidiaries 'produce' the income, provided the subsidiary's board of directors has already voted to distribute a dividend when UGF S.p.A.'s executive body approves the draft financial statements.

The variation in this principle involved recording €140,023K of income from investments. They were recorded in the income statement balance sheet as receivables from subsidiaries.

During 2008, recording dividends on maturity would have had a positive financial effect of €14,214K against a fall in income recorded on a cash basis of €51,254K.

Applying the new accounting standard retrospectively would have had the following pro forma effects:

| <i>(amounts in €K)</i>         | <b>2009</b> | <b>2008</b> |
|--------------------------------|-------------|-------------|
| Net profit for the year        | 128,819     | (2,873)     |
| Net profit/(loss) for the year | 114,605     | (39,913)    |
| Shareholders' equity           | 4,459,712   | 4,330,893   |
| Shareholders' equity           | 4,459,712   | 4,293,853   |

### **Intangible fixed assets**

Intangible fixed assets are recorded at the original cost of acquisition or production, including additional charges, and are amortised on the basis of their possible remaining useful life. Amortisation of assets under development is suspended and runs from the year in which they are first implemented.

Start-up and capital costs are amortised over five years on a straight-line basis, starting from the year in which they were incurred.

Other long-term expenses are amortised on the basis of their estimated useful life. Long-term advertising costs are capitalised with the consent of the Board of Statutory Auditors and amortised over three years. Intangible fixed assets that have no future use are written down in the income statement.

### **Tangible fixed assets**

Tangible fixed assets are recorded at acquisition cost and adjusted to take account of accumulated depreciation. The book value takes account of the proportion of the additional charges and direct and indirect costs that can be reasonably allocated to the asset.

Depreciation is based on the useful life of the asset, the average rates applied being as follows:

- furniture and office machinery: between 12% and 40%
- movables recorded in public registers: 25%
- plant and machinery: between 15% and 33%
- DPC machinery: between 20% and 40%
- assets up to €516: 100%

### **Financial fixed assets**

These are mainly represented by controlling investments.

These investments are recorded in the financial statements at the cost of acquisition or of subscription or at a value below cost in cases in which the companies have recorded impairment losses.

Bonds that the Company intends to hold long-term are valued at the average purchase or subscription cost, plus or minus the proportion of the negative or positive difference between repayment value and acquisition cost that accrued during the year, with the relevant proportion of any issue spread being recorded separately. They may be written down only if impairment losses are ascertained. In the case of securities with an implicit rate (such as zero coupon bonds) an adjustment is made for the appropriate proportion of capital that has already accrued.

The original value is reinstated in whole or in part in subsequent years if the reasons for the impairment losses no longer apply.

### **Receivables**

These are recorded at their estimated realisable value.

### **Current financial assets**

Shares that do not constitute fixed assets and units in OEIC are recorded at the average acquisition cost or the market value, whichever is lower, which in the case of listed shares corresponds to the average price recorded in the final month of the year and in the case of unlisted shares is based on a prudent estimate of their estimated realisable value.

However, if the average price in the final month is not representative of the market value of listed securities, prudential averages deemed to be more representative are used.

Bonds used as short-term investments are adjusted to the average cost, plus or minus accrued issue spreads, or the market value, whichever is the lower. In the case of listed securities the market value is based on the average of prices recorded in December and in the case of those that are not listed at the estimated realisable value at 31 December, based on the current value of securities traded on regulated markets that have similar characteristics.

Impairment losses recorded in previous years are not maintained if the rationale for them no longer applies. The company did not avail itself of the option for valuing securities not intended to remain in the company's shareholders' equity in the long term, introduced temporarily by Article 15, para. 13, of Legislative Decree 185 of 29 November 2008.

### **Derivatives**

Derivatives are used exclusively for hedging purposes, to reduce the risk profile of the hedged assets and liabilities or to optimise their risk/return profile. Derivative contracts in existence at the end of the year are valued in line with the hedged assets/liabilities.

The present value of derivative contracts is determined by the 'deemed cost' method, using the prices and rates prevailing at the end of the year where maturities are the same and comparing these with the contractual prices and rates.

The premiums received or paid for options on securities, shares, currencies or rates existing at the end of the period are recorded in item C.III.6) 'Other securities' and item D.14) 'Other payables' respectively.

When the option matures:

- if it is exercised, the premium is recorded as an adjustment to the purchase or selling price of the underlying asset;
- if it is not exercised, the premium is recorded in item C) 'Financial income and charges'.

### **Prepayments and accrued income, accrued expenses and deferred income**

Prepayments and accrued income, as well as accrued expenses and deferred income, are calculated on an accruals and matching basis.

### **Provisions for risks and charges**

The provisions for risks and charges are set aside to cover losses or liabilities that are definite or probable if at the end of the year it is not possible to ascertain with certainty the amount of them or the date they would be incurred. These provisions are valued with due regard to the general principles of prudence and accruals and the amounts set aside reflect the best estimate it is possible to make on the basis of the figures available.

### **Employees' leaving entitlement**

Employees' leaving entitlement reflects liabilities to employees accrued at the end of the year, net of amounts allocated to supplementary pension schemes and to the INPS fund (Istituto Nazionale Previdenza Sociale), in accordance with current legislation.

### **Payables**

Payables are recorded at their nominal amount.

### **Guarantees, commitments and other memorandum accounts**

Commitments and guarantees are shown in the memorandum accounts at their contractual value.

### **Dividends**

Dividends are recorded in the year in which they are received (on a cash basis). Starting from this year, dividends from subsidiaries are recorded on maturity.

### **Costs and revenues**

Costs and revenues are recorded in accordance with the principles of prudence and accruals.

### **Income taxes**

In its capacity as a consolidated company, the company had adhered to the system of Group consolidated taxation for the purposes of IRES, as governed by Article 117 et seq. of Presidential Decree 917/1986 and by the Ministerial Decree of 9 June 2004, for the years 2007-2008-2009, by signing an agreement with the parent Finsoe S.p.A. relating to regulation of the financial and procedural aspects of the three-year option in question.

Consequently the charges/income linked to the transfer to the parent of the taxable income/loss for the purposes of IRES are recorded under the taxation in the income statement on the basis of the taxable income and in accordance with legislation, account being taken of the rules for determining taxable income, the exemptions applicable, the tax credits due and the terms of the agreement with the parent.

IRAP for the year is also recorded under taxation.

Deferred taxes, based on the temporary differences between the statutory and taxable profit, that arose or were deducted during the year, are recorded as deferred tax assets and deferred tax liabilities respectively. Deferred tax assets are recorded only if it is reasonably certain that they can be recovered in future years. Deferred tax liabilities are always recorded.

Deferred taxation is based on the rates applicable under current legislation and those that will apply in future years in which it is expected that some of all of the temporary differences that gave rise to them will be absorbed.

The information referred to in Article 2427 para. 1.14 of the Civil Code, together with the table reconciling the theoretical and effective tax charge, is recorded under 'Income statement – Current and deferred taxes'.

### **Conversion of balances in foreign currencies**

Items expressed in foreign currencies are dealt with in accordance with the principles of multicurrency accounting.

Under Article 2426, para. 8-bis, of the Civil Code, tangible, intangible and financial fixed assets (represented by investments) that are in foreign currencies are recorded at the exchange rate prevailing at the time they were acquired whereas other items expressed in foreign currencies are recorded at year-end exchange rates. All the balances arising from conversion are charged to the income statement.

When the net profit for the year is allocated, any unrealised net gain arising from conversion is allocated to a reserve that cannot be distributed until the profit is actually realised.

### **Exchange rates used**

The following exchange rates were applied for converting the main currencies into Euro:

| <b>Currencies</b> | <b>2009</b> | <b>2008</b> |
|-------------------|-------------|-------------|
| US dollar         | 1.4406      | 1.3917      |
| Pound sterling    | 0.8881      | 0.9525      |
| Swiss franc       | 1.4836      | 1.485       |
| Japanese yen      | 133.1600    | 126.1400    |
| Danish krona      | 7.4418      | 7.4506      |
| Czech koruna      | 26.4730     | 26.8750     |
| Swedish krona     | 10.2520     | 10.8700     |

### **Waivers under Article 2423, para. 4, of the Civil Code**

There were no waivers under Article 2423, para. 4, of the Civil Code.

# Information on the Balance Sheet and the Income Statement

## Balance Sheet – Assets

There follows a commentary on the balance sheet items and changes since the previous year, together with the information required by law.

It should be mentioned that comparison with the figures for the previous year is not particularly significant since in many cases the falls in the balances on the balance sheet items are a consequence of the contribution of the Company's business unit to the subsidiary UGF Assicurazioni S.p.A., as shown in the Management Report.

### B. Fixed assets

#### B) I – Intangible fixed assets

At 31 December 2009 intangible fixed assets amounted to €11,123K, a decrease of €18,152K compared with the previous year (-62%), and was made up as follows:

- 'Start-up and capital costs' of €32K (€12,547K at 31/12/2008) are entirely related to the cost of the share capital increases carried out in previous years;
- €9,595K of 'Research, development and advertising costs' for the advertising campaign launched by the Company in September 2009;
- €999K of 'Assets under development and on account for expenses incurred during the year for consultancy, acquiring the licence and personalising the software for setting up the Solvency II project, which has not yet produced any financial benefits for the company and therefore has not yet been amortised;
- €496K of 'Other' fixed assets (€16,728K at 31/12/2008), consisting of software user licences and consultancy fees relating to them, all acquired during the year. All the assets that had been recorded under this item at 31 December 2008 were in fact contributed to UGF Assicurazioni S.p.A. on 1 February 2009 (€18,851K).

These figures were entered under assets with the approval of the Board of Statutory Auditors where necessary.

#### B) II – Tangible fixed assets

Tangible fixed assets at 31 December 2009 amounted to €664K (€24,814K at 31/12/2008). The decrease compared with the previous year was due entirely to the assets recorded under this item being contributed to UGF Assicurazioni S.p.A. (€25,575K). The balance at the end of the year was made up as follows:

- €66K of 'Plant and machinery' (€5,165K at 31/12/2008), which mainly consisted of furnishings for guest rooms;
- €598K of 'Other assets' (€19,649K at 31/12/2008), for works of art and company cars.

Changes in tangible and intangible fixed assets and in their accumulated depreciation/amortisation are recorded in appendices 5 and 6 of these Notes to the Financial Statements.

#### B) III – Financial fixed assets

##### 1) Investments

The total amount of Italian investments at 31 December 2009 was €4,286,378K, compared with €4,083,995K at the end of the previous year, an increase of €202,383K (+2.9%).

Details are shown in the following table:

## LIST OF SHAREHOLDINGS AT 31 DECEMBER 2008

(amounts in €K)

| Company                               | Type of business          | Share/quota capital | % holding |          | Book value       |
|---------------------------------------|---------------------------|---------------------|-----------|----------|------------------|
|                                       |                           |                     | direct    | indirect |                  |
| <b>ITALIAN SUBSIDIARIES</b>           |                           |                     |           |          |                  |
| UGF Assicurazioni S.p.A.              | Insurance and reinsurance | 150,300             | 100.00    |          | 2,936,344        |
| BNL Vita S.p.A.                       | Insurance and reinsurance | 160,000             | 51.00     |          | 269,394          |
| Compagnia Assicuratrice Linear S.p.A. | Insurance and reinsurance | 19,300              | 100.00    |          | 45,507           |
| Navale Assicurazioni S.p.A.           | Insurance and reinsurance | 96,250              | 99.83     |          | 176,676          |
| Unisalute S.p.A.                      | Insurance and reinsurance | 17,500              | 98.48     |          | 31,570           |
| UGF Banca S.p.A.                      | Credit institution        | 904,500             | 67.74     | 32.26    | 800,841          |
| Unipol SGR S.p.A.                     | Financial brokerage       | 5,000               | 100.00    |          | 5,550            |
| Ambra Property S.r.l.                 | Hotel business            | 100                 | 100.00    |          | 20,495           |
| <b>OVERALL TOTAL</b>                  |                           |                     |           |          | <b>4,286,378</b> |

Changes in item B) III 1) 'Investments' are summarised in the following table: (details of these transactions are recorded in Appendix 7 to these Notes to the Financial Statements.)

| <i>(in €K)</i>              |                  |
|-----------------------------|------------------|
| <b>At 1/1/2009</b>          | <b>4,083,995</b> |
| Purchases and subscriptions | 136,166          |
| Other increases             | 66,217           |
| <b>At 31/12/2009</b>        | <b>4,286,378</b> |

Significant transactions completed and events occurring during 2009 related to:

- **BNL Vita S.p.A.**  
On 23 March 2009 and 30 June 2009 two payments of €15,300K were made for a future share capital increase, amounting to a total of €30,600K.
- **Navale Assicurazioni S.p.A.**  
On 20 March 2009 €35,000m was paid for a future share capital increase;
- **UGF Banca S.p.A.**  
On 31 October 2009, the share capital increase amounting to €136,166K was subscribed.
- With effect from 1 February 2009, the necessary authorisation having been obtained, Aurora Assicurazioni S.p.A. was merged into Unipol Assicurazioni S.p.A., both companies being wholly owned by UGF, which gave rise to UGF Assicurazioni S.p.A. The merger took effect for legal purposes on 1 February 2009 and for accounting and tax purposes as from 1 January 2009.

The following table contains a list of the subsidiaries and shows their book value and amount of shareholders' equity calculated on the basis of the investee's net equity based on the most recent financial statements.

If the book value is higher than the corresponding fraction of shareholders' equity the difference is attributable to the company's financial and strategic value together with its likely profitability. As regards this last element, each subsidiary drew up and approved its own five-year development plan.

Therefore the Non-Life companies used the net results of these plans as the basis for the DDM valuation method (*Dividend Discount Model*), the Life companies for the DCF (*Discounted cash flow*) and the bank for discounting income flows. These valuations indicated that the total value of each individual subsidiary, appropriately discounted using market parameters, exceeded the book value in the table below.

No indication is provided of the value of the investees determined in accordance with the equity method since the consolidated financial statements were drawn up in accordance with the IFRS.

| <i>(in €K)</i>                        | <b>Book value</b> | <b>% held</b> | <b>Shareholders' / quota equity</b> | <b>Corresponding shareholders' equity</b> |
|---------------------------------------|-------------------|---------------|-------------------------------------|---|
| UGF Assicurazioni S.p.A.              | 2,936,345         | 100.00        | 1,362,422                           | 1,362,422                                 |
| BNL Vita S.p.A.                       | 269,394           | 51.00         | 410,867                             | 209,542                                   |
| Compagnia Assicuratrice Linear S.p.A. | 45,507            | 100.00        | 50,530                              | 50,530                                    |
| Unisalute S.p.A.                      | 31,570            | 98.48         | 40,471                              | 39,856                                    |
| UGF Banca S.p.A.                      | 800,841           | 67.74         | 1,039,923                           | 704,444                                   |
| Navale Assicurazioni S.p.A.           | 176,676           | 99.83         | 95,582                              | 95,420                                    |
| Unipol SGR                            | 5,550             | 100.00        | 5,962                               | 5,962                                     |
| Ambra Property S.r.l.                 | 20,495            | 100.00        | 4,248                               | 4,248                                     |
| <b>Total</b>                          | <b>4,286,378</b>  |               | <b>3,005,757</b>                    | <b>2,468,175</b>                          |

For further information on the performance of the subsidiaries you are referred to the management report and the draft financial statements of the individual investees appended to these financial statements.

### 2) Financial receivables

Financial receivables recorded under fixed assets amounted to €98,480K compared with €104,914K at 31 December 2008.

This item, which consisted entirely of 'Receivables from others', includes:

- €95,000K relating to a subordinated bond loan granted to P&V Assurances on 30 December 2008. The loan is for an indefinite period and has a rate of 9%, with interest paid twice a year. The interest accrued during the year amounted to €8,669K;
- €2,717K of loans assisted by collateral;
- €505K of loans granted to employees in accordance with the terms and conditions set out in the current Group Labour Agreement and guaranteed by the group Life policy provided for by the Agreement or by individual Life policies;
- €258K relating to a subordinated bond loan granted to Unintesa S.r.l. in liquidation.

The amounts due after 31 December 2010 totalled €98,101K, €96,828K of it after 31 December 2014.

### 3) Other securities

Item B III 3) 'Other securities' amounted to €369K at 31 December 2009, a fall compared to the previous year of €19,945, owing to the sale of two securities.

Details of non-current securities are as follows (in €K):

| <b>Security</b>           | <b>Nominal amount at 31/12/09</b> | <b>Book value at 31/12/09</b> | <b>Market value at 31/12/09</b> |
|---------------------------|-----------------------------------|-------------------------------|---------------------------------|
| DRESDNER BK 12/10/10 ZC   | 386                               | 369                           | 381                             |
| EUROSTAR I 10/06/2012 CDO | 5,000                             | 0                             | 0                               |
| <b>Total</b>              | <b>5,386</b>                      | <b>369</b>                    | <b>381</b>                      |

Bonds classified as financial fixed assets included two securities with a total countervalue of €369K, which was in line with their fair value. These bonds are rated between AA+ and BBB.

All the securities in the portfolio were managed by custodian banks, including the subsidiary UGF Banca S.p.A.

## C. Current assets

### // Receivables

The balance on this item at 31 December 2009 was €547,548K, an increase of €317,833K compared with 31 December 2008. The breakdown and variations over the previous year are summarised in the table below:

| <i>(in €K)</i>                   | <b>2009</b>    | <b>2008</b>    |
|----------------------------------|----------------|----------------|
| 1) Trade receivables             | 1,353          | 1,784          |
| 2) Receivables from subsidiaries | 444,792        | 136,648        |
| 3) Receivables from associates   | 3              | 46             |
| 4) Receivables from parents      | 71,365         | 62,558         |
| 4 bis) Tax receivables           | 11,047         | 8,824          |
| 4 ter) Deferred tax assets       | 9,805          | 12,006         |
| 5) Receivables from others       | 9,183          | 7,849          |
| <b>Total</b>                     | <b>547,548</b> | <b>229,716</b> |

All receivables were due within 12 months, except for 'Tax receivables', €1,214K of which is due after 31 December 2010, and 'Receivables from others', €601K of which is due after 31 December 2010, €249K of it after 31 December 2014.

'Receivables from subsidiaries' amounted to €444,792K and mainly consisted of a term deposit for €300m maturing on 31 March 2010 with UGF Banca S.p.A. and €140,023K of UGF Assicurazioni, UniSalute and Linear dividends, as from this year recorded on an accruals basis. The remainder of this item was the costs of the services that Unipol Gruppo Finanziario S.p.A. provided to Group companies.

Receivables from parents rose from €62,558K at 31 December 2008 to €71,365K at 31 December 2009 and was made up as follows:

- €69,055K of income for current IRES taxation (on the credit side for the second year) and to receivables for instalments paid and deductions made, transferred to Finsoe S.p.A.'s consolidated tax scheme;
- €2,310K for the higher rate of IRES paid by Finsoe S.p.A. for 2004 to 2007, as a result of IRAP being deductible from income tax under Article 6 of Legislative Decree 185 of 29 November 2008.

'Tax receivables' amounted to €11,047K and mainly consisted of:

- €5,285K of receivables for Group VAT;
- €4,548K of receivables for IRAP for 2008.

The balance on deferred tax assets at 31 December 2009 of €9,805K, fell by €2,201K compared with 31 December 2008 (-18.3%).

The variation in deferred tax assets during the year is summarised in the following table:

| <b>Deferred tax assets</b> <i>(in €K)</i> |              |
|---|--------------|
| At 1 January 2009                         | 12,006       |
| Increases during the year                 | 2,858        |
| Utilisation during the year               | (5,059)      |
| <b>Final balance at 31/12/2009</b>        | <b>9,805</b> |

Further information relating to deferred tax assets is given in the table (drawn up in accordance with Article 2427, para. 1.14, of the Civil Code) in appendix 10 of these notes to the financial statements.

The most significant amounts of 'Trade receivables' in the current assets relate to:

- €3,030K of receivables for payment of a fine imposed by CONSOB on 16 April 2009 in relation to events linked to the project to acquire BNL. In December 2009 the Court of Appeal in Bologna cancelled the fine imposed by CONSOB so CONSOB will have to return the payment to the Company. The documents required for obtaining this repayment are currently being drawn up;
- €2,640K of receivables from the tax authorities of other countries;
- €689K of receivables from the Region of Sicily for regional contributions relating to a mortgage loan paid off in previous years;
- €355K of miscellaneous receivables from employees;
- €186K of receivables for utility guarantee deposits.

This item is recorded net of provisions bad debts.

### III Current financial assets

This item amounted to €272,654K at 31 December 2009, and was broken down as follows:

| <i>(in €K)</i>    | <b>2009</b>    | <b>2008</b>    |
|-------------------|----------------|----------------|
| Other investments | 60,115         | 50,420         |
| Own shares        | 44             | 52             |
| Other securities  | 212,495        | 233,559        |
| <b>Total</b>      | <b>272,654</b> | <b>284,031</b> |

There were 47,561 own shares in the portfolio at 31 December 2009, the same as the previous year. The value was based on the average price for December 2009.

'Other securities' consisted entirely of listed bonds. (Details of investments and securities recorded under current assets are set out in Appendix 9.) This item also included €2m relating to premiums paid for the acquisition of two exchange options.

### IV Liquid funds

Liquid funds included €534,739K in bank and postal accounts, €532,832K of which was deposited with the subsidiary UGF Banca (€416,704 at 31/12/2008, €412,590K of it with UGF Banca) and €16K in cash in hand (€191K at 31/12/2008). Bank deposits included net earnings accrued during 2009, including in non-Euro currencies (American dollars, Swiss francs, British sterling and Japanese yen).

## D. Prepayments and accrued income

'Prepayments and accrued income' amounted to €17,899K at 31 December 2009 compared with €6,419K at 31 December 2008.

| <i>(in €K)</i>    | <b>2009</b>   | <b>2008</b>  |
|-------------------|---------------|--------------|
| Accrued income    | 2,302         | 3,648        |
| Prepayments       | 10,491        | 2,772        |
| Discount on loans | 5,105         | 0            |
| <b>Total</b>      | <b>17,899</b> | <b>6,419</b> |

Accrued income included €2,154K of interest on securities and €148K of interest on term deposits.

Prepayments mainly consisted of:

- €5,882K of additional costs incurred under the project to acquire the ARCA Insurance Group, which will

be used to increase the investment if the outcome of the transaction, for which authorisation is awaited, is positive;

- €4,347K of issue expenses for the two bond loans that the Company issued during the year (see section D. Payables);
- €252K of expenses remaining from the issue of Euro Medium-Term Notes (December 2009 – December 2010) for a maximum of €2bn, a nominal €750m of 5% senior bond loans, maturing in 2017, having been issued in 2009.

Discount on loans related to the senior bond loan with a nominal amount of €750m issued by the Company during the year at a gross price of €99.314.

## Balance Sheet – Liabilities

### A. Shareholders' equity

Movements recorded during the year compared with the previous year are set out in the attached schedule of changes in shareholders' equity (appendix 2).

Also appended is the table showing the use and availability of the equity-related reserves, as required by Article 2427, para. 1, item 7-bis of the Civil Code.

The share capital and equity reserves totalled €4,330,893K at 31 December 2009 (€4,333,766K at 31/12/2008), a decrease of 0.1% compared with the previous year and which was the result of using available reserves to cover the net loss for 2008.

The share capital amounted to €2,391,426,100, was fully paid-up and was made up of 2,391,426,100 shares, subdivided as follows:

- 1,479,885,786 ordinary shares;
- 911,540,314 preference shares.

Details of the equity-related reserves, which at 31 December 2009 amounted to €1,939,467K, are set out in the following table, along with the amounts for the previous year:

| <i>(in €K)</i>                                      | <b>2009</b>      | <b>2008</b>      |
|---|------------------|------------------|
| A.II Share premium reserve                          | 1,051,879        | 1,051,879        |
| A.III Revaluation reserve                           | 5,939            | 5,939            |
| Revaluation reserve under Law 413/1991              | 14,762           | 14,762           |
| A.IV Legal reserve                                  | 478,285          | 478,285          |
| A.VI Provision for own shares in the portfolio      | 44               | 52               |
| A.VII Extraordinary reserve                         | 222,660          | 222,660          |
| Reserve for the acquisition of own shares           | 99,956           | 99,948           |
| Reserve for the acquisition of shares in the parent | 45,000           | 45,000           |
| Share exchange reserve                              | 20,941           | 21,047           |
| Reserve under Article 2426, para. 8-bis Civil Code  | 0                | 2,106            |
| Warrant conversion reserve                          | 0                | 314              |
| Reserve under Regional Law 46 of 12/4/1967, Sicily  | 0                | 326              |
| Negative goodwill                                   | 0                | 22               |
|   | <b>1,939,467</b> | <b>1,942,340</b> |

### B. Provisions for risks and charges

This item totalled €11,202K at 31 December 2009 and was made up as follows:

- 'Tax provision including for deferred tax liabilities' worth €2,073K (€8,157K at 31/12/2008);
- 'Other provisions' worth €9,129K (€9,173K at 31/12/2008).

The following table summarises movements during the year in the 'Provision including for deferred tax liabilities' and in the individual provisions that constitute 'Other provisions':

| <i>(in €K)</i>                         | 31/12/2008    | Increases    |                 | Decreases      |                | 31/12/2009    |
|--|---------------|--------------|-----------------|----------------|----------------|---------------|
|  |               | Accruals     | Utilisation     | Contribution   | Other          |               |
| Provision for misc. risks and charges  | 3,428         | 700          | (374)           | 0              | (30)           | 3,725         |
| Provision for donations                | 703           | 0            | (608)           | 0              | 0              | 95            |
| Early retirement provision             | 5,041         | 5,002        | (1,175)         | (2,580)        | (979)          | 5,309         |
| Provision for deferred tax liabilities | 8,157         | 1,925        | (8,009)         | 0              | 0              | 2,073         |
|  | <b>17,329</b> | <b>7,628</b> | <b>(10,166)</b> | <b>(2,580)</b> | <b>(1,009)</b> | <b>11,202</b> |

The 'Provision for miscellaneous risks and charges' was made up of amounts set aside for staff disputes and other potential charges.

### C. Employees' leaving entitlement

The amount of the provision at 31 December 2009 was €3,974K, down €25,952K on the previous year. This reduction was mainly attributable to the contribution of the business unit to UGF Assicurazioni S.p.A. on 1 February 2009, which involved transferring 2,293 employees and the relevant accruals (€25,952K) to the company.

Details of the movements that took place during the year are shown in the following table:

| <i>(in €K)</i>                     |               |
|------------------------------------|---------------|
| <b>At 1/1/2009</b>                 | <b>29,926</b> |
| <b>Increases in the year</b>       |               |
| Amounts accrued in the year        | 2,461         |
| Other increases                    | 745           |
| <b>Decreases for the year</b>      |               |
| Contribution                       | (25,952)      |
| Advances paid in the year          | (133)         |
| Transfer to pension fund           | (1,979)       |
| Transfer to INPS Treasury          | (321)         |
| Payments of the year               | (773)         |
| <b>Final balance at 31/12/2009</b> | <b>3,974</b>  |

'Other increases' included transfers of staff from other companies in the group.

### D. Payables

The balance on this item at 31 December 2009 was €1,268,098K, an increase of €485,268K (+60.4%) since 31 December 2008.

The breakdown of this item and a comparison with the previous year are summarised in the following table:

| <i>(in €K)</i>                  | <b>2009</b>      | <b>2008</b>    |
|---------------------------------|------------------|----------------|
| Bonds                           | 925,000          | 600,000        |
| Shareholder loan                | 12,856           | 14,917         |
| Trade payables                  | 24,060           | 27,357         |
| Payables to subsidiaries        | 315,149          | 135,584        |
| Payables to associates          | 5                | 352            |
| Tax payables                    | 2,400            | 4,410          |
| Social security charges payable | 1,967            | 5,670          |
| Other payables                  | 6,661            | 14,541         |
| <b>Total</b>                    | <b>1,288,098</b> | <b>802,830</b> |

All the amounts are due within 12 months, except for those relating to two bond loans, which are payable in 2012 and 2017 respectively.

'Bonds' amounted to €925,000K (€600,000K at 31/12/2008) and was entirely made up of the nominal amount of the two senior bond loans issued by the company during 2009. Below are the main features of existing loans:

- €175,000K – unlisted senior bond loan issued in July 2009 for a three-year term (maturing in July 2012), with a fixed interest rate of 5.25%. Interest for the year amounted to €4,569K;
- €750,000K – senior bond loan, listed on the Luxembourg Stock Exchange, issued in December 2009 for a seven-year term (maturing in January 2017), with a fixed interest rate of 5%. Interest for the year amounted to €2,055K.

None of the existing loan agreements recorded the 'events of default' provided for, otherwise the Company would have had to repay the residual amount owing to creditors immediately.

The subordinated loans of €600,000K carried forward from the previous year were transferred to the subsidiary UGF Assicurazioni as part of the project to streamline sources of finance detailed in the Management Report.

'Shareholder loan' amounted to €12,856K at 31 December 2009 (€14,917K at 31/12/2008) and consisted of dividends due to shareholders approved in previous years and not yet paid.

'Trade payables' fell from €27,357K at 31 December 2008 to €24,060K at 31 December 2009.

'Payables to subsidiaries' showed a balance of €315,149K at 31 December 2009 (€135,584K at 31/12/2008) and was broken down as follows:

- €305,785K for the subordinated bond loan part of two credit facilities raised as a result of the subsidiary UGF Assicurazioni taking over from the Company as issuer of the UGF 7% and UGF 5.66% bond loans that could not be counted as one of the elements making up UGF Assicurazioni's solvency margin. The loans, which UGF must repay in whole or in part at the request of UGF Assicurazioni at sight and in any case at least three days before the loans are repaid, are remunerated at the three-month Euribor rate plus 100 basis points;
- €9,364K, part of it for VAT credits pertaining to the subsidiaries Midi S.r.l. and Unifimm S.r.l., which are members of the Unipol Gruppo Finanziario S.p.A. VAT scheme, and part for provision of services by Group companies.

'Payables to affiliated undertakings' fell from €352K at 31 December 2008 to €5K at 31 December 2009. The decrease was due to the conclusion of the training courses put on during 2008 by SCS Azioninnova for Group employees.

The balance of 'Tax payables' amounted to €2,400K at 31 December 2009, a decrease of €2,009K compared with the previous year, mainly owing to the decrease in advance withholding tax to be paid, which was €2,166K in December 2009.

The balance of 'Social security charges payable' amounted to €1,967K at 31 December 2009 (€5,670K at 31/12/2008). This item related to employer and employee contributions for December due to pension and social security funds and outstanding at the end of the year. The decrease was due to the fall in the number of Company employees as a result of the contribution of the business unit to UGF Assicurazioni S.p.A.

The balance of 'Other payables' at 31 December 2009 amounted to €6,661K, a decrease compared with the previous year of €7,879K. The balance mainly consisted of:

- €3,147K accrued during the year to provide staff with incentives;
- €1,741K of charges for accrued holidays (€8,132K at 31/12/2008);
- €1,009K of write-downs of financial derivatives;
- €263K accrued for renewing the Unipol Labour Agreement, which had lapsed at the end of 2008.

## E. Accrued expenses and deferred income

The balance of 'Accrued expenses and deferred income' at 31 December 2008 was €6,885K, almost all of it accrued interest on the two senior bond loans issued in July and December 2009.

The decrease in the balance of this item (€19,394K at 31/12/2008) was due to UGF Assicurazioni taking over as issuer of the UGF 7% subordinated bond loan maturing in 2021 and the 5.66% loan maturing in 2023, which had accrued €18,713K in interest by the end of 2008.

## Guarantees, commitments and other memorandum accounts

Details of 'Guarantees, commitments and other memorandum accounts' at 31 December 2009 was €2,987,932K (€2,220,829K at 31/12/2008), are set out in the following table:

| <i>(in €K)</i>   | <b>2009</b>      | <b>2008</b>      |
|--|------------------|------------------|
| <b>Guarantees given</b>  |                  |                  |
| Sureties and endorsements given to third parties                   | 449              | 421              |
| Other personal guarantees given to subsidiaries                    | 561,689          | 0                |
| <b>Total</b>   | <b>562,138</b>   | <b>421</b>       |
| <b>Commitments</b>   |                  |                  |
| Other commitments  | 756,015          | 156,471          |
| <b>Total</b>   | <b>756,015</b>   | <b>156,471</b>   |
| <b>Third parties' assets</b>                                       |                  |                  |
| Staff-owned shares   | 2,183            | 2,183            |
| Assets held by UGF Assicurazioni                                   | 270              | 270              |
| <b>Total</b>   | <b>2,454</b>     | <b>2,454</b>     |
| <b>Securities with third parties</b>                               | <b>1,663,193</b> | <b>1,457,094</b> |
| <b>Other memorandum accounts</b>                                   |                  |                  |
| Other personal guarantees received from third parties              | 25               | 25               |
| Collateral received from third parties                             | 1,884            | 1,951            |
| Guarantees issued by third parties in favour of the company        | 1,911            | 2,050            |
| Guarantees issued by subsidiaries in favour of the company         | 0                | 600,363          |
| Other memorandum accounts  | 312              | 0                |
| <b>Total</b>   | <b>4,132</b>     | <b>604,389</b>   |
| <b>TOTAL GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS</b> | <b>2,987,932</b> | <b>2,220,829</b> |

'Guarantees given' included those provided on behalf of the subsidiary UGF Assicurazioni S.p.A. for the bond loans for which it took over as issuer during 2009: UGF 7% maturing in 2021 (€300,000K) and UGF 5.66% maturing in 2023 (€261,689K). The guarantees provided by subsidiaries on behalf of the company ('Other memorandum accounts'), which had amounted to €600,363K at 31 December 2008, were therefore written off.

'Other commitments' included:

- €174,251K for the acquisition of call options;
- €280,500K for an agreement with BNP Paribas for the sale of a call option, as described in the paragraph below;
- €276,929K for the agreement with the BPER banking group and BPSO to acquire the Arca Vita Group.

'Securities with third parties' included in particular €1,578K of securities deposited with Group undertakings.

## Information on financial derivatives

In accordance with the guidelines laid down by the Company's Board of Directors on 26 June 2008, financial derivatives were used during the year purely for the purpose of hedging the securities risk and the currency risk or for streamlining portfolio management and were not used for purely speculative purposes.

These ends were achieved by using the derivatives specified in the resolution passed by the Board and applied to securities included in the portfolio at the time the contract concerned was entered into and throughout its entire duration.

All the transactions were carried out with banking or similar establishments.

Derivatives at the end of the year, with three counterparties and with the underlying assets split from a minimum of €1.8m and a maximum of €280.5m, are shown in the tables below.

### A. Derivative contracts involving forward capital swaps

The value attributed is made up of the settlement price for the contracts in €K. In the case of transactions in other currencies the agreed forward exchange rate was used:

| Description of the transaction   | No. of transactions | Notional amount at 31/12/2009 |
|----------------------------------|---------------------|-------------------------------|
| Acquisition of call options      | 2                   | 174,251                       |
| Acquisition of put options       | 1                   | 270,300                       |
| Sale of call options             | 1                   | 280,500                       |
| Sale of put options              | 1                   | 35,421                        |
| Forward currency sale agreements | 1                   | 1,789                         |
| <b>Total</b>                     |                     | <b>762,261</b>                |

€138,830K of derivative contracts for acquiring call options related to an option on the S&P GSCI Index and €35,421K to an option with 30,646,000 shares in the parent Finsoe S.p.A., i.e. 1.43% of its share capital, as underlying assets, expiring in July 2010. Linked to the call option on the Finsoe shares, the Company had an agreement to sell a put option with the same features and notional value (€35,421K).

The €270,300K of derivative contracts with the BNP Paribas Group for acquiring a put option and €280,500K for selling a call option had the 51% of BNL Vita's share capital held by Unipol Gruppo Finanziario as underlying assets and came under the bancassurance partnership agreements between the two Groups. Both options may be exercised in July 2011.

The forward currency sale agreements related to a single transaction in Swiss francs.

### B. Derivative contracts not involving forward capital swaps

The value attributed was made up of the nominal amount of the underlying capital, in €K:

| <b>Description of the transaction</b> | <b>No. of transactions</b> | <b>Notional amount at 31/12/2009</b> |
|---------------------------------------|----------------------------|--------------------------------------|
| Acquisition of swap options           | 1                          | 37,000                               |
| <b>Total</b>                          |                            | <b>37,000</b>                        |

The following table shows the fair value of each category of derivative as laid down in Article 2427-bis, para. 1, of the Civil Code:

| <b>Categories of derivative</b> | <b>Acquisition/Sale</b> | <b>Fair value</b> |
|---------------------------------|-------------------------|-------------------|
| Swap option                     | Acq.                    | 384               |
| <b>Total</b>                    |                         | <b>384</b>        |

Results achieved on derivative transactions during the year were as follows:

- net income of €1,578K from call and put options not exercised;
- €1,102K of capital gain from trading arising out of the sale of a call option;
- €1,103K of net income on swap options not exercised;
- €3,044K of net charges for futures transactions;
- €33K of financial income from currency risk hedging transactions;
- €407K of net investment income from interest rate swap transactions.

How transactions in financial derivatives are recorded in the financial statements was dealt with in the relevant paragraph of the section on 'Valuation Criteria'.

## Income Statement

The income statement was drawn up in accordance with the provisions of Article 2425 of the Civil Code and there was no offsetting between the various income and expenditure items.

As already indicated in the Balance Sheet and the Income Statement, comparison with the figures for the previous year is not particularly significant because of the contribution of the Company's business unit to the subsidiary UGF Assicurazioni S.p.A., which involved transferring staff and the provision of services to the Group.

### A. Production revenues

Production revenues for 31 December 2009 amounted to €64,246K, compared with €271,195K in 2008.

#### A.1. Turnover from sales and services

'Turnover from sales and services' was €48,274K in 2009 (€257,658K in 2008), and consisted mainly of services relating to the core business of acting as a holding company for companies in the Group, as follows:

| <i>(in €K)</i>              | <b>2009</b>   | <b>2008</b>    |
|-----------------------------|---------------|----------------|
| Parents                     | 21            | 41             |
| Subsidiaries                | 48,187        | 257,373        |
| UGF Assicurazioni           | 40,077.70     | 232,629        |
| BNL Vita S.p.A.             | 15            | 18             |
| Linear Assicurazioni S.p.A. | 1,489         | 4,229          |
| Navale Assicurazioni S.p.A. | 2,716         | 11,025         |
| Quadrifoglio Vita S.p.A.    | 0             | 533            |
| Unisalute S.p.A.            | 1,072         | 1,462          |
| Unipol SGR S.p.A.           | 241           | 2,709          |
| UGF Banca S.p.A.            | 2,386         | 4,174          |
| UGF Merchant S.p.A.         | 89            | 146            |
| Other subsidiaries          | 103           | 448            |
| Associates                  | 2             | 2              |
| Third parties               | 4             | 242            |
| Other income                | 61            | 0              |
| <b>Total</b>                | <b>48,274</b> | <b>257,658</b> |

The decrease in this item compared with the previous year (-81.3%) was due to the contribution on 1 February 2009 of UGF S.p.A.'s insurance business unit to UGF Assicurazioni.

#### A.5. Other reserves and income

'Other reserves and income' was €15,972K in 2009 (€13,537K in 2008), and consisted mainly of amounts recovered for the costs of the services of UGF staff seconded to Group companies.

### B. Production cost

Total production cost amounted to €121,104K in 2009 compared with €328,049K in 2008.

### B.7 Services

The items amounted to €36,143K in 2009 (€99,945K in 2008) and were made up as follows:

| <i>(in €K)</i>   | <b>in 2009</b> | <b>in 2008</b> |
|--|----------------|----------------|
| IT costs   | 2,215          | 47,643         |
| Technical, legal and administrative consultancy services | 6,784          | 18,476         |
| Electricity, heating and cleaning                        | 2,539          | 7,731          |
| Corporate bodies   | 4,392          | 6,379          |
| Services of seconded staff                               | 1,053          | 5,576          |
| Postal and telephone expenses                            | 1,242          | 4,840          |
| Sundry costs   | 2,032          | 2,121          |
| Corporate fees and shareholders' meetings                | 282            | 2,084          |
| Advertising  | 2,146          | 1,576          |
| Maintenance and repairs                                  | 1,009          | 1,467          |
| Porterage  | 67             | 1,012          |
| Printed matter and publications                          | 388            | 587            |
| Certification services                                   | 122            | 295            |
| Conferences and meetings                                 | 4,173          | 157            |
| Subsidiary services                                      | 7,699          | 0              |
| <b>Total</b>   | <b>36,143</b>  | <b>99,945</b>  |

### B.8 Use of third party assets

The item amounted to €5,440K in 2009 (€19,173K in 2008) and was made up of rent and lease costs. The decrease in this item was attributable to the contribution on 1 February 2009 of the business unit of the claims-settlement centres (for which rent was paid) from the Holding company to the subsidiary UGF Assicurazioni.

### B.9 Personnel expenses

Personnel expenses amounted to €58,551K in 2009 compared with €174,682K in the previous year.

The number of employees fell from 2,603 at 31 December 2008 to 417 at 31 December 2009, as follows:

|                              | <b>31/12/2008</b> | <b>Hired</b> | <b>Resigned</b> | <b>31/12/2009</b> |
|------------------------------|-------------------|--------------|-----------------|-------------------|
| Administrative - permanent   | 2,351             | 154          | (2,089)         | 416               |
| Call centre - permanent      | 250               | 0            | (250)           | 0                 |
| <b>Total permanent staff</b> | <b>2,601</b>      | <b>154</b>   | <b>(2,339)</b>  | <b>416</b>        |
| Administrative - temporary   | 2                 | 1            | (2)             | 1                 |
| <b>Total temporary staff</b> | <b>2</b>          | <b>1</b>     | <b>(2)</b>      | <b>1</b>          |
| <b>TOTAL</b>                 | <b>2,603</b>      | <b>155</b>   | <b>(2,341)</b>  | <b>417</b>        |

Decreases in the number of staff during the year included employees transferred to UGF Assicurazioni as part of the contribution.

The average number of permanent employees was as follows:

|              | <b>2009</b> | <b>2008</b>  |
|--------------|-------------|--------------|
| Managers     | 78          | 93           |
| Employees    | 507         | 2,510        |
| <b>Total</b> | <b>585</b>  | <b>2,603</b> |

#### B.10 Amortisation, depreciation and write-downs

The balance of this item, which at 31 December 2009 was €15,094K (€27,814K at 31/12/2008), can be broken down as follows:

- amortisation of intangible fixed assets of €13,895K;
- depreciation of tangible fixed assets of €1,200K.

Details of movements of tangible and intangible fixed assets are set out in appendices 5 and 6.

#### B.13 Other provisions

'Other provisions' totalled €775K in 2009, all of it for legal disputes.

#### B.14 Other operating costs

This item amounted to €5,100K in 2009 (€3,075K in 2008) and referred mainly to:

- €2,751K for contributions to supervisory bodies and other associations;
- €1,000 for donations to the Unipolis Foundation;
- €443K for tax charges other than direct taxes.

### C. Financial income and charges

#### C.15 Income for investments

The item amounted to €158,489K in 2009 (€54,412K in 2008) and consisted of €154,238K of income from subsidiaries and €4,252K of income from other companies. Dividends from subsidiaries relate to the following companies:

| <i>(in €K)</i>              | <b>2009</b>    | <b>2008</b>   |
|-----------------------------|----------------|---------------|
| UGF Assicurazioni S.p.A.    | 120,240        | 0             |
| Bnl Vita S.p.A.             | 0              | 19,584        |
| UGF Banca S.p.A.            | 0              | 17,634        |
| Linear Assicurazioni S.p.A. | 16,405         | 6,755         |
| Unisalute S.p.A.            | 13,443         | 6,032         |
| Unipol SGR                  | 4,150          | 1,250         |
| <b>TOTAL</b>                | <b>154,238</b> | <b>51,255</b> |

As for the subsidiaries UGF Assicurazioni S.p.A., Linear Assicurazioni S.p.A. and Unisalute S.p.A., the balance included €140,023K of dividends recorded on an accruals basis as well as €14,214K of dividends received during the year as a result of the changes in the way dividends from subsidiaries are recorded, as already indicated in the relevant paragraph.

#### C.16 Other financial income

The breakdown of this item, which amounted to €60,256K, is summarised in the following table:

| <i>(in €K)</i>   | <b>2009</b>   | <b>2008</b>   |
|--|---------------|---------------|
| <b>A) From receivables classified as fixed assets</b>  |               |               |
| 1. From subsidiaries                                   | 0             | 5,643         |
| 4. From others   | 8,772         | 510           |
| <b>Total</b>   | <b>8,772</b>  | <b>6,153</b>  |
| <b>C) From securities classified as current assets</b> |               |               |
|  | <b>17,880</b> | <b>20,742</b> |
| <b>D) Other income</b>                                 |               |               |
| 1. From subsidiaries                                   | 3,392         | 32,482        |
| 4. From others   | 30,212        | 17,900        |
| <b>Total</b>   | <b>33,603</b> | <b>50,382</b> |
| <b>TOTAL</b>   | <b>60,256</b> | <b>77,277</b> |

Almost all the other income from receivables classified as fixed assets was interest on the P&V Assurances 9% subordinated bond loan.

Almost all the €17,880K of income from securities classified as current assets was from sales of securities (€8,251K) and interest on securities (€9,176K).

Most of the €33,603K of income from others consisted of:

- €3,392K of bank interest income from subsidiaries;
- €4,766K of capital gains on the sale of a nominal €38.3m of UGF 5.66% subordinated bonds to UGF Assicurazioni, purchased as a result of the offer (see para. 'Non-recurring significant transactions during the year');
- €25,288K of income arising out of transactions in derivatives.

*C.17 Interest and other financial charges – C.17-bis Exchange rate gains/(losses)*

'Interest and other financial charges' showed a balance of €67,933K at 31 December 2009 (€73,917K at 31/12/2008), whilst 'Exchange rate gains/(losses)' were -€29K (-€538K at 31/12/2008).

| <i>(in €K)</i>                              | <b>2009</b>   | <b>2008</b>   |
|---|---------------|---------------|
| <b>Interest and other financial charges</b> |               |               |
| a. From subsidiaries                        | 1,202         | 254           |
| c. From parents                             | 3,618         | 0             |
| d. From others                              | 63,112        | 73,663        |
| <b>Total</b>                                | <b>67,933</b> | <b>73,917</b> |
| <b>Exchange rate gains/(losses)</b>         | <b>(29)</b>   | <b>(538)</b>  |
| <b>TOTAL</b>                                | <b>67,904</b> | <b>73,379</b> |

The €1,202K of 'Interest and financial charges from subsidiaries' included interest, commission and charges paid to lenders and companies in the Group. To be specific this item included €26K of interest expense on the €175m senior bond loan taken out by UGF Banca and €635K of interest on the loan from UGF Assicurazioni arising out of the transaction under which the company took over as issuer of the UGF 7% bond loan maturing in 2021 and the UGF 5.66% maturing in 2023.

Most of the €63,112K of 'Interest and other financial charges' consisted of:

- €31,353K of interest expense on bond loans;
- €28,366K of charges arising out of transactions in derivatives;
- €2,639K of charges arising out of issuing the new bond loans described above and UGF Assicurazioni taking over as issuer;

- €110K of capital losses resulting from trading in shares and bonds;

Finally, as regards bonds and other fixed-yield securities, details of the amounts recorded in items C.16 and C.17 as issue and/or trading spreads are given below:

| <i>(in €K)</i>                    | <b>2009</b> | <b>2008</b> |
|-----------------------------------|-------------|-------------|
| Positive issue spreads            | 447         | 111         |
| Negative issue spreads            | (1)         | (9)         |
| Positive trading spreads          | 3           | 0           |
| Value adjustments on zero coupons | 2           | 1,021       |

## D. Adjustments to financial assets

This item showed a positive balance of €26,467K at 31 December 2009 compared with a negative balance of €80,967K at 31 December 2008 and mainly related to:

- €8,209K of write-backs of shares recorded under current assets;
- €23,802K of write-backs of bonds recorded under current assets;
- €602K of write-downs of shares recorded under current assets;
- €3,109K of write-downs of other securities recorded under current assets;
- €1,833K of negative value adjustments on derivatives.

## E. Extraordinary income and expense

This item showed a negative balance of €1,118K at 31 December 2009 (positive to the tune of €44,135K at 31/12/2008) and related to the following items:

| <i>(€K)</i>                               | <b>2009</b>     | <b>2008</b>    |
|---|-----------------|----------------|
| <b>E.20) Income</b>                       |                 |                |
| Gains on sale of assets                   | 22              | 49,091         |
| Other income                              |                 |                |
| - Prior year items                        | 9,199           | 2,037          |
| <b>Total</b>                              | <b>9,222</b>    | <b>51,128</b>  |
| <b>E.21) Expense</b>                      |                 |                |
| Losses on disposals                       | (149)           | (10)           |
| Other expense                             |                 |                |
| - Group reorganisation project            | (5,256)         | (4,034)        |
| - Prior year items                        | (1,670)         | (2,949)        |
| - Other expenses                          | (3,264)         | 0              |
| <b>Total</b>                              | <b>(10,339)</b> | <b>(6,993)</b> |
| <b>Net extraordinary income/(expense)</b> | <b>(1,118)</b>  | <b>44,135</b>  |

The gains on sale of assets were for the sale of company vehicles.

The most significant amounts of prior year items were:

- €3,322K for adjustments to the 2008 tax return relating to receivables from the Inland Revenue for repayment of 10% of IRAP;
- €2,138K for VAT on invoices to be received set aside in 2008, recorded as prior year items as a result of the change-over from the non-deductible to the deductible VAT scheme during 2009;
- €1,884K for Aurora Assicurazioni dividends not received and now statute-barred.

In the previous year there had been €48,929 of gains on the sale of Quadrifoglio Vita.

Charges relating to the project to reorganise the Group included €5m set aside for the Group redundancy provision.

Most prior year items were for adjustments to the 2008 tax return.

Almost all the other extraordinary charges consisted of the €3,256K of compensation that the Company paid to the former Chairman and Managing Director by order of the Bologna Employment Tribunal of 16 July 2009.

## Current and deferred income taxes

Taxes for the year amounted to €9,544K (positive to the tune of €33,580K at 31/12/2008), net of €3,736K of deferred taxation, as shown in the following table:

| (€K)                                       | IRES           | IRAP         | Total          |
|--|----------------|--------------|----------------|
| <b>Current taxation</b>                    | <b>(5,808)</b> |              | <b>(5,808)</b> |
| <b>Deferred taxes:</b>                     |                |              |                |
| - usage of deferred tax income             | 5,052          | 6            | <b>5,058</b>   |
| - usage of deferred tax expense            | (7,029)        | (980)        | <b>(8,009)</b> |
| - amounts accrued for deferred tax income  | (2,710)        | 0            | <b>(2,710)</b> |
| - amounts accrued for deferred tax expense | 1,925          | 0            | <b>1,925</b>   |
| <b>Total</b>                               | <b>(8,570)</b> | <b>(974)</b> | <b>(9,544)</b> |

The table reconciling the theoretical rate of IRES and the effective rate is shown below. The IRAP reconciliation table is omitted since it is not significant.

### Table reconciling the theoretical rate of IRES and the effective rate

|   | 2009           | 2008          |
|---|----------------|---------------|
| Ordinary rate of IRES applicable                    | 27.5%          | 27.5%         |
| Effect of increases/decreases in the ordinary rate: |                |               |
| Excluding dividends                                 | (34.47%)       | 38.99%        |
| Interest expense                                    | 0.36%          | (0.88%)       |
| Tax-exempt capital gains                            |                | 35.07%        |
| Other permanent variations                          | (0.58%)        | (3.26%)       |
| <b>Effective rate</b>                               | <b>(7.19%)</b> | <b>97.42%</b> |

The table containing the temporary differences that led to deferred taxes being recorded (Article 2427 para. 1.14 of the Civil Code) is in appendix 10 to the Notes to the financial statements.

## Other information

### Consolidated financial statements

UGF's Consolidated Financial Statements at 31 December 2009 were drawn up in accordance with Article 154-ter of Legislative Decree 58/1998 (TUF) and ISVAP Ruling 7 of 13 July 2007, and they conform to the IFRS issued by the IASB and endorsed by the European Union, along with the interpretations issued by IFRIC, in accordance with the provisions of EC Regulation 1606/2002 in force on the date the financial statements closed.

### Fees for auditing and for services other than auditing

In accordance with Article 149-duodecies of the CONSOB Issuer Regulation the following table shows (in €K) the fees that the Companies in the UGF Group paid to the audit company, or to the company to which the audit company belongs, for auditing and other services, with each type or category shown separately.

| Type of services                        | Service provider  | Recipient                     | Fee          |
|---|-------------------|-------------------------------|--------------|
| Audit                                   | KPMG spa          | Unipol Gruppo Finanziario spa | 115          |
| Attestation services                    | KPMG spa          |                               | 3            |
| Other services: issuing comfort letters | KPMG spa          |                               | 80           |
| Other services: consultancy             | KPMG Advisory spa |                               | 220          |
| <b>Total Unipol Gruppo Finanziario</b>  |                   |                               | <b>418</b>   |
| Audit                                   | KPMG spa          | Subsidiaries                  | 1,399        |
| Attestation services                    | KPMG spa          |                               | 297          |
| Other services: consultancy             | KPMG Advisory spa |                               | 131          |
| <b>Total subsidiaries</b>               |                   |                               | <b>1,827</b> |
| <b>Overall total</b>                    |                   |                               | <b>2,245</b> |

### Related party transactions

On 1 July 2009 UGF issued a senior bond loan for €175m, which had been resolved by the Board of Directors on 25 June 2009. The loan was issued at par, is for three years and bears interest at an annual fixed rate of 5.25%. The issue, which was fully subscribed during June by private placement, was placed through UGF Merchant S.p.A. with qualified investors, including the parents Finsoe S.p.A. and Holmo S.p.A. and the subsidiary UGF Banca S.p.A. Finsoe subscribed €70m, Holmo €68.6m and UGF Banca €1m. All UGF's directors to whom Article 2391 of the Civil Code applied with regard to the transaction in question made the declarations relating to the nature, origin, terms and extent of their interests that are required by law and the relevant codes of conduct.

During 2009 and having received the required permits the subsidiary UGF Assicurazioni took over as issuer of the UGF 7% subordinated bond loan maturing in 2021 and the 5.66% loan maturing in 2023, each of which has a nominal amount of €300m, on 5 August 2009 and 29 December 2009 respectively. Linked to these transactions UGF took out two loan agreements with UGF Assicurazioni, repayable at sight and in any case at least three days before the loan repayment date, bearing interest at the three-month Euribor rate plus 100 basis points. The outstanding balance of the loans was €305,785K at 31 December 2009.

On 31 December 2009 UGF sold to UGF Assicurazioni a nominal €38,311,000 of the 5.66% subordinated bonds repurchased as a result of the public offer at a unit price of €99.94, the average of the bid and ask prices of the final transaction carried out on the market on 31 December 2009.

To supplement the information provided in the previous paragraphs of these Notes to the financial statements, the table below shows the amount and the type of the assets, liabilities, income and expense relating to transactions with related parties (in €K):

|   | Parents        | Subsidiaries     | Associates | Related companies | Total            | Incidence     |            |               |            |
|---|----------------|------------------|------------|-------------------|------------------|---------------|------------|---------------|------------|
|   |                |                  |            |                   |                  |               |            |               |            |
| Shares and quotas                                 |                | 4,286,378        |            |                   | 4,286,378        | 74.3%         | (1)        | 648.6%        | (3)        |
| Other receivables                                 | 71,365         | 444,792          | 2          | 3                 | 516,161          | 8.9%          | (1)        | 78.1%         | (3)        |
| Bank deposits                                     |                | 532,832          |            |                   | 532,832          | 9.2%          | (1)        | 80.6%         | (3)        |
| <b>Total assets</b>                               | <b>71,365</b>  | <b>5,264,002</b> | <b>2</b>   | <b>3</b>          | <b>5,335,371</b> | <b>92.5%</b>  | <b>(1)</b> | <b>807.3%</b> | <b>(3)</b> |
| Other loans and other financial payables          | 142,218        | 1,026            | 0          | 0                 | 143,245          | 2.5%          | (1)        | 21.7%         | (3)        |
| Sundry payables                                   | 0              | 315,149          |            | 5                 | 315,154          | 5.5%          | (1)        | 47.7%         | (3)        |
| <b>Total liabilities</b>                          | <b>142,218</b> | <b>316,175</b>   | <b>0</b>   | <b>5</b>          | <b>458,398</b>   | <b>7.9%</b>   | <b>(1)</b> | <b>69.4%</b>  | <b>(3)</b> |
| Turnover from sales and services                  | 21             | 48,187           | 2          | 1                 | 48,211           | 40.4%         | (2)        | 7.3%          | (3)        |
| Turnover from land and buildings                  |                | 67               |            |                   | 67               | 0.1%          | (2)        | 0.0%          | (3)        |
| Dividends and other income from shares and quotas |                | 160,250          |            |                   | 160,250          | 134.4%        | (2)        | 24.2%         | (3)        |
| Other financial income                            |                | 3,392            |            |                   | 3,392            | 2.8%          | (2)        | 0.5%          | (3)        |
| Other income                                      | 24             | 13,281           | 3          | 149               | 13,458           | 11.3%         | (2)        | 2.0%          | (3)        |
| <b>Total revenues and income</b>                  | <b>46</b>      | <b>225,177</b>   | <b>5</b>   | <b>151</b>        | <b>225,377</b>   | <b>189.0%</b> | <b>(2)</b> | <b>34.1%</b>  | <b>(3)</b> |
| Interest and financial charges                    | 3,618          | 1,202            |            |                   | 4,820            | 4.0%          | (2)        | 0.7%          | (3)        |
| Services  |                | 7,999            |            |                   | 7,999            | 6.7%          | (2)        | 1.2%          | (3)        |
| Use of third party assets                         |                | 252              |            |                   | 252              | 0.2%          | (2)        | 0.0%          | (3)        |
| Other operating costs                             |                | 1,000            |            |                   | 1,000            | 0.8%          | (2)        | 0.2%          | (3)        |
| <b>Total expense</b>                              | <b>3,618</b>   | <b>10,453</b>    | <b>0</b>   | <b>0</b>          | <b>14,072</b>    | <b>11.8%</b>  | <b>(2)</b> | <b>2.1%</b>   | <b>(3)</b> |

(1) Incidence based on the total assets in the balance sheet

(2) Incidence based on the pre-tax profit/(loss)

(3) Incidence based on all sources in the statement of cash flows

## Non-recurring significant transactions during the year

Below is a list of the non-recurring transactions that had a significant impact on the financial position and results of operations that the company carried out during the year:

- contribution of UGF's entire insurance business unit to UGF Assicurazioni on 1 February 2009. This transaction involved the sale of €57m of assets and €48.6m of liabilities, a €0.6m increase in the value of the investment in UGF Assicurazioni and recording €8.5m of receivables from the subsidiary (balance at the end of May 2009);
- issue of two bond loans:
  - senior bond loan for €175m, issued on 1 July 2009. This loan was issued at par, is for three-years, bears interest at an annual fixed rate of 5.25% and is not listed on a regulated market;
  - senior bond loan for €750m issued on 4 December 2009. This loan was issued at a price of €99.314, is for seven years, bears interest at an annual fixed rate of 5% and is listed on the Luxembourg Stock Exchange.

The issue of these loans involved recording €925m of liabilities, €6.6m of coupon accruals and €6.6m of interest expense;

- voluntary public offer for the entire amount of the UGF 5.66% subordinate bond loan with a total nominal amount of €300m issued by the Company on 28 July 2003. The bid concluded on 9 July 2009 with the repurchase of a nominal amount of €38.3m for total payment to members of €33.5m. This transaction generated a gain of €4.8m;

- the subsidiary UGF Assicurazioni taking over as issuer of the UGF 7% subordinated bond loan maturing in 2021 and the 5.66% loan maturing in 2023, each of which has a nominal amount of €300m, on 5 August 2009 and 29 December 2009 respectively. This involved derecognition of the amounts due for bond loans when the unpaid portion of payables to subsidiaries, which amounted to €305.8m at 31 December 2009, were recorded;
- the agreement for the acquisition of the Arca Vita Group was signed on 24 December 2009. Subject to the authorisation of the relevant authorities the agreement, which is for ten years, provides for UGF to acquire the majority of the Arca Insurance Group and to be the sole distributor of Life and Non-Life insurance products through the sales outlets of the banking network that already operates with the Arca Group. UGF is to acquire 60% of the share capital of Arca Vita S.p.A. from companies in the BPER Banking Group and BPSO at a price of approximately €277m and Arca Vita, which already holds 64.08% of the share capital of Arca Assicurazioni S.p.A., is to acquire a further 28.95% from the BPER Group and BPSO for approximately €43m. These figures will be adjusted and spread over a period to take account of whether growth objectives specified in the agreement are achieved.

### **Atypical and/or unusual transactions during the year**

No atypical and/or unusual transactions were carried out during the year ended 31 December 2009.

### **Fees paid to the members of the Boards of Directors and Statutory Auditors, to the General Manager and to key managers**

Under the provisions of Article 78 of the Regulation implementing Legislative Decree 58 of 24 February 1998 relating to issuers adopted by CONSOB in its Ruling 11921 of 14 May 1999 as amended and supplemented, the fees paid to each Director, Statutory Auditor and General Manager (for whatever reason and in whatever way, including by subsidiaries) and the total amount paid to key managers are shown below.

| Subject                        | Description of post        |               | Fees             |                    |                       |                      |                |
|--------------------------------|----------------------------|---------------|------------------|--------------------|-----------------------|----------------------|----------------|
|                                | first name and surname     | post held     | period post held | fees for post held | non-monetary benefits | bonus and incentives | other fees     |
| Pierluigi STEFANINI            | Chairman                   | 1/1-31/12/09  | 730,000 (1)      |                    |                       |                      |                |
| Vanes GALANTI                  | Vice Chairman              | 1/1-31/12/09  | 177,000 (2)      |                    |                       |                      | 49,500 (3)     |
| Carlo SALVATORI                | CEO                        | 1/1-31/12/09  | 1,755,000 (4)    |                    |                       |                      | 29,530 (5)     |
| Jean Dominique ANTONI          | Director                   | 1/1-31/12/09  | 68,000 (6)       |                    |                       |                      |                |
| Francesco BERARDINI            | Director                   | 25/6-31/12/09 | 35,027 (7)       |                    |                       |                      | 17,616 (8)     |
| Sergio BETTI                   | Director                   | 1/1-31/12/09  | 66,500 (9)       |                    |                       |                      |                |
| Rocco CARANNANTE               | Director                   | 1/1-31/12/09  | 82,034 (10)      |                    |                       |                      |                |
| Pier Luigi CELLI               | Director                   | 1/1-31/12/09  | 69,500 (11)      |                    |                       |                      |                |
| Piero COFFARI                  | Director                   | 1/1-31/12/09  | 68,000 (12)      |                    |                       |                      | 53,298 (13)    |
| Piero COLLINA                  | Director                   | 1/1-31/12/09  | 72,500 (14)      |                    |                       |                      | 36,500 (15)    |
| Bruno CORDAZZO                 | Director                   | 1/1-14/05/09  | 24,356           |                    |                       |                      | 15,716 (16)    |
| Sergio COSTALLI                | Director                   | 1/1-31/12/09  | 66,500 (17)      |                    |                       |                      | 34,298 (18)    |
| Jacques FOREST                 | Director                   | 1/1-31/12/09  | 63,500 (19)      |                    |                       |                      |                |
| Fabrizio GILLONE               | Director                   | 1/1-31/12/09  | 75,500 (20)      |                    |                       |                      | 76,912 (21)    |
| Claudio LEVORATO               | Director                   | 1/1-31/12/09  | 62,000 (22)      |                    |                       |                      | 30,500 (23)    |
| Ivan MALAVASI                  | Director                   | 1/1-31/12/09  | 63,500 (24)      |                    |                       |                      |                |
| Massimo MASOTTI                | Director                   | 1/1-31/12/09  | 95,500 (25)      |                    |                       |                      |                |
| Enrico MIGLIAVACCA             | Director                   | 1/1-31/12/09  | 66,500 (26)      |                    |                       |                      |                |
| Pier Luigi MORARA              | Director                   | 1/1-31/12/09  | 71,000 (27)      |                    |                       |                      |                |
| Sergio NASI                    | Director                   | 1/1-31/12/09  | 54,500 (28)      |                    |                       |                      |                |
| Marco PEDRONI                  | Director                   | 1/1-31/12/09  | 69,500 (29)      |                    |                       |                      | 32,500 (30)    |
| Giuseppe POLITI                | Director                   | 1/1-31/12/09  | 66,500 (31)      |                    |                       |                      | 37,500 (32)    |
| Francesco VELLA                | Director                   | 1/1-31/12/09  | 75,500 (33)      |                    |                       |                      |                |
| Marco Giuseppe VENTURI         | Director                   | 1/1-31/12/09  | 72,500 (34)      |                    |                       |                      | 36,500 (35)    |
| Luca ZACCHERINI                | Director                   | 1/1-31/12/09  | 85,034 (36)      |                    |                       |                      |                |
| Mario ZUCCHELLI                | Director                   | 1/1-31/12/09  | 71,000 (37)      |                    |                       |                      |                |
| Roberto CHIUSOLI               | Chair. Board. Stat. Audit. | 1/1-31/12/09  | 75,000           |                    |                       |                      | 55,036 (38)    |
| Domenico TROMBONE              | Statutory Auditor          | 1/1-31/12/09  | 50,000           |                    |                       |                      | 45,000 (39)    |
| Giorgio PICONE                 | Statutory Auditor          | 1/1-31/12/09  | 50,000           |                    |                       |                      | 16,807 (40)    |
| Cristiano CERCHIAI             | Alternate Auditor          | 1/1-31/12/09  |                  |                    |                       |                      | 74,187 (41)    |
| Giovanni Battista GRAZIOSI     | Alternate Auditor          | 1/1-31/12/09  |                  |                    |                       |                      | 83,919 (42)    |
| Carlo CIMBRI                   | General Manager            | 1/1-31/12/09  |                  |                    | 1,727                 |                      | 1,289,587 (43) |
| Key Managers (aggregated data) |                            | 1/1-31/12/09  |                  |                    | 62,222                |                      | 4,223,437 (44) |

- (1) Includes fees paid under Article 2389, para. 3, of the Civil Code and €15,000 for the post of Chairman of the Management Committee;
- (2) Includes fees paid under Article 2389, para. 3, of the Civil Code and €12,000 for membership of the Management Committee;
- (3) Fees for the post held in UGF Assicurazioni S.p.A.;
- (4) Includes fees paid under Article 2389, para. 3, of the Civil Code and €15,000 for membership of the Management Committee;
- (5) Expenses incurred while carrying out the post;
- (6) Includes €7,500 for membership of the Committee for Social Responsibility; fees not drawn but paid to IMA G.I.E. (France);
- (7) Includes €3,000 for membership of the Appointments Committee;

- (8) Fees for the post held in UGF Assicurazioni S.p.A.;
- (9) Includes €1,500 for membership of the Remuneration Committee;
- (10) Includes €9,000 for membership of the Internal Control Committee and €9,534 for membership of the Supervisory Body;
- (11) Includes €6,000 for membership of the Committee for Social Responsibility;
- (12) Includes €6,000 for membership of the Appointments Committee; not drawn but paid to Coop Adriatica Scarl;
- (13) Includes fees for the posts held in UGF Banca S.p.A. and UGF Merchant S.p.A.; not drawn but paid to Coop Adriatica Scarl;
- (14) Includes €12,000 for membership of the Management Committee;
- (15) Fees for the post held in UGF Banca S.p.A.;
- (16) Includes fees for posts held in UGF Assicurazioni S.p.A.;
- (17) Includes €7,500 for membership of the Management Committee; not drawn but paid to Unicoop Tirreno Scarl;
- (18) Includes fees for the posts held in UGF Merchant S.p.A. and UGF Assicurazioni S.p.A.; not drawn but paid to Unicoop Tirreno Scarl;
- (19) Includes €1,500 for membership of the Remuneration Committee; not drawn but paid to P&V Assurance Sa (Belgium);
- (20) Includes €10,500 for membership of the Internal Control Committee;
- (21) Includes fees for the posts held in Aurora Assicurazioni S.p.A., UGF Assicurazioni S.p.A. and UGF Banca S.p.A.;
- (22) Fees not drawn but paid to Manutencoop Scarl;
- (23) Fees for the post held in UGF Banca S.p.A.; not drawn but paid to Manutencoop Scarl;
- (24) Includes €1,500 for membership of the Remuneration Committee;
- (25) Includes €10,500 for membership of the Internal Control Committee and €20,000 for the office of Chairman of the Supervisory Body;
- (26) Includes €1,500 for membership of the Remuneration Committee;
- (27) Includes €6,000 for membership of the Appointments Committee;
- (28) Includes €1,500 for membership of the Committee for Social Responsibility; not drawn but paid to Coopfond S.p.A.;
- (29) Includes €9,000 for membership of the Management Committee; not drawn but paid to Coop Consumatori Nordest Scarl;
- (30) Fees for the post held in UGF Banca S.p.A.; not drawn but paid to Coop Consumatori Nordest Scarl;
- (31) Includes €6,000 for membership of the Appointments Committee;
- (32) Fees for the post held in UGF Banca S.p.A.;
- (33) Includes €10,500 for membership of the Committee for Social Responsibility;
- (34) Includes €9,000 for membership of the Committee for Social Responsibility;
- (35) Fees for the post held in UGF Banca S.p.A.;
- (36) Includes €10,500 for membership of the Internal Control Committee; not drawn but paid to CEFLA Scarl. Also includes €9,534 for membership of the Supervisory Body;
- (37) Includes €10,500 for membership of the Management Committee;
- (38) Includes fees for the posts held in UGF Merchant S.p.A. and Unipol Banca S.p.A.;
- (39) Includes fees for the post of Chairman of UGF Assicurazioni S.p.A.'s Board of Statutory Auditors;
- (40) Includes fees for the posts of Chairman of the Board of Statutory Auditors of Aurora Assicurazioni S.p.A. and UGF Merchant S.p.A. and €3,171 for membership of the Supervisory Body;
- (41) Includes fees for posts held in UGF Merchant S.p.A., UGF Assicurazioni S.p.A., Navale Assicurazioni S.p.A., Navale Vita S.p.A., Unisalute S.p.A. and BNL Vita S.p.A.;
- (42) Includes fees for posts held in Nettuno Fiduciaria S.p.A., Ambra Property S.r.l., UGF Banca S.p.A., Navale Assicurazioni S.p.A., Navale Vita S.p.A., Unifimm S.r.l., Midi S.r.l., Smallpart S.p.A., SRS S.p.A. and UGF Private Equity S.p.A.;
- (43) Includes salary and fees under Article 2389, para. 3, of the Civil Code for the post held in UGF Assicurazioni S.p.A.;
- (44) Includes salary of €4,208,437.

\* \* \*

During 2009 the companies in the UGF Group paid Unipol Gruppo Finanziario S.p.A. a total of €1,074,392 as a fee for the posts held in them by the Chairman, the Chief Executive Officer, the General Manager and the key managers.

## Stock options granted to members of the Board of Directors, General Manager and key managers

In accordance with Article 78 of CONSOB Ruling 11971 of 14 May 1999 the table below shows the shares of the Company granted to the General Manager and key managers. They were granted under the scheme to award free ordinary shares to all employees carried out during 2007.

| (A)                    | (B)             | Options held at the beginning of the year |                            |                  | Options granted during the year |                            |                  | Options exercised during the year |                            |                                   | Options lapsed during the year | Options held at the close of the year |                            |                  |
|------------------------|-----------------|---|----------------------------|------------------|---------------------------------|----------------------------|------------------|-----------------------------------|----------------------------|-----------------------------------|--------------------------------|---------------------------------------|----------------------------|------------------|
|                        |                 | (1)                                       | (2)                        | (3)              | (4)                             | (5)                        | (6)              | (7)                               | (8)                        | (9)                               | (10)                           | (11)=1+4-7-10                         | (12)                       | (13)             |
| First name and surname | Post held       | Number of options                         | Average price for the year | Average maturity | Number of options               | Average price for the year | Average maturity | Number of options                 | Average price for the year | Average market price for the year | Number of options              | Number of options                     | Average price for the year | Average maturity |
| Carlo Cimbro           | General Manager | 694                                       | 0                          | 0                |                                 |                            |                  |                                   |                            |                                   |                                | 694                                   | 0                          | 0                |
|                        | Key Managers    | 5,205                                     | 0                          | 0                |                                 |                            |                  |                                   |                            |                                   |                                | 5,205                                 | 0                          | 0                |

# **Appendices to the Notes to the Financial Statements**

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1. Reclassified income statement  
(CONSOB Recommendation 94001437)
2. Schedule of changes in equity over the last two years  
(Article 2427.4 of the Civil Code)
3. Schedule showing the usage and availability of the equity reserves at 31 December 2009  
(Article 2427.7-bis of the Civil Code)
4. Statement of cash flows for 2009
5. Schedule showing the changes in intangible fixed assets during the year  
(Article 2427.2 of the Civil Code)
6. Schedule showing the changes in tangible fixed assets during the year  
(Article 2427.2 of the Civil Code)
7. Schedule showing movements in investments under financial fixed assets
8. Statement of investments exceeding 10% of the total at 31 December 2009  
(Articles 125 and 126 of CONSOB Ruling 11971 of 14/05/1999)
9. List of shares and securities included in current assets at 31 December 2009  
(CONSOB Recommendation 94001437)
10. Schedule showing the temporary differences that led to deferred taxes being recorded  
(Article 2427.14 of the Civil Code)
11. Information on indebtedness at 31 December 2009  
(CONSOB Recommendation 6064293)

## RECLASSIFIED INCOME STATEMENT

| <i>(in €K)</i>   | 2009             | 2008             |
|--|------------------|------------------|
| 1) Income from investments:  |                  |                  |
| in subsidiaries  | 154.238          | 51.255           |
| in other companies   | 4.252            | 3.157            |
| <b>Total income from investments</b>   | <b>158.489</b>   | <b>54.412</b>    |
| 2) Other financial income:   |                  |                  |
| a) from receivables classified as fixed assets                                 | 8.772            | 6.153            |
| from subsidiaries  | 0                | 5.643            |
| from other companies   | 8.772            | 510              |
| c) from securities classified as fixed which are not equity investments        | 17.880           | 20.742           |
| d) other income  | 33.603           | 50.382           |
| from subsidiaries  | 3.392            | 32.482           |
| from other companies   | 30.212           | 17.900           |
| <b>Total other financial income</b>  | <b>60.256</b>    | <b>77.277</b>    |
| 3) Interest and other financial charges:                                       |                  |                  |
| from subsidiaries  | (1.202)          | (254)            |
| from parents   | (3.618)          | 0                |
| from other   | (63.112)         | (73.663)         |
| <b>Total interest and other financial charges</b>                              | <b>(67.933)</b>  | <b>(73.917)</b>  |
| Exchange rate losses   | (29)             | (538)            |
| <b>NET FINANCIAL INCOME</b>  | <b>150.784</b>   | <b>57.233</b>    |
| 4) Write-backs:  |                  |                  |
| a) on investments  | 8.209            | 0                |
| c) on securities classified as current assets which are not equity investments | 23.802           | 1.499            |
| <b>Total write-backs</b>   | <b>32.011</b>    | <b>1.499</b>     |
| 5) Write-downs:  |                  |                  |
| a) on investments  | (602)            | (27.333)         |
| c) on securities classified as current assets which are not equity investments | (4.941)          | (55.134)         |
| <b>Total write-downs</b>   | <b>(5.543)</b>   | <b>(82.467)</b>  |
| <b>TOTAL ADJUSTMENTS</b>   | <b>26.467</b>    | <b>(80.967)</b>  |
| 6) Other operating income  | 64.246           | 271.195          |
| <b>TOTAL OTHER OPERATING INCOME</b>  | <b>64.246</b>    | <b>271.195</b>   |
| 7) Non-financial services  | (36.143)         | (99.945)         |
| 8) Use of third party assets   | (5.440)          | (19.173)         |
| 9) Personnel expenses  | (58.551)         | (174.682)        |
| 10) Amortisation, depreciation and write-downs                                 | (15.094)         | (27.814)         |
| 12) Other provisions   | (775)            | (3.360)          |
| 13) Other operating costs  | (5.100)          | (3.075)          |
| <b>TOTAL OTHER OPERATING COSTS</b>   | <b>(121.104)</b> | <b>(328.049)</b> |
| <b>OPERATING PROFIT/(LOSS)</b>   | <b>120.393</b>   | <b>(80.588)</b>  |
| 14) Income:  |                  |                  |
| a) Gains on sale of assets   | 22               | 49.091           |
| b) Other income  | 9.199            | 2.037            |
| <b>Total extraordinary income</b>  | <b>9.222</b>     | <b>51.128</b>    |
| 15) Charges:   |                  |                  |
| a) Losses on sale of assets  | (149)            | (10)             |
| c) Other expense   | (10.190)         | (6.983)          |
| <b>Total extraordinary charges</b>   | <b>(10.339)</b>  | <b>(6.993)</b>   |
| <b>NET EXTRAORDINARY INCOME (EXPENSE)</b>                                      | <b>(1.118)</b>   | <b>44.135</b>    |
| <b>PRE-TAX PROFIT/(LOSS)</b>   | <b>119.275</b>   | <b>(36.454)</b>  |
| 16) Income taxes   | 9.544            | 33.580           |
| <b>17) NET PROFIT/(LOSS) FOR THE YEAR</b>                                      | <b>128.819</b>   | <b>(2.873)</b>   |

**SCHEDULE OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2008 AND 2009**  
*(in €K)*

|  | <b>Share capital</b> |                  | <b>Equity reserves and retained earnings</b> |                        |                  |  |   | <b>Net profit/<br/>(loss) for<br/>the year</b> | <b>TOTAL</b>     |
|--|----------------------|------------------|--|------------------------|------------------|--|---|--|------------------|
|  |                      |                  | Share<br>premium<br>reserve                  | Revaluation<br>reserve | Legal<br>reserve | Reserve for<br>own and<br>parent<br>shares | Counterpart own<br>and parent<br>shares |  |                  |
| <b>BALANCES AT 31 DECEMBER 2007</b>                            | <b>2.391.426</b>     | <b>1.867.595</b> | <b>20.701</b>                                | <b>472.029</b>         | <b>145.000</b>   | <b>124.173</b>                             | <b>23.815</b>                           | <b>288.841</b>                                 | <b>5.333.579</b> |
| Resolutions passed by the Shareholders' Meeting of 24/04/2008: |                      |                  |  |                        |                  |  |   |  |                  |
| Profit allocation for 2007                                     |                      |                  |  |                        |                  |  |   |  |                  |
| -legal reserve   |                      |                  |  | 6.256                  |                  |  |   | (6.256)  | 0                |
| -extraordinary reserve   |                      |                  |  |                        |                  | 98.487                                     |   | (98.487)                                       | 0                |
| -dividends paid  |                      | (815.715)        |  |                        |                  |  |   | (184.097)                                      | (999.812)        |
| Reserve for own shares in portfolio                            |                      |                  |  |                        | (52)             | 52   |   |  | 0                |
| Profit (loss) for 2008   |                      |                  |  |                        |                  |  |   | (2.873)  | (2.873)          |
| <b>BALANCE AT 31 DECEMBER 2008</b>                             | <b>2.391.426</b>     | <b>1.051.879</b> | <b>20.701</b>                                | <b>478.285</b>         | <b>144.948</b>   | <b>222.660</b>                             | <b>23.815</b>                           | <b>(2.873)</b>                                 | <b>4.330.893</b> |
| Resolutions passed by the Shareholders' Meeting of 22/04/2009: |                      |                  |  |                        |                  |  |   |  |                  |
| Loss allocation for 2008                                       |                      |                  |  |                        |                  |  |   |  |                  |
| -reserve for former Article 2426, 8-bis of the Civil Code      |                      |                  |  |                        |                  |  |   | (2.106)  | 2.106            |
| -reserve as per Regional Law 46 of 12/04/1967, Sicily          |                      |                  |  |                        |                  |  |   | (326)  | 326              |
| -reserve for negative goodwill                                 |                      |                  |  |                        |                  |  |   | (22)   | 22               |
| -conversion warrant reserve                                    |                      |                  |  |                        |                  |  |   | (314)  | 314              |
| -share exchange reserve  |                      |                  |  |                        |                  |  |   | (106)  | 106              |
| Reserve for own shares in portfolio                            |                      |                  |  |                        | 8                | (8)  |   |  | 0                |
| Profit (loss) for 2008   |                      |                  |  |                        |                  |  |   | 128.819  | 128.819          |
| <b>BALANCES AT 31 DECEMBER 2009</b>                            | <b>2.391.426</b>     | <b>1.051.879</b> | <b>20.701</b>                                | <b>478.285</b>         | <b>144.956</b>   | <b>222.660</b>                             | <b>20.941</b>                           | <b>128.820</b>                                 | <b>4.459.712</b> |

### SCHEDULE SHOWING THE USAGE AND AVAILABILITY OF THE EQUITY RESERVES

(in €K)

| Type/description   | Amount           | Possible use<br>(*) | Available portion | Use in the past three years<br>to cover losses<br>for other reasons |
|--|------------------|---------------------|-------------------|---|
| <b>Equity-related reserves</b>                                 |                  |                     |                   |   |
| Revaluation reserve  | 1.051.879        | A, B, C             | 1.051.879 (a)     | 921.921 (1)   |
| Legal reserve  | 365.499 (b)      | B                   |                   |   |
| Extraordinary reserve  | 222.660          | A, B, C             | 222.660           |   |
| Reserve for the acquisition of own shares                      | 99.956           | A, B, C             | 99.956            |   |
| Reserve for the acquisition of shares in the parent            | 45.000           | A, B, C             | 45.000            |   |
| Reserve for own shares in portfolio                            | 44               | -                   |                   |   |
| Revaluation reserve under Law 413/1991                         | 14.762           | A, B, C             | 14.762 (c)        |   |
| Reserve for property revaluation                               | 5.939            | A, B, C             | 5.939 (c)         |   |
| Share exchange reserve (former revaluation under Law 413/1991) | 18.316           | A, B, C             | 18.316 (c)        |   |
| Share exchange reserve   | 2.626            | A, B, C             | 2.626             |   |
| <b>Income-related reserves</b>                                 |                  |                     |                   |   |
| Legal reserve  | 112.787          | B                   |                   |   |
| <b>Total</b>   | <b>1.939.467</b> |                     | <b>1.461.138</b>  |   |
| Non-distributable portion                                      |                  |                     | 9.627 (d)         |   |
| <b>Distributable portion</b>                                   |                  |                     | <b>1.451.511</b>  |   |

(\*) A: for share capital increase  
B: to cover losses  
C: dividends

(a) to be distributed only when the legal reserve reaches the limit provided for by Article 2430 of the Civil Code

(b) transfer from the share premium reserve

(c) taxable in the event of distribution

(d) represents start-up and capital costs and advertising not yet amortised

(1) distribution of supplementary dividend

## STATEMENT OF CASH FLOWS FOR 2009

(in €K)

|   | 2009           | 2008             |
|---|----------------|------------------|
| <b>SOURCE OF FUNDS</b>  |                |                  |
| <b>Cash flow from operating activities</b>                        |                |                  |
| Net profit/(loss) for the year                                    | 128.819        | (2.873)          |
| Depreciation/amortisation of tangible and intangible fixed assets | 15.089         | 27.813           |
| Adjustments to other financial assets                             | (28.301)       | 80.967           |
| Increase (decrease) in net tax payables                           | (1.654)        | 6.016            |
| Increase (decrease) in net deferred tax liabilities               | (3.883)        | (15.873)         |
| Accruals to the provision for risks and charges                   | 4.693          | 5.779            |
| Increase (decrease) in employees' leaving entitlement             | (0)            | (3.420)          |
| Decrease (increase) in prepayments and accrued income             | (16.877)       | 11.623           |
| Increase (decrease) in accrued expenses and deferred income       | (10.459)       | (225)            |
| Other items   | 0              | (1.021)          |
| <b>Total cash flow from operating activities</b>                  | <b>87.427</b>  | <b>108.785</b>   |
| <b>Other source of funds</b>                                      |                |                  |
| Disposal of tangible and intangible fixed assets                  | 38             | 2.874            |
| Disposal of investments classified under fixed assets             | 0              | 191.198          |
| Disposal and repayment of other financial fixed assets            | 26.379         | 325.307          |
| Decrease in receivables classified under current assets           | 474            | 2.232            |
| Decrease in financial assets recorded under current assets        | 41.767         | 327.873          |
| Increase in payables  | 504.659        | 178.457          |
| <b>Total other source of funds</b>                                | <b>573.316</b> | <b>1.027.941</b> |
| <b>TOTAL SOURCES</b>  | <b>660.743</b> | <b>1.136.726</b> |
| <b>APPLICATION OF FUNDS</b>                                       |                |                  |
| Increase in tangible and intangible fixed assets                  | 17.250         | 21.071           |
| Increase in investments classified under fixed assets             | 201.783        | 163.714          |
| Increase in other financial fixed assets                          | 0              | 95.000           |
| Increase in receivables classified under current assets           | 319.116        | 114.567          |
| Increase in financial assets classified under current assets      | 2.089          | 59.278           |
| Use of provision for risks and charges                            | 2.157          | 16.474           |
| Other application of funds  | 355            | 50.793           |
| Liquidity contributed   | 131            | 0                |
| Dividends paid  | 0              | 999.812          |
| <b>TOTAL APPLICATION OF FUNDS</b>                                 | <b>542.882</b> | <b>1.520.708</b> |
| Increase (decrease) in liquid funds                               | 117.861        | (383.982)        |
| <b>TOTAL</b>  | <b>660.743</b> | <b>1.136.726</b> |
| <b>Liquid funds at the start of the year</b>                      | <b>416.894</b> | <b>800.877</b>   |
| <b>Liquid funds at the end of the year</b>                        | <b>534.755</b> | <b>416.894</b>   |



**SCHEDULE SHOWING THE CHANGES IN TANGIBLE FIXED ASSETS**  
(in €K)

|                            | AT 1 JANUARY   |                          | MOVEMENTS DURING THE YEAR    |              |                           |              |                |                |            |               | AT 31 DECEMBER           |                              |                          |                              |
|----------------------------|----------------|--------------------------|------------------------------|--------------|---------------------------|--------------|----------------|----------------|------------|---------------|--------------------------|------------------------------|--------------------------|------------------------------|
|                            |                |                          | HISTORIC COST                |              | ACCUMULATED AMORTISATIONS |              |                |                | Sales      | Historic cost |                          |                              | Accumulated depreciation | Net book value at 31/12/2009 |
|                            |                |                          | Increases                    | Decreases    | Increases                 | Decreases    | Per annum      | Contribution   |            |               |                          |                              |                          |                              |
|                            | Historic cost  | Accumulated depreciation | Net book value at 31/12/2008 | Purchases    | Contribution              | Sales        | Per annum      | Contribution   | Sales      | Historic cost | Accumulated depreciation | Net book value at 31/12/2009 |                          |                              |
| <b>Plant and machinery</b> | 29.931         | (24.766)                 | 5.165                        | 109          | (29.197)                  | (2)          | (277)          | 24.265         | 2          | 841           | (776)                    | 66                           |                          |                              |
| <b>Other assets</b>        | 122.404        | (102.755)                | 19.649                       | 2.548        | (123.858)                 | (213)        | (917)          | 103.214        | 176        | 880           | (282)                    | 598                          |                          |                              |
| <b>TOTAL</b>               | <b>152.335</b> | <b>(127.521)</b>         | <b>24.814</b>                | <b>2.657</b> | <b>(153.056)</b>          | <b>(215)</b> | <b>(1.194)</b> | <b>127.480</b> | <b>178</b> | <b>1.722</b>  | <b>(1.058)</b>           | <b>664</b>                   |                          |                              |

**SCHEDULE SHOWING MOVEMENTS IN INVESTMENTS IN GROUP COMPANIES AND OTHER INVESTMENTS: SHARES AND QUOTAS**  
(in €K)

| Company name                          | Book value at 31/12/08 |                  | Increases during the year |                |                |                  | Decreases during the year |                    |                      |                    | Book value at 31/12/08 |                  |
|---------------------------------------|------------------------|------------------|---------------------------|----------------|----------------|------------------|---------------------------|--------------------|----------------------|--------------------|------------------------|------------------|
|                                       | Quantity               | Value            | For purchases             |                | Other          | For sales        |                           | Other              | Quantity             | Value              | Quantity               | Value            |
|                                       |                        |                  | Quantity                  | Value          |                | Quantity         | Value                     |                    |                      |                    |                        |                  |
| UGF Assicurazioni S.p.A.              | 150.000.000            | 793.088          |                           |                | 300.000        | 2.143.257        |                           |                    |                      |                    | 150.300.000            | 2.936.345        |
| Aurora Assicurazioni S.p.A.           | 150.000.000            | 2.142.640        |                           |                |                |                  |                           |                    | (150.000.000)        | (2.142.640)        |                        |                  |
| Compagnia Assicuratrice Linear S.p.A. | 19.300.000             | 45.507           |                           |                |                |                  |                           |                    |                      |                    | 19.300.000             | 45.507           |
| Unipol Sgr S.p.A.                     | 5.000.000              | 5.550            |                           |                |                |                  |                           |                    |                      |                    | 5.000.000              | 5.550            |
| Navale Assicurazioni S.p.A.           | 96.089.716             | 141.676          |                           |                |                | 35.000           |                           |                    |                      |                    | 96.089.716             | 176.676          |
| Unisalute S.p.A.                      | 17.234.243             | 31.570           |                           |                |                |                  |                           |                    |                      |                    | 17.234.243             | 31.570           |
| UGF Banca S.p.A.                      | 476.581.946            | 664.675          | 136.166.271               | 136.166        |                |                  |                           |                    |                      |                    | 612.748.217            | 800.841          |
| BNL Vita S.p.A.                       | 16.320.000             | 238.794          |                           | 30.600         |                |                  |                           |                    |                      |                    | 16.320.000             | 269.394          |
| Ambra Property S.r.l.                 | 1                      | 20.495           |                           |                |                |                  |                           |                    |                      |                    | 1                      | 20.495           |
| <b>Total subsidiaries</b>             | <b>930.525.906</b>     | <b>4.083.995</b> | <b>136.166.271</b>        | <b>136.166</b> | <b>300.000</b> | <b>2.208.857</b> | <b>(150.000.000)</b>      | <b>(2.142.640)</b> | <b>(150.000.000)</b> | <b>(2.142.640)</b> | <b>916.992.177</b>     | <b>4.286.378</b> |
| <b>TOTAL B.III.1)</b>                 | <b>930.525.906</b>     | <b>4.083.995</b> | <b>136.166.271</b>        | <b>136.166</b> | <b>300.000</b> | <b>2.208.857</b> | <b>(150.000.000)</b>      | <b>(2.142.640)</b> | <b>(150.000.000)</b> | <b>(2.142.640)</b> | <b>916.992.177</b>     | <b>4.286.378</b> |

**STATEMENT OF INVESTMENTS EXCEEDING 10% OF THE TOTAL  
AT 31 DECEMBER 2009**

(in accordance with Article 126 of CONSOB Resolution 11971 of 14/5/1999)

| Company name                                  | Registered office | Held    |         |   | Total<br>% held (*) |
|---|-------------------|---------|---------|---|---------------------|
|   |                   | Dir.    | Ind.    | Through   |                     |
| UGF Assicurazioni S.p.A.                      | Bologna           | 100,00% |         |   | 100,00%             |
| Compagnia Assicuratrice Linear S.p.A.         | Bologna           | 100,00% |         |   | 100,00%             |
| Unipol SGR S.p.A.                             | Bologna           | 100,00% |         |   | 100,00%             |
| Ambra Property S.r.l.                         | Bologna           | 100,00% |         |   | 100,00%             |
| Navale Assicurazioni S.p.A.                   | Milan             | 99,83%  |         |   | 99,83%              |
| Unisalute S.p.A.                              | Bologna           | 98,48%  |         |   | 98,48%              |
| UGF Banca S.p.A.                              | Bologna           | 67,74%  | 32,26%  | UGF Assicurazioni S.p.A.                                      | 100,00%             |
| BNL Vita S.p.A.                               | Milan             | 51,00%  |         |   | 51,00%              |
| A.P.A. S.p.A.                                 | Parma             |         | 46,50%  | Smallpart S.p.A.  | 46,50%              |
| Acacia 2000 S.r.l.                            | Milan             |         | 15,00%  | UGF Assicurazioni S.p.A.                                      | 15,00%              |
| Agefin S.p.A.                                 | Bologna           |         | 19,90%  | UGF Banca S.p.A.  | 19,90%              |
| Assicoop Ferrara S.p.A.                       | Ferrara           |         | 47,40%  | Smallpart S.p.A.  | 47,40%              |
| Assicoop Firenze S.p.A.                       | Florence          |         | 44,00%  | Smallpart S.p.A.  | 44,00%              |
| Assicoop Imola S.p.A.                         | Imola (BO)        |         | 47,33%  | Smallpart S.p.A.  | 47,33%              |
| Assicoop Modena S.p.A.                        | Modena            |         | 43,32%  | Smallpart S.p.A.  | 43,32%              |
| Assicoop Ravenna S.p.A.                       | Ravenna           |         | 49,00%  | Smallpart S.p.A.  | 49,00%              |
| Assicoop Romagna S.p.A.                       | Forlì             |         | 49,00%  | Smallpart S.p.A.  | 49,00%              |
| Assicoop Sicura S.p.A.                        | Bologna           |         | 40,21%  | Smallpart S.p.A.  | 40,21%              |
| Assicoop Siena S.p.A.                         | Siena             |         | 49,00%  | Smallpart S.p.A.  | 49,00%              |
| Assicura S.p.A.                               | Reggio Emilia     |         | 35,00%  | Smallpart S.p.A.  | 35,00%              |
| Atlantis Vida s.a.                            | Spain             |         | 12,50%  | UGF Assicurazioni S.p.A.                                      | 12,50%              |
| Bnl Servizi Assicurativi S.r.l.in liquidation | Milan             |         | 100,00% | BNL Vita S.p.A.   | 100,00%             |
| Euresa Holding s.a.                           | Luxembourg        |         | 25,00%  | UGF Assicurazioni S.p.A.                                      | 25,00%              |
| Euromilano S.p.A.                             | Milan             |         | 20,00%  | UGF Assicurazioni S.p.A.                                      | 20,00%              |
| F.im.par.co. S.p.A.                           | Carpi (MO)        |         | 15,00%  | UGF Merchant S.p.A.   | 15,00%              |
| FI.BO. Finanziaria Bolognese S.p.A.           | Bologna           |         | 18,95%  | Smallpart S.p.A.  | 18,95%              |
| Finabita S.p.A.                               | Rome              |         | 14,96%  | UGF Merchant S.p.A.   | 14,96%              |
| Hotel Villaggio Cdm S.p.A.                    | Terrasini (PA)    |         | 49,00%  | UGF Assicurazioni S.p.A.                                      | 49,00%              |
| Inarcheck S.p.A.                              | Milan             |         | 12,00%  | Smallpart S.p.A.  | 12,00%              |
| Midi S.r.l.                                   | Bologna           |         | 100,00% | UGF Assicurazioni S.p.A.                                      | 100,00%             |
| Navale Vita S.p.A.                            | Rome              |         | 100,00% | Navale Assicurazioni S.p.A.                                   | 100,00%             |
| Nettuno Fiduciaria S.r.l.                     | Bologna           |         | 100,00% | UGF Banca S.p.A.  | 100,00%             |
| Pegaso Finanziaria S.p.A.                     | Bologna           |         | 45,00%  | Smallpart S.p.A.  | 45,00%              |
| Promorest S.r.l.                              | Castenaso (BO)    |         | 48,92%  | UGF Merchant S.p.A.   | 48,92%              |
| Protos SOA S.p.A.                             | Rome              |         | 10,59%  | Smallpart S.p.A.  | 10,59%              |
| SCS Azioninova S.p.A.                         | Bologna           |         | 40,00%  | UGF Merchant S.p.A.   | 40,00%              |
| Smallpart S.p.A.                              | Bologna           |         | 100,00% | UGF Assicurazioni S.p.A.                                      | 100,00%             |
| Syneteristiki Insurance s.a.                  | Greece            |         | 16,89%  | UGF Assicurazioni S.p.A.                                      | 16,89%              |
| Tecne Dental S.r.l.                           | Calenzano (FI)    |         | 30,00%  | UGF Merchant S.p.A.   | 30,00%              |
| Uci S.c.a.r.l.                                | Milan             |         | 12,45%  | UGF Assicurazioni S.p.A.<br>1,29% Navale Assicurazioni S.p.A. | 13,74%              |
| UGF Merchant S.p.A.                           | Bologna           |         | 86,18%  | UGF Banca S.p.A.  | 86,18%              |
| UGF Assistance S.r.l.                         | Bologna           |         | 100,00% | Unisalute S.p.A.  | 100,00%             |
| UGF Leasing S.p.A.                            | Bologna           |         | 100,00% | UGF Banca S.p.A.  | 100,00%             |
| UGF Private Equity SGR S.p.A.                 | Bologna           |         | 100,00% | UGF Banca S.p.A.  | 100,00%             |
| Unagro S.p.A.                                 | Ravenna           |         | 35,71%  | UGF Merchant S.p.A.   | 35,71%              |
| Unicard S.p.A.                                | Milan             |         | 51,00%  | UGF Banca S.p.A.  | 51,00%              |
| Unifimm S.r.l.                                | Bologna           |         | 100,00% | UGF Assicurazioni S.p.A.                                      | 100,00%             |
| Unipol Fondi LTD                              | Ireland           |         | 100,00% | UGF Banca S.p.A.  | 100,00%             |
| Vivium S.A.                                   | Belgium           |         | 13,88%  | UGF Assicurazioni S.p.A.                                      | 13,88%              |

(\*) All investments mentioned above are held as owners.

## LIST OF SHARES AND SECURITIES INCLUDED IN CURRENT ASSETS AT 31/12/2009

(in €K)

| ISIN Code                                  | Description                          | Nominal amount at 31/12/2009 | Book value at 31/12/2009 | Present value at 31/12/2009 | Write-downs        | Type                         |
|--|--------------------------------------|------------------------------|--------------------------|-----------------------------|--------------------|------------------------------|
| IT0001074571                               | Unipol Gruppo Finanziario S.p.A.     | 47.561                       | 43.670                   | 43.670                      | (8.124)            | Own shares                   |
|  | <b>Total own shares</b>              | <b>47.561</b>                | <b>43.670</b>            | <b>43.670</b>               | <b>(8.124)</b>     |                              |
| NL0000303709                               | Aegon NV New                         | 100.000                      | 459.659                  | 459.659                     | 0                  | listed foreign shares        |
| AT0000730007                               | Andritz AG                           | 40.000                       | 1.622.211                | 1.622.211                   | 0                  | listed foreign shares        |
| DE0005190003                               | BMW                                  | 150.000                      | 4.800.262                | 4.800.262                   | 0                  | listed foreign shares        |
| FR0000120172                               | Carrefour ord.                       | 85.000                       | 2.822.850                | 2.822.850                   | 0                  | listed foreign shares        |
| DE000ENAG999                               | E.on (ex Veba)                       | 150.000                      | 4.198.800                | 4.198.800                   | 0                  | listed foreign shares        |
| FI0009000681                               | Nokia Ab                             | 250.000                      | 2.181.125                | 2.181.125                   | (602.375)          | listed foreign shares        |
| CH0012332372                               | SWISS RE-REG(RUKN VX)                | 55.000                       | 1.836.991                | 2.725.360                   | 0                  | listed foreign shares        |
| FR0000120271                               | Total ord.                           | 100.000                      | 4.362.909                | 4.362.909                   | 0                  | listed foreign shares        |
| IT0003506190                               | Atlantia Autostrade S.p.A. ord       | 400.000                      | 7.152.108                | 7.152.108                   | 0                  | listed Italian shares        |
| IT0003128367                               | Enel ord.                            | 6.080.000                    | 24.678.051               | 24.678.051                  | 0                  | listed Italian shares        |
| IT0003132476                               | Eni ord.                             | 100.000                      | 1.720.851                | 1.720.851                   | 0                  | listed Italian shares        |
| IT0000062957                               | Mediobanca ord                       | 525.000                      | 4.279.238                | 4.279.238                   | 0                  | listed Italian shares        |
|  | <b>Total listed shares</b>           | <b>8.035.000</b>             | <b>60.115.055</b>        | <b>61.003.424</b>           | <b>(602.375)</b>   |                              |
| unipwcs9215                                | Banca di Rimini                      | 1                            | 0                        | 0                           | 0                  | unlisted Italian shares      |
| IT0004536915                               | Warrant Mediobanca 2009-2011         | 500.000                      | 0                        | 49.788                      | 0                  | unlisted Italian shares      |
|  | <b>Total unlisted shares</b>         | <b>500.001</b>               | <b>0</b>                 | <b>49.788</b>               | <b>0</b>           |                              |
| XS0298329516                               | MONTE PASCHI FRN 09/05/14            | 5.000.000                    | 4.879.539                | 4.879.539                   | 0                  | other listed debt securities |
| XS0291642154                               | AIG 4.875% 15/03/17-67               | 10.000.000                   | 4.416.667                | 4.416.667                   | 0                  | other listed debt securities |
| PTBERLOM0017                               | B.CO ESPIRITO SANTO 08/05/13 FRN     | 4.000.000                    | 3.885.861                | 3.885.861                   | (111.146)          | other listed debt securities |
| XS0272309385                               | BANCA POP VR NO 15/11/21 CMS         | 85.000.000                   | 77.172.517               | 77.172.517                  | 0                  | other listed debt securities |
| XS0372300227                               | BANCA POP. MILANO 25/06/29-49 FRN    | 6.500.000                    | 6.378.478                | 6.378.478                   | (187.389)          | other listed debt securities |
| ES0213770011                               | BANCO PASTOR 11/06/14-49 FRN         | 1.800.000                    | 703.688                  | 703.688                     | 0                  | other listed debt securities |
| XS0443820088                               | BANCO POPOLARE 3.75% 07/08/2012      | 4.000.000                    | 4.058.837                | 4.058.837                   | (2.141)            | other listed debt securities |
| XS0473787025                               | DONG A/S 4.00% 16/12/2016            | 1.000.000                    | 998.390                  | 1.000.744                   | 0                  | other listed debt securities |
| XS0465889912                               | FIAT FIN & TRADE 6.875% 13/02/2015   | 2.000.000                    | 1.998.732                | 2.014.600                   | 0                  | other listed debt securities |
| XS0300975306                               | GOLDMAN S 18/05/15 FRN               | 2.000.000                    | 1.848.747                | 1.848.747                   | 0                  | other listed debt securities |
| XS0284728465                               | GOLDMAN S 30/01/17 FRN               | 15.000.000                   | 13.414.057               | 13.414.057                  | 0                  | other listed debt securities |
| XS0221011454                               | HANNOVER RE 5% 01/06/15-49           | 7.587.000                    | 6.121.986                | 6.121.986                   | 0                  | other listed debt securities |
| XS0292269544                               | HBOS 21/03/12-17 FRN                 | 1.000.000                    | 736.522                  | 736.522                     | (2.294)            | other listed debt securities |
| XS0471071133                               | HERA SPA 4.50% 03/12/2019            | 2.000.000                    | 1.985.770                | 2.001.291                   | 0                  | other listed debt securities |
| XS0466303194                               | HUTCHISON WHAMP 4.75% 14/11/2016     | 1.000.000                    | 996.909                  | 1.008.189                   | 0                  | other listed debt securities |
| XS0300196879                               | INTESA SAN PAOLO FRN 18/05/17        | 4.000.000                    | 3.833.000                | 3.833.000                   | 0                  | other listed debt securities |
| XS0473114543                               | LAFARGE SA 5.50% 16/12/2019          | 1.000.000                    | 990.380                  | 997.395                     | 0                  | other listed debt securities |
| XS0459090931                               | LBG CAPITAL LLOYDS FLOAT 12/03/20    | 12.000.000                   | 8.100.000                | 8.100.000                   | 0                  | other listed debt securities |
| XS0283497005                               | LEHMAN 31/01/17 CMS                  | 7.500.000                    | 1.875.000                | 3.750.000                   | (1.875.000)        | other listed debt securities |
| XS0287044969                               | LEHMAN 4.625% 14/03/14-19            | 7.500.000                    | 0                        | 0                           | 0                  | other listed debt securities |
| XS0471074822                               | LOTTOMATICA SPA 5.375% 05/12/2016    | 2.000.000                    | 1.990.189                | 2.029.307                   | 0                  | other listed debt securities |
| XS0281902550                               | MERRILL L 30/01/17 FRN               | 10.000.000                   | 8.678.833                | 8.678.833                   | (921.667)          | other listed debt securities |
| XS0267827169                               | MERRILL L 14/09/18 FRN               | 15.000.000                   | 12.060.326               | 12.060.326                  | 0                  | other listed debt securities |
| XS0302633598                               | MERRILL LYNCH 05/14                  | 9.000.000                    | 7.621.642                | 7.621.642                   | 0                  | other listed debt securities |
| XS0250971222                               | MORGAN ST 13/04/16 FRN               | 4.600.000                    | 4.096.098                | 4.096.098                   | 0                  | other listed debt securities |
| XS0166965797                               | MUNICH RE 6.75% 21/06/23-13          | 5.000.000                    | 5.347.975                | 5.347.975                   | 0                  | other listed debt securities |
| XS0472505287                               | NOMURA EUROPE 5.125% 09/12/2014      | 3.000.000                    | 2.999.615                | 3.032.255                   | 0                  | other listed debt securities |
| XS0471946367                               | PIAGGIO & C. 7% 01/12/13-16          | 600.000                      | 600.000                  | 602.884                     | 0                  | other listed debt securities |
| XS0195231526                               | ROYAL BK OF SCOTLAND 03/07/14-49 FRN | 10.600.000                   | 5.272.348                | 5.272.348                   | 0                  | other listed debt securities |
| XS0234159415                               | SLM 15/12/10 FRN                     | 2.000.000                    | 1.879.403                | 1.879.403                   | 0                  | other listed debt securities |
| XS0205875395                               | SOC LLOYDS 5.625% 17/11/14-24        | 5.000.000                    | 4.500.000                | 4.500.000                   | 0                  | other listed debt securities |
| XS0276889937                               | STANDARD CHARTERED 28/03/13-18 FRN   | 8.500.000                    | 7.671.860                | 7.671.860                   | 0                  | other listed debt securities |
| XS0231436238                               | UNICREDITO 4.028% 27/10/15-49        | 5.000.000                    | 3.350.013                | 3.350.013                   | 0                  | other listed debt securities |
|  | <b>Total listed debt securities</b>  | <b>260.187.000</b>           | <b>210.463.379</b>       | <b>212.465.060</b>          | <b>(3.099.638)</b> |                              |
| <b>TOTAL CURRENT SHARES AND SECURITIES</b> |                                      | <b>268.722.001</b>           | <b>270.578.434</b>       | <b>273.518.271</b>          | <b>(3.702.013)</b> |                              |

**SCHEDULE SHOWING THE TEMPORARY DIFFERENCES THAT LED TO DEFERRED TAXES BEING RECORDED**  
(in €K)

| ASSETS   | 2008           |               |          | INCREASES      |               |  | DECREASES      |               |               | 2009          |          |  |
|--|----------------|---------------|----------|----------------|---------------|--|----------------|---------------|---------------|---------------|----------|--|
|  | Taxable amount | Fiscal effect | Tax rate | Taxable amount | Fiscal effect |  | Taxable amount | Fiscal effect | Amount        | Fiscal effect | Tax rate |  |
| <b>IRES</b>  |                |               |          |                |               |  |                |               |               |               |          |  |
| Unrealised losses on investments classified under current assets         | 30.628         | 8.423         | 27,50%   | 841            | 231           |  | 9.994          | 2.748         | 21.475        | 5.906         | 27,50%   |  |
| Excess amortisation/depreciation   | 936            | 257           | 27,50%   | 0              | 0             |  | 0              | 0             | 936           | 257           | 27,50%   |  |
| Unpaid professional fees   | 405            | 111           | 27,50%   | 559            | 154           |  | 497            | 137           | 467           | 129           | 27,50%   |  |
| Accruals for personnel expenses  | 7.948          | 2.186         | 27,50%   | 8.044          | 2.212         |  | 7.309          | 2.010         | 8.684         | 2.388         | 27,50%   |  |
| Provision for bad debts  | 103            | 28            | 27,50%   | 112            | 31            |  | 0              | 0             | 216           | 59            | 27,50%   |  |
| Provision for future charges   | 3.200          | 880           | 27,50%   | 640            | 176           |  | 343            | 94            | 3.496         | 962           | 27,50%   |  |
| Entertainment expenses   | 231            | 64            | 27,50%   | 197            | 54            |  | 230            | 63            | 198           | 54            | 27,50%   |  |
| <b>TOTAL IRES</b>  | <b>43.452</b>  | <b>11.949</b> |          | <b>10.393</b>  | <b>2.858</b>  |  | <b>18.373</b>  | <b>5.052</b>  | <b>35.472</b> | <b>9.755</b>  |          |  |
| <b>IRAP</b>  |                |               |          |                |               |  |                |               |               |               |          |  |
| Unrealised capital losses on investments classified under current assets | 9              | 0             | 4,82%    | 0              | 0             |  | 0              | 0             | 9             | 0             | 4,82%    |  |
| Surplus amortisation/depreciation  | 935            | 45            | 4,82%    | 0              | 0             |  | 0              | 0             | 935           | 45            | 4,82%    |  |
| Entertainment expenses   | 231            | 11            | 4,82%    | 0              | 0             |  | 123            | 7             | 107           | 4             | 4,82%    |  |
| <b>TOTAL IRAP</b>  | <b>1.174</b>   | <b>57</b>     |          | <b>0</b>       | <b>0</b>      |  | <b>123</b>     | <b>7</b>      | <b>1.051</b>  | <b>50</b>     |          |  |
| <b>TOTAL LIABILITIES</b>   | <b>44.626</b>  | <b>12.006</b> |          | <b>10.393</b>  | <b>2.858</b>  |  | <b>18.496</b>  | <b>5.059</b>  | <b>36.523</b> | <b>9.805</b>  |          |  |
| <b>LIABILITIES</b>   |                |               |          |                |               |  |                |               |               |               |          |  |
| <b>IRES</b>  |                |               |          |                |               |  |                |               |               |               |          |  |
| Instalments of gains on investments                                      |                |               |          |                |               |  |                |               |               |               |          |  |
| residential dwellings  | 5.202          | 1.431         | 27,50%   | 0              | 0             |  | 5.180          | 1.425         | 22            | 6             | 27,50%   |  |
| property for own use   | 20.772         | 5.712         | 27,50%   | 0              | 0             |  | 20.335         | 5.592         | 438           | 120           | 27,50%   |  |
| financial fixed assets   | 45             | 12            | 27,50%   | 0              | 0             |  | 45             | 12            | 0             | 0             | 27,50%   |  |
| Dividends  | 0              | 0             | 27,50%   | 7.001          | 1.925         |  | 0              | 0             | 7.001         | 1.925         | 27,50%   |  |
| <b>TOTAL IRES</b>  | <b>26.020</b>  | <b>7.155</b>  |          | <b>7.001</b>   | <b>1.925</b>  |  | <b>25.560</b>  | <b>7.029</b>  | <b>7.461</b>  | <b>2.051</b>  |          |  |
| <b>IRAP</b>  |                |               |          |                |               |  |                |               |               |               |          |  |
| Instalments of gains on property for own use                             | 20.772         | 1.001         | 4,82%    | 0              | 0             |  | 20.335         | 980           | 438           | 21            | 4,82%    |  |
| <b>TOTAL IRAP</b>  | <b>20.772</b>  | <b>1.001</b>  |          | <b>0</b>       | <b>0</b>      |  | <b>20.335</b>  | <b>980</b>    | <b>438</b>    | <b>21</b>     |          |  |
| <b>TOTAL LIABILITIES</b>   | <b>46.792</b>  | <b>8.157</b>  |          | <b>7.001</b>   | <b>1.925</b>  |  | <b>45.895</b>  | <b>8.009</b>  | <b>7.898</b>  | <b>2.073</b>  |          |  |

**INFORMATION ON INDEBTEDNESS: SHORT, MEDIUM AND LONG TERM**

|   | 31/12/2009       | 31/12/2008       |
|---|------------------|------------------|
| A Cash  | 16               | 191              |
| B Other liquid funds  | 534.739          | 416.704          |
| - including subsidiaries                                    | 532.832          | 412.590          |
| - including others  | 1.907            | 4.114            |
| C Securities held for trading                               | 274.808          | 287.654          |
| <b>D Liquid funds (A) + (B) + (C)</b>                       | <b>809.563</b>   | <b>704.549</b>   |
| <b>E Current financial receivables</b>                      | <b>300.000</b>   | <b>0</b>         |
| G Current portion of non-current indebtedness               | (6.873)          | (18.707)         |
| H Other current financial payables                          | (305.785)        | 0                |
| <b>I Current financial indebtedness (F) + (G) + (H)</b>     | <b>(312.659)</b> | <b>(18.707)</b>  |
| <b>J Net current financial indebtedness (I) - (E) - (D)</b> | <b>796.905</b>   | <b>685.842</b>   |
| L Callable notes  | (925.000)        | (600.000)        |
| <b>N Non-current financial indebtedness (K) + (L) + (M)</b> | <b>(925.000)</b> | <b>(600.000)</b> |
| <b>O Net financial indebtedness (J) + (N)</b>               | <b>(128.095)</b> | <b>85.842</b>    |

**STATEMENT ON THE SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH  
ARTICLE 81-ter OF CONSOB REGULATION 11971 OF 14 MAY 1999 AND  
SUBSEQUENT AMENDMENTS AND ADDITIONS**

1. The undersigned Carlo Salvatori, in his capacity as Chief Executive Officer, and Maurizio Castellina, in his capacity as Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A. financial statements, hereby declare that, under the provisions of Article 154-bis, paras 3 and 4, of Legislative Decree 58 of 24 February 1998, the administrative and accounting procedures applied in drawing up the 2009 financial statements
  - were appropriate for the type of business concerned and
  - were properly applied.
2. The suitability of the administrative and accounting procedures for drawing up the consolidated financial statements at 31 December 2009 was assessed using a process laid down by Unipol Gruppo Finanziario S.p.A. that is based on the COSO Framework (Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organisations of the Tradeway Commission), which is unanimously recognised as the standard for the implementation and assessment of internal control systems.
3. They also represent that:
  - 3.1 the separate financial statements at 31 December 2009:
    - are drawn up in accordance with the provisions of the Italian Civil Code and with the National accounting standards as approved by the *Organismo Italiano di Contabilità* (Italian Accounting Standard Setter);
    - correspond to the information recorded in the books and accounting records;
    - give a true and fair view of the financial position and results of operations of the issuer;
  - 3.2 the management report includes a reliable analysis of the performance, the results and the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Bologna, 25 March 2010

The Chief Executive Officer

*Carlo Salvatori*

The Manager in charge of financial reporting

*Maurizio Castellina*



# Board of Statutory Auditors' Report to the Shareholders' Meeting

in accordance with Article 153 of Legislative Decree 58 of 24/2/1998

Dear Shareholders,

During the year that ended on 31 December 2009 we carried out our supervisory duties laid down in law, in accordance with the code of conduct for Boards of Statutory Auditors recommended by the Italian Accounting Profession.

In particular, in compliance with the guidelines provided by CONSOB in Communication 1025564 of 6 April 2001, in accordance with Article 153 para. 1 of Legislative Decree 58/1998 (hereinafter referred to as 'TUF') we hereby report the following.

## **I. Legislation governing drawing up Unipol Gruppo Finanziario S.p.A.'s financial statements at 31 December 2009.**

Unipol Gruppo Finanziario S.p.A.'s 2009 Financial Statements (and those for 2008 and 2007) were drawn up in accordance with the provisions of the Italian Civil Code and the National Accounting Standards approved by the Italian Accounting Profession.

Under Article 1 para. 1aa) of Legislative Decree 209/2005 (Insurance Code) Unipol Gruppo Finanziario S.p.A. is deemed to be an insurance holding company and as such is required to draw up its Consolidated Financial Statements in accordance with IFRS, but under Article 4 of Legislative Decree 38/2005 it cannot apply the same IFRS to the separate financial statements (i.e. the annual financial statements submitted for your approval).

The valuation criteria used to draw up the financial statements at 31 December 2009 were the same as those used to draw up the financial statements for the previous year, with the sole exception of the criterion adopted for valuing the dividends of the subsidiaries recorded under fixed assets. In the financial statements at 31 December 2008 the dividends relating to the companies mentioned above had been recorded on a cash basis (i.e. during the year in which they were received). In 2009, that is in the Financial Statements submitted for your approval, these dividends were recorded 'on maturity', that is in the year in which the subsidiaries 'produced' the income, provided that the subsidiary's board of directors had already resolved to distribute them when Unipol Gruppo Finanziario S.p.A.'s board of directors approved the draft financial statements.

The Board of Statutory Auditors has no observation to make on the legitimacy of the new criterion adopted in the Financial Statements submitted for your approval. We are pointing out only that in the Notes to the Financial Statements your Directors state that the change in this principle involved recording €140,023K of Income from investments in the Income Statement for 2009 with a contra-entry in the Balance Sheet under Receivables from subsidiaries. Your Directors further report on the fact that during 2008 recording dividends on maturity would have had a positive financial effect of €14,214K compared with a fall in income of €51,254K recorded on a cash basis. The Notes to the Financial Statements contain a table showing the (pro forma) effects that there would have been on the profit and the shareholders' equity for 2008 and 2009 if the new recording criterion adopted for the dividends of the subsidiaries recorded under fixed assets had been applied retrospectively.

## **II. Information on the monitoring work carried out by the Board of Statutory Auditors.**

In accordance with the legislation and regulations referred to above the Board of Statutory Auditors reports below on its findings.

1. We ensured that the law and the memorandum of association were observed.
2. We received reports from the Directors on the business activity carried out and on the transactions carried out by the Company that had a major impact on the balance sheet and income statement and we can reasonably state that the activities decided on and carried out complied with the law and with the by-laws and do not appear to have been imprudent, risky, in conflict with the resolutions passed by the Shareholders' Meeting nor such as to compromise the integrity of the Company's assets. In addition, transactions likely to give rise to a conflict of interest were approved in accordance with the law and the codes of conduct adopted. Below we report on the transactions mentioned above.

### **2.1. Transactions that had a major impact on the balance sheet and income statement carried out by the company during 2009.**

#### *Group restructuring*

The necessary authorisation having been obtained, Aurora Assicurazioni S.p.A. was merged into Unipol Assicurazioni S.p.A. with effect from 1 February 2009, both companies being wholly owned subsidiaries of the holding UGF S.p.A., giving rise to a single major insurance company which took the name of 'UGF Assicurazioni S.p.A.' On the same date UGF S.p.A.'s insurance business unit was contributed to UGF Assicurazioni S.p.A. The merger took effect for legal purposes on 1 February 2009 and for accounting and tax purposes as from 1 January 2009. The contribution came into effect for legal, accounting and tax purposes on 1 February 2009, immediately after the merger. The Board of Statutory Auditors reports below on the contribution of insurance services (which, as already mentioned, was finalised on 1/2/2009). The business unit that was contributed by UGF S.p.A. to UGF Assicurazioni S.p.A. related to insurance services. The contribution had no effect on carrying and tax amounts, in accordance with and for the purposes of Article 176 of Presidential Decree 917 of 22 December 1986 (Income Tax Consolidation Act). €57,1 m of assets and €48m of liabilities were transferred and the figures for the main items in the contribution balance sheet are shown below:

#### Assets:

- €25.6m of tangible fixed assets (assets, equipment, fixtures and fittings, hardware, vehicles, telephone equipment, etc);
- €18.9m of intangible fixed assets (software, licences, etc.);
- €6.6m of receivables from group companies;
- €6m of other assets.

#### Liabilities:

- €39.5m due to employees (€26m of it for employees' leaving entitlement);
- €6.4m of payables to group companies;
- €2.1m of other liabilities.

The balance sheet drawn up as at 31 January 2009 showed that the value of the business unit that was contributed was €9.1m. Under the contribution 2,293 employees were also transferred to UGF Assicurazioni, 40 of whom were managers. The Notes to the Financial

Statements report the effects of the contribution as comments on the variations in the items in the balance sheet compared with the previous year.

The transaction led to an increase of €0.6m in the carrying amount of the investment in UGF Assicurazioni S.p.A. and the recording of €8.5m of receivables from the company (balance at the end of May 2009).

#### *Transactions in the share capital of subsidiaries*

- On 23 March 2009 and 30 June 2009 your company made two capital injections of €15,300K for a future increase in the share capital of BNL Vita S.p.A., i.e. a total of €30,600K.
- On 20 March 2009 your company made capital injections of €35,000K for a future increase in the share capital of Navale Assicurazioni S.p.A.
- On 31 October 2009 your company subscribed €136,166K to UGF Banca S.p.A.'s share capital increase.

#### *Transactions to streamline the structure of the sources of finance*

Bond loans issued by UGF S.p.A. amounted to €925m as at 31 December 2009 (€600m of subordinated bond loans in 2008), relating to the nominal amounts of €175m and €750m issued during the year. The Board of Statutory Auditors comments below on your Directors' report on the transactions carried out as part of the process of streamlining the structure of the Group's sources of finance.

- a) On 1 July 2009 UGF S.p.A. issued a senior bond loan for €175m, which had been resolved by the Board of Directors on 25 June 2009. The loan, which is not listed, was issued at par, is for three years and earns interest at an annual fixed rate of 5.25%. The issue, which was fully subscribed during June by private placement, was sold through UGF Merchant S.p.A. to qualified investors, including the parents Finsoe S.p.A. and Holmo S.p.A. and the subsidiary UGF Banca S.p.A. In the Financial Statements submitted for your approval the Directors state that the purpose of the issue was to raise cash in order that the strategies of the companies in the UGF Group could be implemented and the Group's equity structure reorganised. Finsoe S.p.A. subscribed €70m, Holmo S.p.A. €68.6m and UGF Banca €1m. All UGF S.p.A.'s directors to whom Article 2391 of the Civil Code applied with regard to the transaction in question made the declarations relating to the nature, origin, terms and extent of their interests that are required by law and the relevant codes of conduct.
- b) On 4 December 2009 UGF S.p.A. completed the placement of a senior bond issue for a nominal amount of €750m at an issue price of €99.314, all of it with institutional investors. In the Financial Statements submitted for your approval your Directors state that the issue, approved by UGF S.p.A.'s Board of Directors on 12 November 2009, forms part of a Euro Medium Term Notes (EMTN) scheme for a maximum of €2bn and is intended to streamline the UGF Group's debt structure, enabling it to be refinanced and the average duration to be extended. The loan, which is listed on the Luxembourg Stock Exchange, has a seven-year term and bears interest at an annual fixed rate of 5%. Mediobanca and JP Morgan acted as joint lead managers and bookrunners and UGF Banca as co-lead manager.

Issuing the loans described under a) and b) above involved recording €925m of liabilities, €6.6m of coupon accruals and €6.6m of interest expense in the Financial Statements.

- c) During June 2009 UGF S.p.A. made a voluntary public offer for the entire subordinate bond loan known as 'UGF 5.66% fixed/floating callable expiry date 2023', which was issued in 2003 with a nominal amount of €300m. The offer, which was resolved by UGF's Board of

Directors on 4 June 2009 at a price of €87.5 for each €100 of nominal amount, concluded on 9 July 2009. Applications for a nominal amount of €38.3m were received, a take-up rate of 12.77%.

- d) Once the required permits had been obtained the subsidiary UGF Assicurazioni took over as issuer of the UGF 7% subordinated bond loan maturing in 2021 and the 5.66% loan maturing in 2023, each of which has a nominal amount of €300m, on 5 August 2009 and 29 December 2009 respectively. Linked to these transactions UGF S.p.A. took out two loan agreements with UGF Assicurazioni S.p.A., reimbursable at sight and in any case at least three days before the loan repayment date, bearing interest at the three-month Euribor rate plus 100 basis points. The outstanding balance on the loans was €305,785K at 31 December 2009. On 31 December 2009 UGF S.p.A. sold to UGF S.p.A. Assicurazioni a nominal €38,311,000 of the 5.66% subordinated bonds repurchased under the public offer at a unit price of €99.94, the average of the bid and ask prices of the final transaction carried out on the market on 31 December 2009. Under the provisions of the OIC 19 Italian accounting standard the operation produced a gain of €4.8m, which was the difference between the purchase price under the offer and the selling price listed above.

*Agreement to acquire the Arca Vita Group signed*

Your Company signed the agreement for the acquisition of the Arca Vita Group on 24 December 2009 and procedures for obtaining the necessary authorisation are underway. In the Financial Statements submitted for your approval the Directors report on the fact that the purpose of the transaction is to expand the Group's bancassurance business, both Life and Non-Life, by entering into a long-term relationship with Italian banks: Banca Popolare dell'Emilia Romagna (BPER) and Banca Popolare di Sondrio (BPSO), two of the leading banks in Italy, with which we share an ethos and a market. Subject to the authorisation of the relevant authorities, under the agreement, which is for ten years, UGF will acquire the majority of the Arca Insurance Group and will be the sole distributor of Life and Non-Life insurance products through the sales outlets of the banking network that already operates with the Arca Group. To be specific, UGF is to acquire 60% of the share capital of Arca Vita S.p.A. from companies in the BPER Banking Group and BPSO at a price of approximately €277m and Arca Vita, which already holds 64.08% of the share capital of Arca Assicurazioni S.p.A., is to acquire a further 28.95% from the BPER Group and BPSO for approximately €43m. These figures will be adjusted and spread over a period to take account of whether growth objectives specified in the agreement are achieved.

The Board of Statutory Auditors has analysed the transactions mentioned above (paying particular heed to the criteria specified in CONSOB Communication DEM/1025564 of 6/4/2001), including those within the Group and/or with related parties, and finds them:

- neither atypical nor unusual;
- in line with the interests of the Company.

3. By collecting information from departmental heads and holding meetings with the auditors for the purpose of exchanging relevant figures and information we were able to look at the Company's organisational structure to ensure that it was properly administered and that the information requested from the Company in its capacity as parent was sufficient and timely enough to enable the provisions of Article 114, para. 1, of Legislative Decree 58/1998 to be fulfilled, and we have no particular observations to make in that respect.

4. By looking at the information obtained from the heads of the various departments, examining

company records and analysing the results of the work carried out by the independent auditors and those responsible for internal control, we ensured that the internal control system and the administrative/accounting system were appropriate and that the accounting system could be relied on to give an accurate representation of business operations. By examining the work carried out by the various departments responsible for Internal Audit, Compliance and Risk Management and by the Manager in charge of financial reporting, and by *at least one of the members of the Board of Statutory Auditors, normally the Chairman*, attending the meetings (7 during 2009) of the Internal Control Committee, we were able to check that it was done properly and evaluate the effectiveness of the entire internal control system.

On the basis of the findings made while carrying out its supervisory duties, the Board of Statutory Auditors expresses a positive opinion of the internal control system. The Board of Statutory Auditors is also of the opinion that the Internal Audit, Compliance and Risk Management Departments and the Manager in charge of financial reporting carried out their work in such a professional manner that the internal control system was effective and efficient. The conclusions of the Report of the Internal Control Committee (issued on 24/3/2010) on its work in the second half of 2009 showed that: *"...it should be mentioned that the UGF Group has an appropriate internal control system whereby the three departments of Internal Audit, Risk Management and Compliance work together to ensure that the work of all the company departments are properly carried out. The activities mentioned and the furtherance of those activities were carried out particularly efficiently."*

5. The Board of Statutory Auditors, which acquired information on the work carried out by the Supervisory Body, provides evidence of the fact that on 17 December 2009 the Board of Directors updated the Management and Organisation Model to take account of changes to Legislative Decree 231 of 8 June 2001 introduced during the year.

6. In paragraph II.2.1 above (on transactions that had a major impact on the balance sheet and income statement carried out by the company during 2009) the Board of Statutory Auditors has also already indicated (and evaluated) several transactions carried out during the year both within the group and with related parties. In this paragraph the Board of Statutory Auditors reports on transactions with related parties carried out by your company during 2009 in its capacity as holding and service company.

As already mentioned in point II.2.1) above, UGF S.p.A. finalised the contribution of its insurance business unit to UGF Assicurazioni S.p.A. with effect from 1 February 2009, the Parent UGF S.p.A. continuing to provide the services that did not affect the competitiveness of the individual operating companies. Before the contribution came into effect (i.e. until 31/1/2009) UGF S.p.A. provided the companies in the Group with the following services:

- IT;
- Communications;
- Auditing;
- Risk management;
- Claims settlement and management;
- Administrative (bookkeeping, tax, administrative and financial reporting services);
- Property, purchases and auxiliary services;
- Life and Non-Life marketing and technical;

- Staffing, organisation and training;
- Management planning and control;
- Legal, corporate and compliance.

Since 1 February 2009 UGF S.p.A. has provided services in the following areas:

- Staffing and organisation (human resources);
- Risk management;
- Auditing;
- Management planning and control;
- Legal (legal services, internal audit, risk management and compliance with relevant legislation);
- Communications.

The Board of Statutory Auditors ascertained that the fees charged were based on both the external costs incurred (e.g. products and services obtained from third parties) and the costs arising out of the activities of the companies themselves, i.e. generated by UGF S.p.A. employees. The costs of providing centralised services specifically included the following elements:

- staffing costs;
- operating costs (IT, logistics etc.);
- general costs (consultancy, legal costs etc.).

For centralised services the operating companies are charged a mark-up to take account of the allocated cost. Fees are paid annually and take account of the results of the checks carried out jointly by UGF S.p.A. and its subsidiaries.

As a result of the contribution mentioned above, since 1 February 2010 the subsidiary UGF Assicurazioni S.p.A. has provided the Group companies, including UGF S.p.A., with services relating to the following areas:

- Monitoring Non-Life and Life business;
- Legal affairs and data protection;
- IT services;
- Development of Non-Life projects and alternative channels;
- Life Business;
- Administrative (bookkeeping, tax, administrative and accounting services);
- Property, purchases and auxiliary services;
- Claims settlement and management;
- Budget and Sales planning;
- Finance.

The subsidiary Unipol SGR carried out asset management for UGF S.p.A. until 31 January 2009, after which this work too was entrusted to UGF Assicurazioni S.p.A.

The fees charged to the Group companies for these services were based on the allocated cost.

The Board of Statutory Auditors now turns its attention to financial and commercial relations between your Company and the subsidiary UGF Banca S.p.A. These relations were the usual types of transaction and as far as banking activity was concerned were for services, deposit accounts or corporate financing. The financial effects of these relations were normally governed by the market terms applied to major customers.

Your company also carried out transactions with companies in the group relating to secondment of staff, corporate financing and property. These contracts were governed by normal market terms.

Finally we must point out that your company opted to join the national consolidated tax scheme of the parent Finsoe S.p.A. for the three-year period 2007-2008-2009 and signed an agreement to govern the resulting financial transactions.

The Board of Statutory Auditors ascertained that the aims of all the transactions with related parties mentioned above were rationalisation and profitability and that there were no atypical nor unusual transactions that could give rise to doubts about the accuracy and the completeness of the information, conflicts of interest, safeguarding the company assets and the protection of non-controlling shareholders. The Management Report and the Notes to the Financial Statements provide detailed and adequate information on the amount and type of the assets, liabilities, income and expenditure involved in transactions with related parties during 2009.

7. The Board of Statutory Auditors also ascertained that none of these transactions with related parties included any atypical and/or unusual transactions within the Group nor with third parties.

8. We ascertained that Finsoe S.p.A., which held a controlling interest, did not carry out any of the management or coordination of UGF S.p.A. (in accordance with Article 2497 et seq. of the Civil Code).

9. We held meetings with representatives of the Independent Auditors, in accordance with Article 150, para. 3, of Legislative Decree 58/1998, and no figures or information relating to the Financial Statements at 31 December 2009 that need to be mentioned in this report emerged. We refer you to the Report of the Board of Statutory Auditors on the Consolidated Financial Statements at 31 December 2009 for the comment made by the Auditors and the observations made by the Board of Statutory Auditors.

10. The Independent Auditors KPMG S.p.A. issued an unqualified report on the financial statements at 31 December 2009. Attention was drawn to the contribution carried out as part of Group corporate restructuring during 2009. The Board of Statutory Auditors' observations on this matter have already been included in point 2.1.) of this Report.

11. During the year the Independent Auditors were entrusted with the following additional tasks:

- comfort letters on Euro Medium-Term Notes, for a fee of €80K;
- checking UGF S.p.A.'s Unified Tax Return (Modello Unico) 2009 and Tax Form for a fee of €3.2K.

12. KPMG Advisory S.p.A., which has links to KPMG S.p.A., provided advice on the *Fast Close* and Project Office during the year for a fee of €220K.

13. We checked that, in accordance with the provisions of Legislative Decree 196/2003, the 'Data Protection Act', which came into effect in January 2004, the Data Protection Document had been updated in accordance with the legal requirements.

14. The Board of Statutory Auditors issued the following opinions during 2009:

- in favour (on 14 May 2009) of the proposal drawn up by KPMG S.p.A. (on 30/3/2009), as a result of the provisions introduced (as from the separate and consolidated financial statements at 31/12/2008) by Legislative Decree 32 of 2 February 2007, on extending the procedures and financial terms for Auditing to include the Independent Auditors' duty to express their opinion not only on the financial statements but also on whether the management report is consistent with the financial statements;
- in favour (on 25/6/2009), in accordance with Article 2386 of the Civil Code, of the proposal to appoint Mr Francesco Berardini to the Board of Directors of Unipol Gruppo Finanziario S.p.A.

**15.** The Board of Statutory Auditors received no complaints under Article 2408 of the Civil Code, nor were any complaints received from third parties.

In December 2009 the Board of Statutory Auditors received a letter from a shareholder (with less than two per cent of the share capital, according to the Board of Statutory Auditors' findings based on the data available from UGF S.p.A.) which made "three requests for explanations", but they were formulated in very general terms and made allusions with no basis. Nevertheless the Board of Statutory Auditors sent the shareholder a written reply.

**16.** We checked that the financial statements and the Management Report had been drawn up in accordance with current legislation and in a thorough manner. We should like to point out that in accordance with the provisions of Article 14 of Legislative Decree 39 of 27 January 2010 (and, until 6/4/2010, those of Article 156 of Legislative Decree 58 of 24/2/1998) it is up to the Independent Auditors to decide whether the Management Report is consistent with the financial statements. The Report on the financial statements at 31 December 2009 issued by the Independent Auditors was unqualified with respect to comments on the above matter.

**17.** We approved the recording of €32,002 and €9,594,527 respectively of start-up and capital costs and advertising costs that cover several years as intangible fixed assets in the balance sheet.

**18.** We checked that transactions in *financial derivatives* carried out during the year were in line with the Investment Policy approved by the Board of Directors on 6 August 2009.

**19.** The Board of Statutory Auditors reports that the Company adheres to the Code of Conduct issued by Borsa Italiana S.p.A. and drew up the 'Annual report on corporate governance and ownership'. The Board of Statutory Auditors evaluated this Report to the best of its ability and had no observations to make. The new wording of Article 123-bis of Legislative Decree 58 of 24 February 1998 introduced by Legislative Decree 173 of 3 November 2008 provides that, starting with the 2009 financial statements, the Independent Auditors express their opinion on whether some information in the 'Report on corporate governance and ownership' is consistent with the financial statements. This information, relating to corporate governance, ownership and the risk-management and internal control system, may be included in the management report or be the subject of a separate report to be published together with the former report. UGF S.p.A. decided to record this information in the 'Annual report on corporate governance and ownership', which was approved by the Board of Directors on 25 March 2010. The Board of Statutory Auditors reports that the Independent Auditors' Report was unqualified with the matter mentioned above.

**20.** On 25 March 2010 your Company's Board of Directors evaluated the independence of the non-executive Directors, in accordance with Article 3 of the Code of Conduct for listed companies and Article 147-ter, para. 4, of Legislative Decree 58 of 24 February 1998. As part of its duties the Board of Statutory Auditors checked that the evaluation criteria and procedures were correctly applied.

21. In accordance with the provisions of Article 144-quinquiesdecies of the Regulation implementing Legislative Decree 58 of 24 February 1998 relating to issuers, which was adopted by CONSOB in its ruling 11971 of 14 May 1999 as amended, an appendix to this Report contains a list of the offices held by each of the members of UGF S.p.A.'s Board of Statutory Auditors on 12 April 2010 in companies referred to in Volume V, Chapter V, Items V, VI and VII of the Civil Code.

22. As an insurance holding company under Article 1, para. 1aa) of Legislative Decree 209/2005 (Insurance Code) your Company is required to draw up its Consolidated Financial Statements in accordance with IFRS. The Board of Statutory Auditors refers you to its Report on UGF's Consolidated Financial Statements at 31 December 2009, issued today, which contains its observations on the qualification in the Independent Auditors' Report on the Consolidated Financial Statements.

The Board of Statutory Auditors met 12 times and was represented at all nine meetings of the Board of Directors.

During the course of the supervisory work and on the basis of information obtained from the Independent Auditors, no omissions, mistakes, irregularities nor any significant facts came to light such as to require the supervisory bodies to be notified nor to require a mention in this report on the financial statements at 31 December 2009.

Therefore the Board of Statutory Auditors considers that you may approve the financial statements at 31 December 2009, as presented to you by the Board of Directors, and states that it is in favour of the proposal drawn up by the Board of Directors concerning allocation of the profits, a total of €128,819,303, as follows:

- to the extraordinary reserve €28,422,249.36

the rest of the profit, amounting to 77.94% of the total, to the dividend, as follows:

- to the dividend on preference shares €32,997,759.37

(911,540,314 x 0.0362)

- to the dividend on ordinary shares €45,876,459.37

(1,479,885,786 x 0.0310)

- to a further dividend

on preference and ordinary shares: €21,522,834.90

(2,391,426.100 x 0.0090).

Bologna, 12 April 2010

For the Board of Statutory Auditors

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*The Chairman* Roberto Chiusoli

## Annex to the Report of the Board of Statutory Auditors of Unipol Gruppo Finanziario S.p.A. on the financial statements at 31 December 2009

In compliance with provisions of Article 144-quinquiesdecies of the Rules implementing Legislative Decree 58 of 24 February 1998 relating to issuers, adopted by CONSOB in its Ruling 11971 of 14 May 1999 as amended, below is a list of the offices held by each of the members of UGF S.p.A.'s Board of Statutory Auditors in companies referred to in Volume V, Chapter V, Items V, VI and VII of the Civil Code at 12 April 2010 (the date on which the Board of Statutory Auditors issued its Report in accordance with Article 153, para. 1, of Legislative Decree 58/1998).

### Roberto Chiusoli

I the undersigned Roberto Chiusoli, in my capacity as Chairman of the Board of Statutory Auditors of Unipol Gruppo Finanziario S.p.A., hereby

### declare

that I currently hold, with companies referred to in volume V, chapter V, items V, VI and VII of the Civil Code (companies, partnerships and limited liability companies), the administrative and supervisory posts listed below:

| COMPANY                                 | TYPE OF ROLE                                | APPOINTED UNTIL | TYPE OF COMPANY <sup>1</sup> | WEIGHTING (SEE NOTE 1) |
|---|---|-----------------|------------------------------|------------------------|
| UNIPOL GRUPPO FINANZIARIO S.P.A.        | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2010      | ISSUER                       | 1                      |
| IMMOBILIARE GRANDE DISTRIBUZIONE S.P.A. | STANDING AUDITOR                            | APRIL 2012      | ISSUER                       | 1                      |
| UGF BANCA S.P.A.                        | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2011      | PUBLIC INTEREST <sup>2</sup> | 0.45                   |
| BANCA DI BOLOGNA CREDITO COOPERATIVO    | STANDING AUDITOR                            | MAY 2011        | PUBLIC INTEREST              | 0.75                   |
| HOLMO S.P.A.                            | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2010      | LARGE                        | 0.40                   |
| GRANAROLO S.P.A.                        | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2012      | LARGE                        | 0.40                   |
| MANUTENCOOP FACILITY MANAGEMENT S.P.A.  | MEMBER OF THE SUPERVISORY BOARD             | MAY 2011        | LARGE                        | 0.40                   |
| HPS S.P.A.                              | STANDING AUDITOR                            | MAY 2011        | MEDIUM                       | 0.20                   |
| INIZIATIVE BOLOGNA NORD S.R.L.          | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2011      | SMALL                        | 0                      |

### Totals Roberto Chiusoli

Total posts: 9

Total posts with Issuers: 2

Total accumulated weighting: 4.60

<sup>1</sup> Taken from Appendix 5-bis to the 'Issuer Regulation', in application of Article 148-bis, para. 1, of Legislative Decree 58/1998 2. Subsidiary of Unipol Gruppo Finanziario S.p.A.

<sup>2</sup> Subsidiary of Unipol Gruppo Finanziario S.p.A.

### Domenico Livio Trombone

I the undersigned Domenico Livio Trombone, in my capacity as standing auditor of the Board of Statutory Auditors of Unipol Gruppo Finanziario S.p.A., hereby

#### declare

that I currently hold, with companies referred to in volume V, chapter V, items V, VI and VII of the Civil Code (companies, partnerships and limited liability companies), the administrative and supervisory posts listed below:

| COMPANY  | TYPE OF ROLE                                | APPOINTED UNTIL                              | TYPE OF COMPANY <sup>1</sup> | WEIGHTING (SEE NOTE 1) |
|--|---|--|------------------------------|------------------------|
| UNIPOL GRUPPO FINANZIARIO S.P.A.                       | STANDING AUDITOR                            | APRIL 2010                                   | ISSUER                       | 1                      |
| UGF ASSICURAZIONI SPA                                  | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2012                                   | PUBLIC INTEREST <sup>2</sup> | 0.45                   |
| CASSA DI RISPARMIO DI CENTO                            | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2010                                   | ISSUER                       | 1                      |
| TUTTO PER L'IMBALLO SPA                                | STANDING AUDITOR                            | APRIL 2010                                   | LARGE                        | 0.40                   |
| HOLDING STRATEGIE E SVILUPPO DEI TERITORI MODENESI SPA | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | OCTOBER 2012                                 | MEDIUM                       | 0.40                   |
| ARCA IMPRESA GESTIONI SGR                              | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2012                                   | PUBLIC INTEREST              | 0.75                   |
| CARIMONTE HOLDING SPA                                  | DIRECTOR                                    | APRIL 2012                                   | LARGE                        | 0.30                   |
| ACACIA 2000 SRL  | STANDING AUDITOR                            | APRIL 2011                                   | SMALL                        | 0                      |
| COOPERATIVA IMMOBILIARE MODENESE SOCIETÀ COOPERATIVA   | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2011                                   | SMALL                        | 0                      |
| CAMBIAMO SPA   | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2012                                   | SMALL                        | 0                      |
| COOPERARE SPA  | STANDING AUDITOR                            | APRIL 2012                                   | SMALL                        | 0                      |
| RINO GREGGIO ARGENTERIE SPA                            | STANDING AUDITOR                            | APRIL 2010                                   | MEDIUM                       | 0.20                   |
| HOTEL EXECUTIVE SRL                                    | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2010                                   | SMALL                        | 0                      |
| TORRE GUIDUCCI SRL                                     | SOLE DIRECTOR                               | UNTIL TERMINATION OF CONTRACT OR RESIGNATION | SMALL                        | 0                      |
| GITANI SRL   | DIRECTOR                                    | UNTIL TERMINATION OF CONTRACT OR RESIGNATION | SMALL                        | 0                      |
| GALLINARI SRL  | DIRECTOR                                    | UNTIL TERMINATION OF CONTRACT OR RESIGNATION | SMALL                        | 0                      |
| VIGNOLADUE SRL   | SOLE DIRECTOR                               | UNTIL TERMINATION OF CONTRACT OR RESIGNATION | SMALL                        | 0                      |

#### Totals Domenico Livio Trombone

Total posts: 17

Total posts with Issuers: 2

Total accumulated weighting: 4.5

<sup>1</sup> Taken from Appendix 5-bis to the 'Issuer Regulation', in application of Article 148-bis, para. 1, of Legislative Decree 58/1998 2. Subsidiary of Unipol Gruppo Finanziario S.p.A.

<sup>2</sup> Subsidiary of Unipol Gruppo Finanziario S.p.A.

**Giorgio Picone**

I the undersigned Giorgio Picone, in my capacity as standing auditor of the Board of Statutory Auditors of Unipol Gruppo Finanziario S.p.A., hereby

**declare**

that I currently hold, with companies referred to in volume V, chapter V, items V, VI and VII of the Civil Code ((companies, partnerships and limited liability companies), the administrative and supervisory posts listed below:

| <b>COMPANY</b>                             | <b>TYPE OF ROLE</b>                         | <b>APPOINTED UNTIL</b> | <b>TYPE OF COMPANY<sup>1</sup></b> | <b>WEIGHTING (SEE NOTE 1)</b> |
|--|---|------------------------|------------------------------------|-------------------------------|
| UNIPOL GRUPPO FINANZIARIO S.P.A.           | STANDING AUDITOR                            | APRIL 2010             | ISSUER                             | 1                             |
| BOLZONI S.P.A.                             | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2010             | ISSUER                             | 1                             |
| UGF MERCHANT – BANCA PER LE IMPRESE S.P.A. | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2012             | PUBLIC INTEREST <sup>2</sup>       | 0.45                          |
| SALUMI BOSCHI F.LLI S.P.A.                 | STANDING AUDITOR                            | APRIL 2012             | MEDIUM                             | 0.40                          |
| MINERALBIRRA S.R.L.                        | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2012             | MEDIUM                             | 0.40                          |
| MEVERIN S.R.L.                             | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2010             | MEDIUM                             | 0.40                          |
| GOCCIA DI CARNIA S.P.A.                    | STANDING AUDITOR                            | APRIL 2010             | MEDIUM                             | 0.40                          |
| OPEM S.P.A.                                | STANDING AUDITOR                            | APRIL 2012             | MEDIUM                             | 0.40                          |
| S.A.C.I. S.R.L.                            | STANDING AUDITOR                            | APRIL 2010             | SMALL                              | 0                             |
| SACIFIN S.R.L.                             | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2011             | SMALL                              | 0                             |
| SOC. AGRICOLA SANTA TERESA S.R.L.          | STANDING AUDITOR                            | APRIL 2011             | SMALL                              | 0                             |
| ITALIANA PARCHEGGI S.P.A.                  | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2011             | SMALL                              | 0                             |
| PENTA HOLDING S.P.A.                       | STANDING AUDITOR                            | APRIL 2012             | SMALL                              | 0                             |
| IMPRESA EDILE CASINO DI MARORE S.R.L.      | CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS | APRIL 2012             | SMALL                              | 0                             |
| MILLTEX S.P.A.                             | STANDING AUDITOR                            | APRIL 2010             | SMALL                              | 0                             |
| ALTOGARDA PARCHEGGI E MOBILITÀ S.P.A.      | STANDING AUDITOR                            | APRIL 2012             | SMALL                              | 0                             |

**Totals Giorgio Picone**

Total posts: 16

Total Posts with Issuers: 2

Total accumulated weighting: 4.45

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Bologna, 12 April 2010

For the Board of Statutory Auditors

\_\_\_\_\_  
*The Chairman Roberto Chiusoli*

<sup>1</sup> Taken from Appendix 5-bis to the 'Issuer Regulation', in application of Article 148-bis, para. 1, of Legislative Decree 58/1998 2. Subsidiary of Unipol Gruppo Finanziario S.p.A.

<sup>2</sup> Subsidiary of Unipol Gruppo Finanziario S.p.A.



**KPMG S.p.A.**  
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**(Translation from the Italian original which remains the definitive version)**

**Report of the auditors in accordance with article 156 of Legislative decree no. 58 of 24 February 1998 (now article 14 of Legislative decree no. 39 of 27 January 2010)**

To the shareholders of  
Unipol Gruppo Finanziario S.p.A.

- 1 We have audited the separate financial statements of Unipol Gruppo Finanziario S.p.A. as at and for the year ended 31 December 2009. The company's directors are responsible for drawing up these financial statements in accordance with the Italian regulations governing their preparation. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

We carried out our audit of the separate financial statements as at and for the year ended 31 December 2009 in compliance with legislation ruling during the year.

Reference should be made to the report dated 6 April 2009 for our opinion on the prior year separate financial statements, which included the corresponding figures presented for comparative purposes as required by law.

- 3 In our opinion, the separate financial statements of Unipol Gruppo Finanziario S.p.A. as at and for the year ended 31 December 2009 comply with the Italian regulations governing their preparation. Therefore, they are clearly stated and give a true and fair view of the financial position and results of operations of the company as at and for the year ended 31 December 2009.
- 4 As described in the management report and referred to in the notes to the financial statements, the insurance service business unit of Unipol Gruppo Finanziario S.p.A. was contributed to UGF Assicurazioni S.p.A. with effect from 1 February 2009. The

directors have described the effects of this transaction in the management report and notes to the financial statements.

- 5 The directors of Unipol Gruppo Finanziario S.p.A. are responsible for the preparation of a management report on the financial statements and a “Report on corporate governance and ownership”, published in the corporate governance section of Unipol Gruppo Finanziario S.p.A.’s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the management report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the “Report on corporate governance and ownership”, with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the management report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the “Report on corporate governance and ownership”, are consistent with the separate financial statements of Unipol Gruppo Finanziario S.p.A. as at and for the year ended 31 December 2009.

Bologna, 9 April 2010

KPMG S.p.A.

(signed on the original)

Luca Ferranti  
Director



**UGF ASSICURAZIONI S.p.A.**

Registered offices in Bologna - share capital €150,300,000  
Direct shareholding 100%

At 31 December (amounts in €)

**BALANCE SHEET**

| <b>ASSETS</b>   | <b>2009</b>           | <b>2008 (*)</b>      |
|---|-----------------------|----------------------|
| <b>SHARE CAPITAL PROCEEDS TO BE RECEIVED</b>  | <b>0</b>              | <b>0</b>             |
| <b>INTANGIBLE FIXED ASSETS</b>  | <b>272.381.832</b>    | <b>16.571.266</b>    |
| <b>INVESTMENTS</b>  | <b>16.165.152.711</b> | <b>5.869.815.480</b> |
| I-Land and buildings  | 683.148.058           | 663.868.565          |
| II-Investments in Group companies and other investees   | 1.535.289.624         | 231.951.674          |
| III-Other financial investments   | 13.925.830.988        | 4.953.529.199        |
| IV-Deposits with ceding companies   | 20.884.041            | 20.466.042           |
| <b>INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS WHO BEAR THE RISK THEREOF AND ARISING FROM PENSION FUND MANAGEMENT</b> | <b>2.253.012.535</b>  | <b>1.406.669.429</b> |
| <b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>   | <b>363.990.190</b>    | <b>97.215.332</b>    |
| <b>RECEIVABLES</b>  | <b>1.302.734.680</b>  | <b>604.895.505</b>   |
| I-Direct insurance  | 909.572.566           | 464.395.182          |
| II-Reinsurance  | 32.054.963            | 24.345.745           |
| III-Other receivables   | 361.107.151           | 116.154.578          |
| <b>OTHER ASSETS</b>   | <b>1.120.960.294</b>  | <b>971.843.223</b>   |
| I-Tangible assets and inventory   | 23.980.060            | 3.587.634            |
| II-Liquid funds   | 730.978.658           | 682.774.188          |
| IV-Other assets   | 366.001.576           | 285.481.401          |
| <b>PREPAYMENTS AND ACCRUED INCOME</b>   | <b>199.697.689</b>    | <b>86.955.645</b>    |
| <b>TOTAL ASSETS</b>   | <b>21.677.929.931</b> | <b>9.053.965.880</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                       |                      |
| <b>SHAREHOLDERS' EQUITY</b>   | <b>1.337.527.861</b>  | <b>364.958.011</b>   |
| I-Subscribed share capital or equivalent fund   | 150.300.000           | 150.000.000          |
| II-Share premium reserve  | 503.411.369           | 503.111.369          |
| III-Revaluation reserves  | 97.000.000            | 97.000.000           |
| VI-Reserves for own shares and those of the parent  | 33.175                | 0                    |
| VII-Other reserves  | 449.366.901           | 1.513.843            |
| IX-Profit (loss) for the year   | 137.416.416           | (386.667.201)        |
| <b>SUBORDINATED LIABILITIES</b>   | <b>961.689.000</b>    | <b>230.000.000</b>   |
| <b>NON-LIFE TECHNICAL PROVISIONS</b>  | <b>6.630.972.075</b>  | <b>2.522.049.957</b> |
| <b>LIFE TECHNICAL PROVISIONS</b>  | <b>9.712.267.504</b>  | <b>4.150.541.248</b> |
| <b>TECHNICAL PROVISIONS WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PENSION FUND MANAGEMENT PROVISIONS</b>          | <b>2.253.012.535</b>  | <b>1.406.669.429</b> |
| <b>PROVISIONS FOR RISKS AND CHARGES</b>   | <b>54.390.468</b>     | <b>12.965.352</b>    |
| <b>DEPOSITS FROM REINSURERS</b>   | <b>165.169.405</b>    | <b>36.768.293</b>    |
| <b>PAYABLES AND OTHER LIABILITIES</b>   | <b>531.124.338</b>    | <b>327.168.114</b>   |
| I-Direct insurance  | 32.024.847            | 26.266.903           |
| II-Reinsurance  | 17.575.169            | 12.160.213           |
| IV-Due to banks and other financial institutions  | 0                     | 293.341              |
| VII-Employees' leaving entitlement  | 41.115.530            | 5.954.508            |
| VIII-Other creditors  | 155.948.272           | 112.865.094          |
| IX-Other liabilities  | 284.460.520           | 169.628.055          |
| <b>ACCRUED EXPENSES AND DEFERRED INCOME</b>   | <b>31.776.745</b>     | <b>2.845.476</b>     |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   | <b>21.677.929.931</b> | <b>9.053.965.880</b> |
| <b>MEMORANDUM ACCOUNTS</b>  | <b>23.340.528.245</b> | <b>9.139.341.917</b> |

## INCOME STATEMENT

|  | 2009                | 2008 (*)             |
|--|---------------------|----------------------|
| <b>TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS</b>   |                     |                      |
| Gross premiums   | 3.703.203.359       | 1.687.114.887        |
| Outwards reinsurance premiums  | (101.030.910)       | (112.779.191)        |
| Net change in the provision for premiums   | 51.705.459          | (4.548.912)          |
| INCOME ON INVESTMENTS TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT                                 | 267.622.305         | 0                    |
| OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE  | 7.150.564           | 2.887.972            |
| CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE  | (3.167.291.880)     | (1.271.138.708)      |
| CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF OUTWARDS REINSURANCE                               | 226.085             | 67.969               |
| REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE                                  | (5.646.641)         | (6.938.634)          |
| OPERATING EXPENSES   | (807.965.169)       | (326.016.286)        |
| OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE   | (9.779.685)         | (8.188.896)          |
| CHANGE IN EQUALISATION PROVISIONS  | (670.601)           | (207.903)            |
| <b>RESULT OF THE TECHNICAL ACCOUNT OF NON-LIFE INSURANCE BUSINESS</b>                            | <b>(62.477.114)</b> | <b>(39.747.702)</b>  |
| <b>TECHNICAL ACCOUNT - LIFE INSURANCE BUSINESS</b>   |                     |                      |
| Gross premiums   | 2.191.460.215       | 1.320.437.966        |
| Outwards reinsurance premiums  | (16.711.880)        | (3.023.501)          |
| INCOME ON INVESTMENTS  | 823.645.999         | 274.633.933          |
| CLASS D INCOME AND UNREALISED CAPITAL GAINS  | 295.321.414         | 112.066.522          |
| OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE  | 5.784.680           | 4.547.531            |
| CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE  | (1.740.957.202)     | (1.513.604.081)      |
| CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS,<br>NET OF OUTWARDS REINSURANCE | (848.735.453)       | 119.646.266          |
| REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE                                  | (334.207)           | (788.898)            |
| OPERATING EXPENSES   | (85.984.710)        | (39.600.394)         |
| INVESTMENT CHARGES   | (212.668.341)       | (438.568.251)        |
| CLASS D CHARGES AND UNREALISED CAPITAL LOSSES  | (116.144.631)       | (182.460.157)        |
| OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE   | (12.264.549)        | (4.481.666)          |
| INCOME ON INVESTMENTS TRANSFERRED TO THE NON-TECHNICAL ACCOUNT                                   | (47.912.397)        | 0                    |
| <b>RESULT OF THE TECHNICAL ACCOUNT OF LIFE INSURANCE BUSINESS</b>                                | <b>234.498.938</b>  | <b>(351.194.730)</b> |
| <b>NON-TECHNICAL ACCOUNT</b>   |                     |                      |
| INCOME ON INVESTMENTS - NON-LIFE BUSINESS  | 606.529.773         | 260.970.030          |
| INVESTMENTS TRANSFERRED FROM THE NON-LIFE TECHNICAL ACCOUNT                                      | 47.912.397          | 0                    |
| CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS   | (290.191.244)       | (506.499.110)        |
| INCOME ON INVESTMENTS TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT                              | (267.622.305)       | 0                    |
| OTHER INCOME   | 75.248.346          | 34.535.964           |
| OTHER CHARGES  | (132.116.195)       | (41.275.979)         |
| <b>RESULT OF ORDINARY BUSINESS</b>   | <b>211.782.596</b>  | <b>(643.211.527)</b> |
| EXTRAORDINARY INCOME   | 37.847.342          | 133.462.266          |
| EXTRAORDINARY CHARGES  | (30.030.944)        | (20.206.982)         |
| <b>PRE-TAX PROFIT/(LOSS)</b>   | <b>219.598.994</b>  | <b>(529.956.243)</b> |
| INCOME TAX   | (82.182.578)        | 143.289.042          |
| <b>NET PROFIT (LOSS) FOR THE YEAR</b>  | <b>137.416.416</b>  | <b>(386.667.201)</b> |

(\*) The 2008 figures relate to the activities of Unipol Assicurazioni S.p.A., which on 1 February 2009 took the name of UGF Assicurazioni S.p.A. and merged Aurora Assicurazioni S.p.A..

Registered offices in Milan - Share capital €160,000,000  
Direct shareholding 51%

At 31 December (amounts in €)

**BALANCE SHEET**

| <b>ASSETS</b>   | <b>2009</b>           | <b>2008</b>          |
|---|-----------------------|----------------------|
| <b>SHARE CAPITAL PROCEEDS TO BE RECEIVED</b>  | <b>0</b>              | <b>0</b>             |
| <b>INTANGIBLE FIXED ASSETS</b>  | <b>2.170.592</b>      | <b>1.650.049</b>     |
| <b>INVESTMENTS</b>  | <b>6.442.252.804</b>  | <b>4.146.552.349</b> |
| II-Investments in Group companies and other investees   | 0                     | 19.907               |
| III-Other financial investments   | 6.442.252.804         | 4.146.532.442        |
| <b>INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS WHO BEAR THE RISK THEREOF AND ARISING FROM PENSION FUND MANAGEMENT</b> | <b>4.915.672.924</b>  | <b>5.181.556.154</b> |
| <b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>   | <b>15.550.165</b>     | <b>19.463.201</b>    |
| <b>RECEIVABLES</b>  | <b>156.863.839</b>    | <b>153.120.893</b>   |
| I-Direct insurance  | 1.832.782             | 1.772.249            |
| II-Reinsurance  | 498.869               | 330.979              |
| III-Other receivables   | 154.532.188           | 151.017.665          |
| <b>OTHER ASSETS</b>   | <b>76.156.291</b>     | <b>293.239.867</b>   |
| I-Tangible assets and inventory   | 134.069               | 100.826              |
| II-Liquid funds   | 72.592.326            | 289.702.932          |
| IV-Other assets   | 3.429.896             | 3.436.109            |
| <b>PREPAYMENTS AND ACCRUED INCOME</b>   | <b>95.930.562</b>     | <b>61.263.912</b>    |
| <b>TOTAL ASSETS</b>   | <b>11.704.597.177</b> | <b>9.856.846.425</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                       |                      |
| <b>SHAREHOLDERS' EQUITY</b>   | <b>410.866.619</b>    | <b>218.058.008</b>   |
| I-Subscribed share capital or equivalent fund   | 160.000.000           | 160.000.000          |
| IV-Legal reserve  | 20.452.373            | 20.452.373           |
| VII-Other reserves  | 97.605.635            | 124.654.751          |
| IX-Profit (loss) for the year   | 132.808.611           | (87.049.116)         |
| <b>TECHNICAL PROVISIONS</b>   | <b>6.257.081.044</b>  | <b>4.382.941.664</b> |
| <b>TECHNICAL PROVISIONS WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PENSION FUND MANAGEMENT PROVISIONS</b>          | <b>4.915.666.221</b>  | <b>5.181.553.605</b> |
| <b>PROVISIONS FOR RISKS AND CHARGES</b>   | <b>405.928</b>        | <b>189.000</b>       |
| <b>DEPOSITS FROM REINSURERS</b>   | <b>2.681.100</b>      | <b>2.692.052</b>     |
| <b>PAYBLES AND OTHER LIABILITIES</b>  | <b>117.892.347</b>    | <b>71.408.884</b>    |
| I-Direct insurance  | 14.321.699            | 16.194.047           |
| II-Reinsurance  | 1.784                 | 2.252                |
| VII-Employees' leaving entitlement  | 1.384.348             | 1.357.468            |
| VIII-Other payables   | 90.206.585            | 42.406.583           |
| IX-Other liabilities  | 11.977.931            | 11.448.534           |
| <b>ACCRUED EXPENSES AND DEFERRED INCOME</b>   | <b>3.918</b>          | <b>3.212</b>         |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   | <b>11.704.597.177</b> | <b>9.856.846.425</b> |
| <b>MEMORANDUM ACCOUNTS</b>  | <b>11.336.924.528</b> | <b>9.205.223.170</b> |

## INCOME STATEMENT

|  | <b>2009</b>        | <b>2008</b>          |
|--|--------------------|----------------------|
| PREMIUM INCOME FOR THE YEAR, NET OF OUTWARDS REINSURANCE   | 3.050.222.422      | 1.534.715.222        |
| Gross premiums   | 3.050.821.375      | 1.535.333.189        |
| Outwards reinsurance premiums  | (598.953)          | (617.967)            |
| INCOME ON INVESTMENTS  | 435.614.812        | 236.523.235          |
| INCOME ON INVESTMENTS AND UNREALISED CAPITAL GAINS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING FROM PENSION FUND MANAGEMENT              | 491.152.511        | 182.715.714          |
| OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE  | 31.102.192         | 27.752.773           |
| CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE  | (1.998.289.679)    | (2.092.519.502)      |
| CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF OUTWARDS REINSURANCE  | (1.599.552.925)    | 588.469.473          |
| REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE  | (1.402.686)        | (1.024.997)          |
| OPERATING EXPENSES   | (22.135.980)       | (22.378.242)         |
| INVESTMENT CHARGES   | (102.326.947)      | (266.142.238)        |
| INVESTMENT CHARGES AND UNREALISED CAPITAL LOSSES ON INVESTMENTS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING FROM PENSION FUND MANAGEMENT | (33.423.386)       | (261.787.586)        |
| OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE   | (58.267.505)       | (55.933.146)         |
| INVESTMENTS TRANSFERRED TO THE NON-TECHNICAL ACCOUNT   | (18.658.912)       | 0                    |
| <b>RESULT OF THE TECHNICAL ACCOUNT</b>   | <b>174.033.917</b> | <b>(129.609.294)</b> |
| INCOME INVESTMENTS TRANSFERRED FROM THE TECHNICAL ACCOUNT  | 18.658.912         | 0                    |
| OTHER INCOME   | 1.604.017          | 7.814.311            |
| OTHER CHARGES  | (1.672.462)        | (1.347.666)          |
| <b>RESULT OF ORDINARY BUSINESS</b>   | <b>192.624.384</b> | <b>(123.142.649)</b> |
| EXTRAORDINARY INCOME   | 2.260.884          | 1.135.059            |
| EXTRAORDINARY CHARGES  | (1.222.657)        | (1.430.946)          |
| <b>PRE-TAX PROFIT/(LOSS)</b>   | <b>193.662.611</b> | <b>(123.438.536)</b> |
| INCOME TAX   | (60.854.000)       | 36.389.420           |
| <b>PROFIT (LOSS) FOR THE YEAR</b>  | <b>132.808.611</b> | <b>(87.049.116)</b>  |

## NAVALE ASSICURAZIONI S.p.A.

Registered offices in Milan - Share capital €96,250,000

At 31 December (amounts in €)

Direct shareholding 99.83%

### BALANCE SHEET

| <b>ASSETS</b>   | <b>2009</b>        | <b>2008</b>        |
|---|--------------------|--------------------|
| <b>SHARE CAPITAL PROCEEDS TO BE RECEIVED</b>          | <b>0</b>           | <b>0</b>           |
| <b>INTANGIBLE FIXED ASSETS</b>                        | <b>2.550.576</b>   | <b>2.096.157</b>   |
| <b>INVESTMENTS</b>                                    | <b>445.342.520</b> | <b>375.670.024</b> |
| I-Land and buildings                                  | 7.730.485          | 7.995.558          |
| II-Investments in Group companies and other investees | 4.681.930          | 4.681.931          |
| III-Other financial investments                       | 432.265.004        | 362.327.150        |
| IV-Deposits with ceding companies                     | 665.101            | 665.385            |
| <b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>       | <b>77.652.096</b>  | <b>88.857.251</b>  |
| <b>RECEIVABLES</b>                                    | <b>201.531.939</b> | <b>207.363.033</b> |
| I-Direct insurance                                    | 73.699.690         | 74.480.640         |
| II-Reinsurance  | 40.890.093         | 54.257.824         |
| III-Other receivables                                 | 86.942.156         | 78.624.569         |
| <b>OTHER ASSETS</b>                                   | <b>62.814.574</b>  | <b>72.184.745</b>  |
| I-Tangible assets and inventory                       | 1.065.844          | 994.783            |
| II-Liquid funds                                       | 25.767.185         | 40.642.009         |
| IV-Other assets                                       | 35.981.545         | 30.547.953         |
| <b>PREPAYMENTS AND ACCRUED INCOME</b>                 | <b>4.968.605</b>   | <b>6.864.975</b>   |
| <b>TOTAL ASSETS</b>                                   | <b>794.860.310</b> | <b>753.036.185</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>           |                    |                    |
| <b>SHAREHOLDERS' EQUITY</b>                           | <b>95.582.023</b>  | <b>96.581.024</b>  |
| I-Subscribed share capital or equivalent fund         | 96.250.000         | 96.250.000         |
| II-Share premium reserve                              | 9.450.000          | 9.450.000          |
| IV-Legal reserve                                      | 481.265            | 481.265            |
| VII-Other reserves                                    | 45.000.000         | 10.000.000         |
| VIII-Losses carried forward                           | (19.600.241)       | (10.105.596)       |
| IX-Profit (loss) for the year                         | (35.999.001)       | (9.494.645)        |
| <b>TECHNICAL PROVISIONS</b>                           | <b>635.460.909</b> | <b>583.898.657</b> |
| <b>PROVISIONS FOR OTHER RISKS AND CHARGES</b>         | <b>16.705.040</b>  | <b>12.850.519</b>  |
| <b>DEPOSITS FROM REINSURERS</b>                       | <b>10.234.891</b>  | <b>11.695.026</b>  |
| <b>PAYABLES AND OTHER LIABILITIES</b>                 | <b>35.876.076</b>  | <b>46.842.151</b>  |
| I-Direct insurance                                    | 8.624.479          | 11.743.905         |
| II-Reinsurance  | 4.129.950          | 3.333.668          |
| VII-Employees' leaving entitlement                    | 1.042.124          | 1.140.670          |
| VIII-Other payables                                   | 10.530.302         | 20.997.476         |
| IX-Other liabilities                                  | 11.549.221         | 9.626.432          |
| <b>ACCRUED EXPENSES AND DEFERRED INCOME</b>           | <b>1.001.371</b>   | <b>1.168.808</b>   |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>     | <b>794.860.310</b> | <b>753.036.185</b> |
| <b>MEMORANDUM ACCOUNTS</b>                            | <b>495.876.289</b> | <b>442.602.442</b> |

## INCOME STATEMENT

|  | <b>2009</b>         | <b>2008</b>         |
|--|---------------------|---------------------|
| PREMIUMS, NET OF OUTWARDS REINSURANCE                                | 246.983.452         | 207.471.092         |
| Gross premiums   | 267.896.282         | 248.915.628         |
| Outwards reinsurance premiums  | (9.806.932)         | (30.043.623)        |
| Net change in the provision for premiums                             | (11.105.898)        | (11.400.913)        |
| INCOME ON INVESTMENTS TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT     | 22.010.407          | 0                   |
| OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE                  | 2.416.165           | 3.079.687           |
| CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE              | (252.381.284)       | (159.165.425)       |
| CHANGE IN OTHER TECHNICAL PROVISIONS,<br>NET OF OUTWARDS REINSURANCE | (50.177)            | (36.407)            |
| OPERATING EXPENSES   | (66.314.090)        | (56.197.035)        |
| OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE                 | (2.753.647)         | (6.011.000)         |
| CHANGE IN EQUALISATION PROVISIONS                                    | (91.247)            | (91.119)            |
| <b>RESULT OF THE TECHNICAL ACCOUNT</b>                               | <b>(50.180.421)</b> | <b>(10.950.207)</b> |
| INVESTMENTS  | 28.981.764          | 20.341.655          |
| INVESTMENT CHARGES   | (2.954.083)         | (25.605.084)        |
| INVESTMENTS ALLOCATED TO THE TECHNICAL ACCOUNT                       | (22.010.407)        | 0                   |
| OTHER INCOME   | 10.219.542          | 6.358.350           |
| OTHER CHARGES  | (12.566.350)        | (8.932.434)         |
| <b>RESULT OF ORDINARY BUSINESS</b>                                   | <b>(48.509.955)</b> | <b>(18.787.720)</b> |
| EXTRAORDINARY INCOME   | 3.977.615           | 7.679.330           |
| EXTRAORDINARY CHARGES  | (3.436.909)         | (822.205)           |
| <b>PRE-TAX PROFIT/(LOSS)</b>   | <b>(47.969.249)</b> | <b>(11.930.595)</b> |
| INCOME TAX   | 11.970.248          | 2.435.950           |
| <b>PROFIT (LOSS) FOR THE YEAR</b>                                    | <b>(35.999.001)</b> | <b>(9.494.645)</b>  |

**Compagnia Assicuratrice LINEAR S.p.A.**

Registered offices in Bologna - Share capital €19,300,000  
Direct shareholding 100%

At 31 December (amounts in €)

**BALANCE SHEET**

| <b>ASSETS</b>   | <b>2009</b>        | <b>2008</b>        |
|---|--------------------|--------------------|
| <b>SHARE CAPITAL PROCEEDS TO BE RECEIVED</b>          | <b>0</b>           | <b>0</b>           |
| <b>INTANGIBLE FIXED ASSETS</b>                        | <b>302.716</b>     | <b>423.565</b>     |
| <b>INVESTMENTS</b>                                    | <b>236.179.911</b> | <b>216.515.161</b> |
| II-Investments in Group companies and other investees | 1                  | 1                  |
| III-Other financial investments                       | 236.179.910        | 216.515.160        |
| <b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>       | <b>230.151</b>     | <b>158.075</b>     |
| <b>RECEIVABLES</b>                                    | <b>12.131.975</b>  | <b>16.497.485</b>  |
| I-Direct insurance                                    | 6.969.382          | 6.928.282          |
| II-Reinsurance  | 465.610            | 95.938             |
| III-Other receivables                                 | 4.696.983          | 9.473.265          |
| <b>OTHER ASSETS</b>                                   | <b>44.882.741</b>  | <b>56.912.022</b>  |
| I-Tangible assets and inventory                       | 305.493            | 634.555            |
| II-Liquid funds                                       | 36.877.976         | 43.110.204         |
| IV-Other assets                                       | 7.699.272          | 13.167.263         |
| <b>PREPAYMENTS AND ACCRUED INCOME</b>                 | <b>2.937.082</b>   | <b>4.421.066</b>   |
| <b>TOTAL ASSETS</b>                                   | <b>296.664.576</b> | <b>294.927.374</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>           |                    |                    |
| <b>SHAREHOLDERS' EQUITY</b>                           | <b>50.529.697</b>  | <b>40.168.334</b>  |
| I-Subscribed share capital or equivalent fund         | 19.300.000         | 19.300.000         |
| II-Share premium reserve                              | 3.650.000          | 3.650.000          |
| IV-Legal reserve                                      | 3.860.000          | 3.784.563          |
| VII-Other reserves                                    | 9.498.334          | 9.256.208          |
| IX-Profit (loss) for the year                         | 14.221.363         | 4.177.563          |
| <b>TECHNICAL PROVISIONS</b>                           | <b>234.474.104</b> | <b>240.856.667</b> |
| <b>PROVISIONS FOR RISKS AND CHARGES</b>               | <b>1.058.267</b>   | <b>573.195</b>     |
| <b>DEPOSITS FROM REINSURERS</b>                       | <b>0</b>           | <b>6.000</b>       |
| <b>PAYABLES AND OTHER LIABILITIES</b>                 | <b>10.602.508</b>  | <b>13.323.178</b>  |
| I-Direct insurance                                    | 1.402.327          | 2.259.767          |
| II-Reinsurance  | 894.735            | 1.236.119          |
| VII-Employees' leaving entitlement                    | 514.569            | 552.293            |
| VIII-Other payables                                   | 6.168.462          | 7.608.469          |
| IX-Other liabilities                                  | 1.622.415          | 1.666.530          |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>     | <b>296.664.576</b> | <b>294.927.374</b> |
| <b>MEMORANDUM ACCOUNTS</b>                            | <b>243.893.459</b> | <b>233.274.745</b> |

## INCOME STATEMENT

|  | <b>2009</b>        | <b>2008</b>        |
|--|--------------------|--------------------|
| <b>PREMIUMS, NET OF OUTWARDS REINSURANCE</b>                     | <b>160.733.562</b> | <b>165.108.862</b> |
| Gross premiums   | 160.044.483        | 165.642.676        |
| Outwards reinsurance premiums                                    | (1.506.407)        | (1.686.304)        |
| Net change in the provision for premiums                         | 2.195.486          | 1.152.490          |
| INCOME ON INVESTMENTS TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT | 14.509.581         | 0                  |
| OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE              | 1.625.228          | 1.527.633          |
| CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE          | (128.985.555)      | (126.888.251)      |
| OPERATING EXPENSES   | (27.833.859)       | (27.532.659)       |
| OTHER TECHNICAL CHARGES, NET OF REINSURANCE                      | (1.130.377)        | (686.410)          |
| CHANGE IN EQUALISATION PROVISIONS                                | 0                  | 0                  |
| <b>RESULT OF THE TECHNICAL ACCOUNT</b>                           | <b>18.918.580</b>  | <b>11.529.175</b>  |
| INVESTMENTS  | 18.344.460         | 12.866.985         |
| INVESTMENT CHARGES   | (1.064.039)        | (18.839.202)       |
| INVESTMENTS ALLOCATED TO THE TECHNICAL ACCOUNT                   | (14.509.581)       | 0                  |
| OTHER INCOME   | 387.331            | 1.818.011          |
| OTHER CHARGES  | (993.675)          | (243.767)          |
| <b>RESULT OF ORDINARY BUSINESS</b>                               | <b>21.083.076</b>  | <b>7.131.202</b>   |
| EXTRAORDINARY INCOME   | 982.442            | 269.620            |
| EXTRAORDINARY CHARGES  | (412.461)          | (244.382)          |
| <b>PRE-TAX PROFIT/(LOSS)</b>                                     | <b>21.653.057</b>  | <b>7.156.440</b>   |
| INCOME TAX   | (7.431.694)        | (2.978.877)        |
| <b>PROFIT (LOSS) FOR THE YEAR</b>                                | <b>14.221.363</b>  | <b>4.177.563</b>   |

**UNISALUTE S.p.A.**

Registered offices in Bologna - Share capital €17,500,000  
Direct shareholding 98.48%

At 31 December (amounts in €)

**BALANCE SHEET**

| <b>ASSETS</b>   | <b>2009</b>        | <b>2008</b>        |
|---|--------------------|--------------------|
| <b>SHARE CAPITAL PROCEEDS TO BE RECEIVED</b>          | <b>0</b>           | <b>0</b>           |
| <b>INTANGIBLE FIXED ASSETS</b>                        | <b>1.402.495</b>   | <b>1.343.572</b>   |
| <b>INVESTMENTS</b>                                    | <b>118.039.487</b> | <b>79.479.264</b>  |
| II-Investments in Group companies and other investees | 99.676             | 99.676             |
| III-Other financial investments                       | 117.939.811        | 79.379.588         |
| <b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>       | <b>465.908</b>     | <b>879.090</b>     |
| <b>RECEIVABLES</b>                                    | <b>37.875.287</b>  | <b>39.417.536</b>  |
| I-Direct insurance                                    | 35.595.287         | 37.178.364         |
| II-Reinsurance  | 743.617            | 648.683            |
| III-Other receivables                                 | 1.536.383          | 1.590.489          |
| <b>OTHER ASSETS</b>                                   | <b>22.299.150</b>  | <b>21.957.162</b>  |
| I-Tangible assets and inventory                       | 736.208            | 947.952            |
| II-Liquid funds                                       | 13.461.227         | 16.306.106         |
| IV-Other assets                                       | 8.101.715          | 4.703.104          |
| <b>PREPAYMENTS AND ACCRUED INCOME</b>                 | <b>1.000.008</b>   | <b>1.015.280</b>   |
| <b>TOTAL ASSETS</b>                                   | <b>181.082.335</b> | <b>144.091.904</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>           |                    |                    |
| <b>SHAREHOLDERS' EQUITY</b>                           | <b>40.470.631</b>  | <b>36.878.956</b>  |
| I-Subscribed share capital or equivalent fund         | 17.500.000         | 17.500.000         |
| II-Share premium reserve                              | 7.746.853          | 7.746.853          |
| IV-Legal reserve                                      | 1.856.096          | 1.999.950          |
| V-Statutory reserve                                   | 575.991            | 0                  |
| VII-Other reserves                                    | 2.900.016          | 989.392            |
| IX-Profit (loss) for the year                         | 9.891.675          | 8.642.761          |
| <b>TECHNICAL PROVISIONS</b>                           | <b>128.919.506</b> | <b>98.627.058</b>  |
| <b>DEPOSITS FROM REINSURERS</b>                       | <b>232.671</b>     | <b>267.376</b>     |
| <b>PAYABLES AND OTHER LIABILITIES</b>                 | <b>11.304.457</b>  | <b>8.315.415</b>   |
| I-Direct insurance                                    | 1.204.989          | 887.310            |
| II-Reinsurance  | 0                  | 9.291              |
| VII-Employees' leaving entitlement                    | 494.268            | 496.620            |
| VIII-Other payables                                   | 5.203.026          | 3.157.726          |
| IX-Other liabilities                                  | 4.402.174          | 3.764.468          |
| <b>ACCRUED EXPENSES AND DEFERRED INCOME</b>           | <b>155.070</b>     | <b>3.099</b>       |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>     | <b>181.082.335</b> | <b>144.091.904</b> |
| <b>MEMORANDUM ACCOUNTS</b>                            | <b>107.344.332</b> | <b>78.980.173</b>  |

## INCOME STATEMENT

|   | <b>2009</b>       | <b>2008</b>       |
|---|-------------------|-------------------|
| PREMIUMS, NET OF OUTWARDS REINSURANCE                                 | 156.940.280       | 139.175.137       |
| Gross premiums  | 160.420.881       | 136.764.765       |
| Outwards reinsurance premiums   | (230.819)         | (230.333)         |
| Net change in the provision for premiums                              | (3.249.782)       | 2.640.705         |
| INCOME ON INVESTMENTS TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT      | 4.608.383         | 808.040           |
| OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE                   | 30.857            | 258.825           |
| CHARGES RELATING TO CLAIMS INCURRED, NET OF OUTWARDS REINSURANCE      | (120.623.094)     | (100.205.662)     |
| CHANGES IN OTHER TECHNICAL PROVISIONS,<br>NET OF OUTWARDS REINSURANCE | (302.822)         | (186.166)         |
| REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE       | (3.348.821)       | (5.040.948)       |
| OPERATING EXPENSES  | (23.568.726)      | (22.196.541)      |
| OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE                  | (89.707)          | (100.225)         |
| <b>RESULT OF THE TECHNICAL ACCOUNT</b>                                | <b>13.646.350</b> | <b>12.512.460</b> |
| INVESTMENTS   | 6.800.026         | 4.266.087         |
| INVESTMENT CHARGES  | (615.804)         | (3.141.795)       |
| INVESTMENTS ALLOCATED TO THE TECHNICAL ACCOUNT                        | (4.608.383)       | (808.040)         |
| OTHER INCOME  | 538.234           | 1.452.642         |
| OTHER CHARGES   | (1.021.500)       | (989.080)         |
| <b>RESULT OF ORDINARY BUSINESS</b>                                    | <b>14.738.923</b> | <b>13.292.274</b> |
| EXTRAORDINARY INCOME  | 415.799           | 177.407           |
| EXTRAORDINARY CHARGES   | (73.902)          | (73.912)          |
| <b>PRE-TAX PROFIT/(LOSS)</b>  | <b>15.080.820</b> | <b>13.395.769</b> |
| INCOME TAX  | (5.189.145)       | (4.753.008)       |
| <b>PROFIT (LOSS) FOR THE YEAR</b>                                     | <b>9.891.675</b>  | <b>8.642.761</b>  |

**NAVALE Vita S.p.A.**

Registered offices in Rome - Share capital €5,180,108  
 Indirect shareholding 100% through Navale Assicurazioni S.p.A.

At 31 December (amounts in €)

**BALANCE SHEET**

| <b>ASSETS</b>                                     | <b>2009</b>       | <b>2008</b>       |
|---|-------------------|-------------------|
| <b>SHARE CAPITAL PROCEEDS TO BE RECEIVED</b>      | <b>0</b>          | <b>0</b>          |
| <b>INVESTMENTS</b>                                | <b>10.853.165</b> | <b>7.784.730</b>  |
| III-Other financial investments                   | 10.853.165        | 7.784.730         |
| <b>RECEIVABLES</b>                                | <b>561.925</b>    | <b>425.651</b>    |
| I-Direct insurance                                | 274.106           | 165.571           |
| III-Other receivables                             | 287.819           | 260.080           |
| <b>OTHER ASSETS</b>                               | <b>1.893.120</b>  | <b>4.133.715</b>  |
| II-Liquid funds                                   | 1.880.860         | 4.053.434         |
| IV-Other assets                                   | 12.260            | 80.281            |
| <b>PREPAYMENTS AND ACCRUED INCOME</b>             | <b>120.303</b>    | <b>38.902</b>     |
| <b>TOTAL ASSETS</b>                               | <b>13.428.513</b> | <b>12.382.998</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                   |                   |
| <b>SHAREHOLDERS' EQUITY</b>                       | <b>4.749.383</b>  | <b>4.790.609</b>  |
| I-Subscribed share capital or equivalent fund     | 5.180.108         | 5.180.108         |
| II-Share premium reserve                          | 177               | 177               |
| IV-Legal reserve                                  | 50.977            | 50.977            |
| VII-Other reserves                                | 150.841           | 150.841           |
| VIII-Profits (losses) carried forward             | (591.494)         | (358.255)         |
| IX-Profit (loss) for the year                     | (41.226)          | (233.239)         |
| <b>TECHNICAL PROVISIONS</b>                       | <b>8.294.866</b>  | <b>6.797.099</b>  |
| <b>PROVISIONS FOR RISKS AND CHARGES</b>           | <b>21.904</b>     | <b>21.904</b>     |
| <b>PAYABLES AND OTHER LIABILITIES</b>             | <b>362.361</b>    | <b>773.386</b>    |
| I-Direct insurance                                | 151.328           | 413.224           |
| II-Reinsurance                                    | 16.960            | 14.871            |
| VII-Employees' leaving entitlement                | 0                 | 23.691            |
| VIII-Other payables                               | 87.419            | 205.181           |
| IX-Other liabilities                              | 106.654           | 116.419           |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>13.428.513</b> | <b>12.382.998</b> |
| <b>MEMORANDUM ACCOUNTS</b>                        | <b>20.765.513</b> | <b>7.916.317</b>  |

## INCOME STATEMENT

|  | <b>2009</b>      | <b>2008</b>      |
|--|------------------|------------------|
| PREMIUMS, NET OF OUTWARDS REINSURANCE  | 1,757,299        | 1,058,242        |
| Gross premiums   | 1,775,562        | 1,075,198        |
| Outwards reinsurance premiums  | (18,263)         | (16,956)         |
| INVESTMENTS  | 524,943          | 434,895          |
| OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE  | 0                | 54,874           |
| CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE  | (502,491)        | (746,112)        |
| CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS,<br>NET OF OUTWARD SREINSURANCE | (1,452,333)      | (382,615)        |
| OPERATING EXPENSES   | (369,295)        | (416,963)        |
| INVESTMENT CHARGES   | (8,300)          | (149,999)        |
| OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE   | (21,432)         | (166,657)        |
| INVESTMENTS ALLOCATED TO THE NON-TECHNICAL ACCOUNT   | (200,096)        | (39,896)         |
| <b>RESULT OF THE TECHNICAL ACCOUNT</b>   | <b>(271,704)</b> | <b>(354,231)</b> |
| INVESTMENTS TRANSFERRED FROM THE TECHNICAL ACCOUNT   | 200,096          | 39,896           |
| OTHER INCOME   | 25,819           | 77,030           |
| OTHER CHARGES  | (8,476)          | (30,144)         |
| <b>BALANCE ON ORDINARY ACTIVITIES</b>  | <b>(54,265)</b>  | <b>(267,449)</b> |
| EXTRAORDINARY INCOME   | 10,257           | 16,944           |
| EXTRAORDINARY CHARGES  | (4,322)          | (49,709)         |
| <b>PRE-TAX PROFIT/(LOSS)</b>   | <b>(48,330)</b>  | <b>(300,214)</b> |
| INCOME TAX   | 7,104            | 66,975           |
| <b>PROFIT (LOSS) FOR THE YEAR</b>  | <b>(41,226)</b>  | <b>(233,239)</b> |

## UGF Banca S.p.A.

Registered offices in Bologna - Share capital €904,500,000

At 31 December - (amounts in €)

Direct shareholding 67.74%, indirect shareholding through UGF Assicurazioni S.p.A. 32.26%

### BALANCE SHEET

|  | 2009                  | 2008                  |
|--|-----------------------|-----------------------|
| <b>ASSETS</b>                              |                       |                       |
| 10. Cash and cash equivalents              | 117.098.499           | 96.359.052            |
| 20. Financial assets held for trading      | 738.792               | 176.260.027           |
| 40. Available-for-sale financial assets    | 87.816.651            | 287.630.632           |
| 60. Due from banks                         | 974.267.790           | 890.998.741           |
| 70. Loans to customers                     | 9.218.297.862         | 8.480.065.242         |
| 80. Hedging derivatives                    | 0                     | 291.978               |
| 100. Investments                           | 122.227.943           | 122.227.943           |
| 110. Tangible fixed assets                 | 24.631.630            | 23.932.259            |
| 120. Intangible assets                     | 419.674.026           | 420.003.970           |
| -incl. goodwill                            | 419.225.718           | 419.225.718           |
| 130. Tax assets                            | 91.542.741            | 95.311.951            |
| a) current                                 | 13.858.924            | 12.859.685            |
| b) deferred                                | 77.683.817            | 82.452.266            |
| 150. Other assets                          | 238.330.126           | 134.945.901           |
| <b>TOTAL ASSETS</b>                        | <b>11.294.626.060</b> | <b>10.728.027.696</b> |
| <b>LIABILITIES AND EQUITY</b>              |                       |                       |
| 10. Due to banks                           | 420.434.260           | 693.398.074           |
| 20. Due to customers                       | 7.665.478.196         | 7.811.421.271         |
| 30. Securities issued                      | 1.873.145.990         | 919.995.208           |
| 40. Financial liabilities held for trading | 0                     | 94.018.039            |
| 60. Hedging derivatives                    | 3.751.084             | 0                     |
| 80. Tax liabilities                        | 28.081.699            | 36.218.061            |
| a) current                                 | 11.759.386            | 26.813.047            |
| b) deferred                                | 16.322.313            | 9.405.014             |
| 100. Other liabilities                     | 229.927.510           | 314.314.118           |
| 110. Post-employment benefits              | 14.932.441            | 15.488.694            |
| 120. Provisions for risks and charges      | 18.952.252            | 15.379.198            |
| 130. Valuation reserves                    | (5.727.868)           | (11.173.924)          |
| 160. Reserves                              | 12.856.123            | (25.507.689)          |
| 170. Share premiums                        | 122.612.834           | 249.500.000           |
| 180. Share capital                         | 904.500.000           | 703.500.000           |
| 200. Profit (loss) for the year (+/-)      | 5.681.539             | (88.523.354)          |
| <b>TOTAL LIABILITIES AND EQUITY</b>        | <b>11.294.626.060</b> | <b>10.728.027.696</b> |

### INCOME STATEMENT

|   | 2009                 | 2008                 |
|---|----------------------|----------------------|
| 10. Interest and similar income   | 376.740.494          | 581.235.007          |
| 20. Interest and similar expenses   | (162.200.956)        | (342.930.612)        |
| <b>30. Net interest income</b>  | <b>214.539.538</b>   | <b>238.304.395</b>   |
| 40. Fee and commission income   | 108.219.986          | 79.383.867           |
| 50. Fee and commission expense  | (17.114.370)         | (19.072.597)         |
| <b>60. Net fee and commission income</b>  | <b>91.105.616</b>    | <b>60.311.270</b>    |
| 70. Dividends and similar income  | 5.386.840            | 9.978.927            |
| 80. Net profits/(losses) on trading   | 1.966.841            | (3.826.357)          |
| 90. Net profits/(losses) on hedging   | 144.975              | (84.484)             |
| 100. Profit (loss) on disposal/repurchase of:   | 18.240.165           | 10.266.328           |
| a) loans  | 0                    | (2.029.603)          |
| b) available-for-sale financial assets  | 3.178.303            | 10.610.657           |
| d) financial liabilities  | 15.061.862           | 1.685.274            |
| <b>120. Gross income</b>  | <b>331.383.975</b>   | <b>314.950.079</b>   |
| 130. Impairment losses/reversal of impairment losses on:                              | (55.902.011)         | (212.067.274)        |
| a) loans  | (53.373.361)         | (207.806.590)        |
| b) available-for-sale financial assets  | (2.880.365)          | (3.531.969)          |
| d) other financial activities   | 351.715              | (728.715)            |
| <b>140. Profit from financial management</b>  | <b>275.481.964</b>   | <b>102.882.805</b>   |
| 150. Administrative expenses:   | (256.017.486)        | (219.282.511)        |
| a) personnel expenses   | (133.592.357)        | (113.405.265)        |
| b) other administrative expenses  | (122.425.129)        | (105.877.246)        |
| 160. Provisions for risks and charges   | (5.323.079)          | (7.342.631)          |
| 170. Impairment losses/reversal of impairment losses on property, plant and equipment | (6.855.213)          | (6.930.455)          |
| 180. Impairment losses/reversal of impairment losses on intangible assets             | (361.144)            | (283.074)            |
| 190. Other operating income and expenses  | 13.302.314           | 14.591.394           |
| <b>200. Operating expenses</b>  | <b>(255.254.608)</b> | <b>(219.247.277)</b> |
| 210. Profits (losses) on investments  | 0                    | (186)                |
| <b>250. Pre-tax profit (loss) on continuing operations</b>                            | <b>20.227.356</b>    | <b>(116.364.658)</b> |
| 260. Income tax for the year on continuing operations                                 | (14.545.817)         | 27.841.304           |
| <b>270. Profit (loss) on continuing operations, net of tax</b>                        | <b>5.681.539</b>     | <b>(88.523.354)</b>  |

## UGF MERCHANT-BANCA PER LE IMPRESE S.p.A.

Registered offices in Bologna - Share capital €105,468,007  
Indirect shareholding 86.18% through UGF Banca S.p.A.

At 31 December - (amounts in €)

### BALANCE SHEET

|   | 2009               | 2008               |
|---|--------------------|--------------------|
| <b>ASSETS</b>                           |                    |                    |
| 10. Cash and cash equivalents           | 529                | 1.093              |
| 20. Financial assets held for trading   | 110.749            | 27.661             |
| 40. Available-for-sale financial assets | 35.356.321         | 45.205.690         |
| 60. Due from banks                      | 2.856.452          | 4.736.283          |
| 70. Loans to customers                  | 561.222.690        | 627.733.824        |
| 100. Investments                        | 6.171.698          | 2.470.783          |
| 110. Tangible fixed assets              | 127.633            | 153.897            |
| 130. Tax assets                         | 8.374.912          | 1.755.742          |
| a) current                              | 40.252             | 174.375            |
| b) deferred                             | 8.334.660          | 1.581.367          |
| 150. Other assets                       | 226.059            | 325.972            |
| <b>TOTAL ASSETS</b>                     | <b>614.447.043</b> | <b>682.410.945</b> |
| <b>LIABILITIES AND EQUITY</b>           |                    |                    |
| 10. Due to banks                        | 49.661.074         | 85.071.017         |
| 20. Due to customers                    | 46.617             | 20.745             |
| 30. Securities issued                   | 471.403.745        | 485.346.030        |
| 80. Tax liabilities                     | 924.576            | 843.194            |
| a) current                              | 354.242            | 569.370            |
| b) deferred                             | 570.334            | 273.824            |
| 100. Other liabilities                  | 2.462.108          | 1.157.358          |
| 110. Post-employment benefits           | 175.403            | 189.654            |
| 120. Provision for risks and charges    | 400.000            | 400.000            |
| 130. Valuation reserves                 | (95.745)           | (8.008.219)        |
| 160. Reserves                           | 5.539.968          | 5.381.465          |
| 170. Share premiums                     | 3.515.600          | 3.515.600          |
| 180. Share capital                      | 105.468.007        | 105.468.007        |
| 200. Profit (loss) for the year (+/-)   | (25.054.310)       | 3.026.094          |
| <b>TOTAL LIABILITIES AND EQUITY</b>     | <b>614.447.043</b> | <b>682.410.945</b> |

### INCOME STATEMENT

|   | 2009                | 2008               |
|---|---------------------|--------------------|
| 10. Interest and similar income   | 22.347.107          | 35.554.670         |
| 20. Interest and similar expense  | (13.230.911)        | (24.932.016)       |
| <b>30. Net interest income</b>  | <b>9.116.196</b>    | <b>10.622.654</b>  |
| 40. Fee and commission income   | 5.048.353           | 3.451.800          |
| 50. Fee and commission expense  | (51.072)            | (33.189)           |
| <b>60. Net fee and commission income</b>  | <b>4.997.281</b>    | <b>3.418.611</b>   |
| 70. Dividends and similar income  | 713.155             | 1.131.627          |
| 80. Net profits/(losses) on trading   | 15.241              | (1.207.604)        |
| 100. Profit (loss) on disposal  | 651.941             | 67.732             |
| a) loans  | 0                   | 48.908             |
| b) available-for-sale financial assets  | 651.941             | 18.824             |
| <b>120. Gross income</b>  | <b>15.493.814</b>   | <b>14.033.020</b>  |
| 130. Impairment losses/reversal of impairment losses on:                              | (40.627.685)        | (2.779.511)        |
| a) loans  | (33.370.641)        | (2.779.511)        |
| b) available-for-sale financial assets  | (6.882.044)         | 0                  |
| d) other financial activities   | (375.000)           | 0                  |
| <b>140. Profit from financial management</b>  | <b>(25.133.871)</b> | <b>11.253.509</b>  |
| 150. Administrative expenses  | (6.626.884)         | (6.446.798)        |
| a) personnel expenses   | (4.352.029)         | (4.422.364)        |
| b) other administrative expenses  | (2.274.855)         | (2.024.434)        |
| 160. Provisions for risks and charges   | 0                   | (400.000)          |
| 170. Impairment losses/reversal of impairment losses on property, plant and equipment | (59.766)            | (64.845)           |
| 190. Other operating income/charges   | (48.388)            | 508.234            |
| <b>200. Operating expenses</b>  | <b>(6.735.038)</b>  | <b>(6.403.409)</b> |
| 210. Profits (losses) on investments  | 0                   | (268)              |
| <b>250. Pre-tax profit (loss) on continuing operations</b>                            | <b>(31.868.909)</b> | <b>4.849.832</b>   |
| 260. Income tax for the financial year on current operations                          | 6.814.599           | (1.823.738)        |
| <b>270. Profit (loss) on continuing operations, net of tax</b>                        | <b>(25.054.310)</b> | <b>3.026.094</b>   |
| <b>290. Profit (loss) for the year</b>  | <b>(25.054.310)</b> | <b>3.026.094</b>   |

## UGF LEASING S.p.A.

Registered offices in Bologna - Share capital €6,000,000  
Indirect shareholding 100% through UGF Banca S.p.A.

At 31 December - (amounts in €)

### BALANCE SHEET

|                                       | 2009               | 2008              |
|---------------------------------------|--------------------|-------------------|
| <b>ASSETS</b>                         |                    |                   |
| 10. Cash and cash equivalents         | 569                | 1.368             |
| 60. Receivables                       | 118.698.048        | 91.125.277        |
| 100. Tangible fixed assets            | 43.513             | 1.243.164         |
| 110. Intangible assets                | 138.903            | 193.528           |
| 120. Tax assets                       | 789.579            | 820.735           |
| a) current                            | 143.931            | 245.056           |
| b) deferred                           | 645.648            | 575.679           |
| 140. Other assets                     | 7.085.885          | 4.564.501         |
| <b>TOTAL ASSETS</b>                   | <b>126.756.497</b> | <b>97.948.573</b> |
| <b>LIABILITIES AND EQUITY</b>         |                    |                   |
| 10. Payables                          | 86.148.378         | 64.988.120        |
| 20. Securities issued                 | 15.027.945         | 15.027.945        |
| 50. Hedging derivatives               | 74.209             | 14.952            |
| 70. Tax liabilities                   | 357.357            | 174.380           |
| a) current                            | 124.811            | 148.942           |
| b) deferred                           | 232.546            | 25.438            |
| 90. Other liabilities                 | 14.047.476         | 6.501.416         |
| 100. Post-employment benefits         | 472.732            | 456.756           |
| 110. Provisions for risks and charges | 0                  | 154.000           |
| b) other provisions                   | 0                  | 154.000           |
| 120. Share capital                    | 6.000.000          | 6.000.000         |
| 150. Share premium reserve            | 646.135            | 646.135           |
| 160. Reserves                         | 4.005.060          | 4.205.777         |
| 170. Valuation reserves               | (38.212)           | 740.259           |
| 180. Profit (loss) for the year (+/-) | 15.417             | (961.167)         |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <b>126.756.497</b> | <b>97.948.573</b> |

### INCOME STATEMENT

|   | 2009             | 2008               |
|---|------------------|--------------------|
| 10. Interest and similar income   | 4.248.385        | 5.016.704          |
| 20. Interest and similar expense  | (2.107.568)      | (3.028.940)        |
| <b>Net interest income</b>  | <b>2.140.817</b> | <b>1.987.764</b>   |
| 30. Fee and commission income   | 989.261          | 724.586            |
| 40. Fee and commission expense  | (650.161)        | (380.350)          |
| <b>Net fee and commission income</b>  | <b>339.100</b>   | <b>344.236</b>     |
| 60. Net profits/(losses) on trading   | 0                | (7.013)            |
| <b>Gross income</b>   | <b>2.479.917</b> | <b>2.324.987</b>   |
| 110. Impairment losses/reversal of impairment losses on:                              | (1.034.870)      | (1.629.989)        |
| a) loans  | (1.034.870)      | (1.629.989)        |
| 120. Administrative expenses:   | (2.169.786)      | (1.838.718)        |
| a) personnel expenses   | (1.596.823)      | (1.200.454)        |
| b) other administrative expenses  | (572.963)        | (638.264)          |
| 130. Impairment losses/reversal of impairment losses on property, plant and equipment | (16.606)         | (80.637)           |
| 140. Impairment losses/reversal of impairment losses on intangible assets             | (95.745)         | (77.151)           |
| 160. Other operating income and expenses  | 1.111.776        | 108.682            |
| <b>Net operating income</b>   | <b>274.688</b>   | <b>(1.192.826)</b> |
| <b>Profit (loss) on continuing operations gross of tax</b>                            | <b>274.688</b>   | <b>(1.192.826)</b> |
| 210. Income tax for the year on continuing operations                                 | (259.271)        | 231.659            |
| <b>Profit (loss) for the year</b>   | <b>15.417</b>    | <b>(961.167)</b>   |

## UNICARD S.p.A.

Registered offices in Milan - Share capital €2,080,000  
Indirect shareholding 51% through UGF Banca S.p.A.

At 31 December - (amounts in €)

### BALANCE SHEET

|   | 2009              | 2008              |
|---|-------------------|-------------------|
| <b>ASSETS</b>                           |                   |                   |
| 10. Cash and cash equivalents           | 3.144             | 2.772             |
| 40. Available-for-sale financial assets | 576               | 542               |
| 60. Receivables                         | 8.976.365         | 10.173.557        |
| 100. Tangible fixed assets              | 81.597            | 122.594           |
| 120. Intangible assets                  | 628.639           | 0                 |
| 120. Tax assets                         | 47.727            | 40.602            |
| a) current                              | 30.992            | 23.867            |
| b) deferred                             | 16.735            | 16.735            |
| 140. Other assets                       | 2.712.585         | 1.275.909         |
| <b>TOTAL ASSETS</b>                     | <b>12.450.632</b> | <b>11.615.977</b> |
| <b>LIABILITIES AND EQUITY</b>           |                   |                   |
| 10. Payables                            | 53.576            | 32.332            |
| 70. Tax liabilities                     | 41.589            | 31.828            |
| a) current                              | 41.589            | 31.828            |
| 90. Other liabilities                   | 10.908.644        | 9.235.256         |
| 100. Post-employment benefits           | 346.892           | 355.644           |
| 120. Share capital                      | 2.080.000         | 2.080.000         |
| 160. Reserves                           | (119.083)         | (33.683)          |
| 180. Profit (loss) for the year (+/-)   | (860.986)         | (85.400)          |
| <b>TOTAL LIABILITIES AND EQUITY</b>     | <b>12.450.632</b> | <b>11.615.977</b> |

### INCOME STATEMENT

|   | 2009             | 2008             |
|---|------------------|------------------|
| 10. Interest and similar income   | 242.017          | 265.332          |
| 20. Interest and similar expense  | (124.707)        | (258.455)        |
| <b>Net interest income</b>  | <b>117.310</b>   | <b>6.877</b>     |
| 30. Fee and commission income   | 5.586.004        | 6.129.824        |
| 40. Fee and commission expense  | (3.149.997)      | (3.370.418)      |
| <b>Net fee and commission income</b>  | <b>2.436.007</b> | <b>2.759.406</b> |
| 50. Dividends and similar income  | 34               | 25               |
| <b>Gross income</b>   | <b>2.553.351</b> | <b>2.766.307</b> |
| 100. Impairment losses/reversal of impairment losses on:                              | (193.309)        | (107.625)        |
| a) loans  | (193.309)        | (107.625)        |
| <b>Profit from financial management</b>   | <b>2.360.042</b> | <b>2.658.682</b> |
| 110. Administrative expenses:   | (3.079.696)      | (2.705.747)      |
| a) personnel expenses   | (1.170.068)      | (811.671)        |
| b) other administrative expenses  | (1.909.627)      | (1.894.076)      |
| 120. Impairment losses/reversal of impairment losses on property, plant and equipment | (36.866)         | (54.556)         |
| 130. Impairment losses/reversal of impairment losses on intangible assets             | (157.160)        | 0                |
| 160. Other operating income and expenses  | 94.282           | 31.314           |
| <b>Net operating income</b>   | <b>(819.397)</b> | <b>(70.307)</b>  |
| <b>Pre-tax profit (loss) on continuing operations</b>                                 | <b>(819.397)</b> | <b>(70.307)</b>  |
| 210. Income tax for the year on continuing operations                                 | (41.589)         | (15.093)         |
| <b>Profit (loss) for the year</b>   | <b>(860.986)</b> | <b>(85.400)</b>  |

## UNIPOL FONDI Ltd

Registered offices in Dublin - Share capital €125,001  
 Indirect shareholding 100% through UGF Banca S.p.A.

At 31 December - (amounts in €)

### BALANCE SHEET

|                                     | 2009             | 2008             |
|-------------------------------------|------------------|------------------|
| <b>ASSETS</b>                       |                  |                  |
| 60. Due from banks                  | 1.485.430        | 2.966.923        |
| 70. Loans to customers              | 554.011          | 701.236          |
| <b>TOTAL ASSETS</b>                 | <b>2.039.441</b> | <b>3.668.159</b> |
| <b>LIABILITIES AND EQUITY</b>       |                  |                  |
| 80. Tax liabilities:                | 3.720            | 0                |
| a) current                          | 3.720            | 0                |
| 100. Other liabilities              | 441.837          | 857.575          |
| 160. Reserves                       | 115.963          | 115.963          |
| 180. Share capital                  | 125.001          | 125.001          |
| 200. Profit (loss) for the year     | 1.352.920        | 2.569.620        |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>2.039.441</b> | <b>3.668.159</b> |

### INCOME STATEMENT

|  | 2009             | 2008             |
|--|------------------|------------------|
| 10. Interest and similar income                            | 5.472            | 98.974           |
| 40. Fee and commission income                              | 2.615.302        | 4.616.316        |
| 50. Fee and commission expense                             | (975.833)        | (1.662.672)      |
| 80. Profits/(losses) on trading                            | (541)            | 867              |
| 150. Administrative expenses                               | (110.793)        | (103.299)        |
| a) personnel expenses                                      | (36.300)         | (36.300)         |
| b) administrative expenses                                 | (74.493)         | (66.999)         |
| 190. Other operating income and expenses                   | 13.316           | 0                |
| <b>250. Pre-tax profit (loss) on continuing operations</b> | <b>1.546.923</b> | <b>2.950.186</b> |
| 260. Ir Income tax for the year                            | (194.003)        | (380.566)        |
| <b>U Profit (loss) for the year</b>                        | <b>1.352.920</b> | <b>2.569.620</b> |

## UGF PRIVATE EQUITY SGR S.p.A.

Registered offices in Bologna - Share capital €2,000,000  
Indirect shareholding 100% through UGF Banca S.p.A.

At 31 December - (amounts in €)

### BALANCE SHEET

|                                     | 2009             | 2008             |
|-------------------------------------|------------------|------------------|
| <b>ASSETS</b>                       |                  |                  |
| 10. Cash and cash equivalents       | 128              | 77               |
| 60. Receivables                     | 1.255.090        | 1.554.095        |
| b) other receivables                | 1.255.090        | 1.554.095        |
| 100. Tangible fixed assets          | 23.588           | 5.365            |
| 120. Intangible assets              | 7.789            | 12.789           |
| 120. Tax assets                     | 243.467          | 140.222          |
| a) current                          | 86.920           | 74.447           |
| b) deferred                         | 156.547          | 65.775           |
| 140. Other assets                   | 208.333          | 208.333          |
| <b>TOTAL ASSETS</b>                 | <b>1.738.395</b> | <b>1.920.881</b> |
| <b>LIABILITIES AND EQUITY</b>       |                  |                  |
| 10. Payables                        | 16.773           | 16.200           |
| 70. Tax liabilities                 | 0                | 3.902            |
| a) current                          | 0                | 3.902            |
| 90. Other liabilities               | 135.986          | 74.873           |
| 120. Share capital                  | 2.000.000        | 2.000.000        |
| 160. Reserves                       | (174.094)        | 0                |
| 200. Profit (loss) for the year     | (240.270)        | (174.094)        |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>1.738.395</b> | <b>1.920.881</b> |

### INCOME STATEMENT

|   | 2009             | 2008             |
|---|------------------|------------------|
| 20. Fee and commission expense  | (378)            | (178)            |
| <b>Net fee and commission income</b>  | <b>(378)</b>     | <b>(178)</b>     |
| 40. Interest and similar income   | 6.557            | 63.624           |
| 50. Interest and similar expense  | (268)            | (70)             |
| <b>Gross income</b>   | <b>5.911</b>     | <b>63.376</b>    |
| 120. Administrative expenses:   | (329.508)        | (300.158)        |
| a) personnel expenses   | (274.440)        | (232.834)        |
| b) other administrative expenses  | (55.068)         | (67.324)         |
| 130. Impairment losses/reversal of impairment losses on property, plant & equipment | (2.445)          | (877)            |
| 140. Impairment losses/reversal of impairment losses on intangible assets           | (5.000)          | (2.211)          |
| 180. Other operating income   | 0                | 1                |
| <b>Result from operating activity</b>   | <b>(331.042)</b> | <b>(239.869)</b> |
| <b>Pre-tax profit (loss) on continuing operations</b>                               | <b>(331.042)</b> | <b>(239.869)</b> |
| 210. Income tax for the year on continuing operations                               | 90.772           | 65.775           |
| <b>U Profit (loss) for the year</b>   | <b>(240.270)</b> | <b>(174.094)</b> |

## NETTUNO FIDUCIARIA S.r.l.

Registered offices in Bologna - Share capital €250,000  
Indirect shareholding 100% through UGF Banca S.p.A.

At 31 December - (amounts in €)

### BALANCE SHEET

|  | 2009              | 2008             |
|--|-------------------|------------------|
| <b>ASSETS</b>                            |                   |                  |
| A) SHARE CAPITAL PROCEEDS TO BE RECEIVED | 0                 | 0                |
| B) FIXED ASSETS                          | 11.131            | 16.645           |
| I Intangible assets                      | 1.076             | 1.711            |
| II Tangible fixed assets                 | 8.928             | 13.807           |
| III Financial fixed assets: other        | 1.127             | 1.127            |
| C) CURRENT ASSETS                        | 222.851           | 197.735          |
| II Receivables                           |                   |                  |
| -due within one year                     | 174.492           | 68.204           |
| IV Liquid funds                          | 48.359            | 129.531          |
| D) PREPAYMENTS AND ACCRUED INCOME        | 5.098             | 6.047            |
| <b>TOTAL ASSETS</b>                      | <b>239.080</b>    | <b>220.427</b>   |
| <b>LIABILITIES AND EQUITY</b>            |                   |                  |
| A) SHAREHOLDERS' EQUITY                  | 158.676           | 150.417          |
| I Share capital                          | 250.000           | 250.000          |
| VII Other reserves                       | 15.019            | 15.019           |
| VIII Profits (losses) carried forward    | (114.603)         | (56.646)         |
| IX Profit (loss) for the year            | 8.260             | (57.956)         |
| C) EMPLOYEES' LEAVING ENTITLEMENT        | 4.858             | 4.764            |
| D) PAYABLES                              | 71.906            | 62.541           |
| -due within one year                     | 71.906            | 62.541           |
| E) ACCRUALS AND DEFERRED INCOME          | 3.640             | 2.705            |
| <b>TOTAL LIABILITIES AND EQUITY</b>      | <b>239.080</b>    | <b>220.427</b>   |
| <b>MEMORANDUM ACCOUNTS</b>               | <b>35.590.000</b> | <b>8.949.483</b> |

### INCOME STATEMENT

|  | 2009          | 2008            |
|--|---------------|-----------------|
| A) PRODUCTION RESERVES   | 203.311       | 121.114         |
| 1) Turnover from sales and services                                  | 203.311       | 121.114         |
| B) PRODUCTION COST   | 192.663       | 181.505         |
| 6) Raw and ancillary materials, consumables and finished goods       | 2.921         | 1.752           |
| 7) Provision of services   | 103.667       | 97.525          |
| 8) Use of third party assets   | 28.453        | 27.635          |
| 9) Personnel   | 44.251        | 42.652          |
| 10) Amortisation/depreciation and write-downs                        |               |                 |
| a) depreciation of intangible fixed assets                           | 635           | 635             |
| b) depreciation of tangible fixed assets                             | 5.368         | 5.331           |
| 14) Other operating costs  | 7.368         | 5.975           |
| <b>Operating loss (A-B)</b>  | <b>10.648</b> | <b>(60.391)</b> |
| C) FINANCIAL INCOME AND CHARGES                                      | 434           | 5.367           |
| 16) Other financial income   |               |                 |
| b) from securities classified as fixed assets other than investments | 57            | 57              |
| d) other income: from Parent   | 578           | 5.552           |
| 17) Interest and other investment expense                            |               |                 |
| -to Parents  | (173)         | (165)           |
| -to others   | (28)          | (77)            |
| E) EXTRAORDINARY INCOME AND EXPENSE                                  | (2.822)       | (2.932)         |
| 20) Income   |               |                 |
| -other income  | 1.051         | 2.453           |
| 21) Expense  |               |                 |
| -unanticipated losses  | (3.873)       | (5.385)         |
| <b>Pre-tax profit/(loss)</b>   | <b>8.260</b>  | <b>(57.956)</b> |
| 22) Income tax on profit, current and deferred                       | 0             | 0               |
| <b>23) Net profit (loss) for the year</b>                            | <b>8.260</b>  | <b>(57.956)</b> |

## UNIPOL SGR S.p.A.

Registered offices in Bologna - Share capital €5,000,000

At 31 December - (amounts in €)

Direct shareholding 100%

### BALANCE SHEET

|  | 2009             | 2008              |
|--|------------------|-------------------|
| <b>ASSETS</b>                              |                  |                   |
| 10. Cash and cash equivalents              | 286              | 11                |
| 20. Financial liabilities held for trading | 5.017.611        | 6.078.548         |
| 60. Receivables                            | 833.569          | 5.610.362         |
| a) from portfolio management               | 122.986          | 2.839.803         |
| b) other receivables                       | 710.583          | 2.770.559         |
| 100. Tangible fixed assets                 | 132.781          | 169.317           |
| 110. Intangible assets                     | 76.008           | 155.863           |
| 120. Tax assets                            | 158.559          | 913.349           |
| a) current                                 | 148.751          | 903.897           |
| b) deferred                                | 9.808            | 9.452             |
| 140. Other assets                          | 50.779           | 156.049           |
| <b>TOTAL ASSETS</b>                        | <b>6.269.593</b> | <b>13.083.499</b> |
| <b>LIABILITIES AND EQUITY</b>              |                  |                   |
| 10. Payables                               | 71.298           | 170.141           |
| 70. Tax liabilities                        | 93.900           | 2.170.477         |
| a) current                                 | 93.900           | 2.169.848         |
| b) deferred                                | 0                | 629               |
| 90. Other liabilities                      | 139.456          | 748.337           |
| 100. Post-employment benefits              | 2.906            | 1.467             |
| 120. Share capital                         | 5.000.000        | 5.000.000         |
| 160. Reserves                              | 841.819          | 620.352           |
| 180. Profit (loss) for the year (+/-)      | 120.214          | 4.372.725         |
| <b>TOTAL LIABILITIES AND EQUITY</b>        | <b>6.269.593</b> | <b>13.083.499</b> |

### INCOME STATEMENT

|   | 2009             | 2008              |
|---|------------------|-------------------|
| 10. Fee and commission income   | 1.636.658        | 11.619.846        |
| 20. Fee and commission expense  | (5.475)          | (132.816)         |
| <b>Net fee and commission income</b>  | <b>1.631.183</b> | <b>11.487.030</b> |
| 40. Interest and similar income   | 82.066           | 252.158           |
| 50. Interest and similar expense  | (26)             | (3)               |
| 60. Profits/(losses) on trading   | 703              | 54.544            |
| <b>120. Gross income</b>  | <b>1.713.926</b> | <b>11.793.729</b> |
| <b>140. Profit from financial management</b>  | <b>1.713.926</b> | <b>11.793.729</b> |
| 120. Administrative expenses:   | (1.359.157)      | (5.152.089)       |
| a) personnel expenses   | (507.807)        | (1.723.566)       |
| b) other administrative expenses  | (851.350)        | (3.428.523)       |
| 130. Impairment losses/reversal of impairment losses on property, plant and equipment | (36.536)         | (36.869)          |
| 140. Impairment losses/reversal of impairment losses on intangible assets             | (79.855)         | (65.843)          |
| 160. Other operating income and expenses  | (25.473)         | 4.317             |
| <b>Result from operating activity</b>   | <b>212.905</b>   | <b>6.543.245</b>  |
| <b>Pre-tax profit (loss) on continuing operations</b>                                 | <b>212.905</b>   | <b>6.543.245</b>  |
| 210. Income tax for the year on continuing operations                                 | (92.691)         | (2.170.520)       |
| <b>Profit (loss) for the year</b>   | <b>120.214</b>   | <b>4.372.725</b>  |

## MIDI S.r.l.

Registered offices in Bologna - Share capital €112,000,000 resolved (of which €82,500,000 fully paid-up)  
Indirect shareholding 100% through UGF Assicurazioni S.p.A.

At 31 December (amounts in €)

### BALANCE SHEET

|  | 2009              | 2008              |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| <b>A) SHARE PROCEEDS TO BE RECEIVED</b>                  | <b>0</b>          | <b>10.400.000</b> |
| -of which not called up                                  | 0                 | 10.400.000        |
| <b>B) FIXED ASSETS</b>                                   | <b>84.787.072</b> | <b>6.226.507</b>  |
| I Intangible assets                                      | 0                 | 0                 |
| II Tangible fixed assets                                 | 84.535.779        | 5.976.114         |
| 1) land and buildings                                    | 42.521.842        | 5.976.114         |
| 5) assets under construction and payments on account     | 42.013.937        | 0                 |
| III Financial fixed assets                               | 251.293           | 250.393           |
| 1) investments   |                   |                   |
| d) other   | 250.316           | 250.316           |
| 2) Financial receivables                                 |                   |                   |
| d) from others: due within one year                      | 977               | 77                |
| <b>C) CURRENT ASSETS</b>                                 | <b>4.018.686</b>  | <b>64.405.721</b> |
| I Inventory: work-in-progress and semi-finished products | 0                 | 60.473.780        |
| II Receivables   |                   |                   |
| -due within one year                                     | 3.515.423         | 3.871.495         |
| IV Liquid funds  | 503.263           | 60.446            |
| <b>D) PREPAYMENTS AND ACCRUED INCOME</b>                 | <b>1.096</b>      | <b>521</b>        |
| <b>TOTAL ASSETS</b>                                      | <b>88.806.854</b> | <b>81.032.749</b> |
| <b>LIABILITIES AND EQUITY</b>                            |                   |                   |
| <b>A) SHAREHOLDERS' EQUITY</b>                           | <b>78.609.051</b> | <b>73.298.310</b> |
| I Share capital  | 77.500.000        | 72.000.000        |
| IV Legal reserve   | 130.965           | 129.418           |
| VII Other reserves: extraordinary reserve                | 1.167.345         | 1.137.950         |
| IX Profit (loss) for the year                            | (189.259)         | 30.942            |
| <b>D) PAYABLES</b>                                       | <b>10.197.803</b> | <b>7.734.439</b>  |
| -due within one year                                     | 10.197.803        | 7.734.439         |
| <b>TOTAL LIABILITIES AND EQUITY</b>                      | <b>88.806.854</b> | <b>81.032.749</b> |
| <b>MEMORANDUM ACCOUNTS</b>                               |                   |                   |
| 1) Sureties - to third parties                           | 11.889.804        | 6.831.831         |

### INCOME STATEMENT

|  | 2009             | 2008              |
|--|------------------|-------------------|
| <b>A) PRODUCTION RESERVES</b>  | <b>1.197.226</b> | <b>25.356.163</b> |
| 1) Turnover from sales and services                                      | 1.039.391        | 126.000           |
| 2) Change in work-in-progress, semi-finished products and finished goods | 0                | 25.159.588        |
| 5) Other revenues and income   |                  |                   |
| -other revenues and income   | 157.835          | 70.575            |
| <b>B) PRODUCTION COST</b>  | <b>1.452.605</b> | <b>25.689.849</b> |
| 7) Service provision   | 507.635          | 25.375.793        |
| 10) Amortisation/depreciation and write-downs                            |                  |                   |
| b) depreciation of tangible fixed assets                                 | 749.601          | 181.605           |
| 14) Other operating costs  | 195.369          | 132.451           |
| <b>Operating loss (A-B)</b>  | <b>(255.379)</b> | <b>(333.686)</b>  |
| <b>C) FINANCIAL INCOME AND CHARGES</b>                                   | <b>60.572</b>    | <b>440.599</b>    |
| 16) Other financial income   |                  |                   |
| d) other income: from others   | 60.610           | 440.600           |
| 17) Interest and other financial charges: other                          | (38)             | (1)               |
| <b>E) EXTRAORDINARY INCOME AND EXPENSE</b>                               | <b>(196)</b>     | <b>(10.287)</b>   |
| 20) Income   | 0                | 1                 |
| 21) Expense  | (196)            | (10.288)          |
| <b>Pre-tax profit/(loss)</b>   | <b>(195.003)</b> | <b>96.626</b>     |
| 22) Income tax on profit, current and deferred                           |                  |                   |
| a) current taxes   | 5.744            | (65.684)          |
| <b>23) Net profit (loss) for the year</b>                                | <b>(189.259)</b> | <b>30.942</b>     |

## UNIFIMM S.r.l.

Registered offices in Bologna - Share capital €43,350,000  
Indirect shareholding 100% through UGF Assicurazioni S.p.A.

At 31 December (amounts in €)

### BALANCE SHEET

|   | 2009              | 2008              |
|---|-------------------|-------------------|
| <b>ASSETS</b>   |                   |                   |
| A) SHARE CAPITAL PROCEEDS TO BE RECEIVED                | 0                 | 0                 |
| B) FIXED ASSETS   | 65.369.446        | 594.743           |
| I Intangible assets                                     | 594.743           | 594.743           |
| II Tangible fixed assets                                | 64.774.703        | 0                 |
| C) CURRENT ASSETS                                       | 1.955.904         | 57.922.611        |
| I Inventory   |                   |                   |
| 2) assets under construction and semi-finished products | 0                 | 54.920.125        |
| II Financial receivables                                |                   |                   |
| -due within one year                                    | 1.675.656         | 729.161           |
| IV Liquid funds   | 280.248           | 2.273.325         |
| D) PREPAYMENTS AND ACCRUED INCOME                       | 1.318             | 2.279             |
| <b>TOTAL ASSETS</b>                                     | <b>67.326.668</b> | <b>58.519.633</b> |
| <b>LIABILITIES AND EQUITY</b>                           |                   |                   |
| A) SHAREHOLDERS' EQUITY                                 | 57.384.527        | 51.515.294        |
| I Share capital   | 43.350.000        | 43.350.000        |
| IV Legal reserve  | 548.836           | 548.836           |
| VII Other reserves                                      |                   |                   |
| - cash flows  | 28.000.000        | 21.800.000        |
| - others  | 0                 | 1                 |
| VIII Profits (losses) carried forward                   | (14.183.543)      | (13.781.899)      |
| IX Profit (loss) for the year                           | (330.766)         | (401.644)         |
| B) PROVISION FOR RISK AND CHARGES                       | 6.713.940         | 6.713.940         |
| D) PAYABLES   | 3.228.201         | 290.399           |
| -due within one year                                    | 3.228.201         | 290.399           |
| <b>TOTAL LIABILITIES AND EQUITY</b>                     | <b>67.326.668</b> | <b>58.519.633</b> |
| <b>MEMORANDUM ACCOUNTS</b>                              | <b>13.997.217</b> | <b>13.378.269</b> |
| 1) Suretie - to third parties                           | 13.997.217        | 13.378.269        |

### INCOME STATEMENT

|                                       | 2009             | 2008             |
|---------------------------------------|------------------|------------------|
| A) PRODUCTION REVENUES                | 2.621            | 6.688.766        |
| 2) Change in work-in-progress         | 0                | 6.687.736        |
| 5) Other revenues and income          |                  |                  |
| - other revenues and income           | 2.621            | 1.030            |
| B) PRODUCTION COST                    | 350.059          | 7.176.953        |
| 7) Service provision                  | 114.651          | 6.939.530        |
| 14) Other operating costs             | 235.408          | 237.423          |
| <b>Operating loss (A-B)</b>           | <b>(347.438)</b> | <b>(488.187)</b> |
| C) FINANCIAL INCOME AND CHARGES       | 16.673           | 86.543           |
| 16) Other financial income            |                  |                  |
| d) other income                       |                  |                  |
| -from others                          | 16.673           | 86.543           |
| E) EXTRAORDINARY INCOME AND EXPENSE   | (1)              | 0                |
| 20) Income                            |                  |                  |
| -other                                | (1)              | 0                |
| <b>Pre-tax profit/(loss)</b>          | <b>(330.766)</b> | <b>(401.644)</b> |
| 22) Income tax on profit for the year | 0                | 0                |
| <b>23) Profit (loss) for the year</b> | <b>(330.766)</b> | <b>(401.644)</b> |

## SMALLPART S.p.A.

Registered offices in Bologna - Share capital €32,000,000  
Indirect shareholding 100% through UGF Assicurazioni S.p.A.

At 31 December - (amounts in €)

### BALANCE SHEET

|  | 2009              | 2008              |
|--|-------------------|-------------------|
| <b>ASSETS</b>                            |                   |                   |
| A) SHARE CAPITAL PROCEEDS TO BE RECEIVED | 0                 | 0                 |
| B) FIXED ASSETS                          | 54.614.117        | 24.885.822        |
| I Intangible assets                      | 0                 | 892               |
| III Financial fixed assets               | 54.614.117        | 24.884.930        |
| C) CURRENT ASSETS                        | 9.113.711         | 8.633.443         |
| II Receivables                           |                   |                   |
| -due within one year                     | 8.023.835         | 8.513             |
| IV Liquid funds                          | 1.089.876         | 8.624.930         |
| <b>TOTAL ASSETS</b>                      | <b>63.727.828</b> | <b>33.519.265</b> |
| <b>LIABILITIES AND EQUITY</b>            |                   |                   |
| A) SHAREHOLDERS' EQUITY                  | 63.689.461        | 33.480.112        |
| I Share capital                          | 32.000.000        | 32.000.000        |
| IV Legal reserve                         | 212.163           | 153.251           |
| VII Other reserves:                      |                   |                   |
| - Extraordinary reserve                  | 306.389           | 147.072           |
| - Reserve from merger                    | 37.234.574        | 1.562             |
| - Other                                  | 0                 | (2)               |
| IX Profit (loss) for the year            | (6.063.665)       | 1.178.229         |
| D) PAYABLES                              | 38.367            | 39.153            |
| -due within one year                     | 38.367            | 39.153            |
| <b>TOTAL LIABILITIES AND EQUITY</b>      | <b>63.727.828</b> | <b>33.519.265</b> |

### INCOME STATEMENT

|  | 2009               | 2008             |
|--|--------------------|------------------|
| A) PRODUCTION RESERVES                         | 0                  | 0                |
| B) PRODUCTION COST                             | 252.103            | 250.200          |
| 7) Service provision                           | 250.177            | 247.468          |
| 9) Personnel                                   |                    |                  |
| b) social security contributions               | 0                  | 293              |
| 10) Amortisation/depreciation and write-downs  |                    |                  |
| a) depreciation of intangible assets           | 892                | 1.502            |
| b) depreciation of tangible fixed assets       | 0                  | 110              |
| 14) Other operating costs                      | 1.034              | 827              |
| <b>Operating loss (A-B)</b>                    | <b>(252.103)</b>   | <b>(250.200)</b> |
| C) FINANCIAL INCOME AND CHARGES                | 1.657.317          | 2.072.835        |
| 15) Income from participating interests:       |                    |                  |
| -in associates                                 | 1.220.200          | 1.449.438        |
| -in other companies                            | 360.747            | 306.583          |
| 16) Other financial income                     |                    |                  |
| d) other financial income: other               | 76.370             | 316.814          |
| D) IMPAIRMENTS ON FINANCIAL ASSETS             | (7.512.890)        | (641.010)        |
| 19) Write-downs                                |                    |                  |
| a) on participating interests                  | (7.512.890)        | (641.010)        |
| E) EXTRAORDINARY INCOME AND EXPENSE            | 24.472             | 15.003           |
| 20) Income                                     |                    |                  |
| -other income                                  | 25.635             | 25.050           |
| 21) Expense                                    |                    |                  |
| -capital losses from disposals                 | 0                  | (6.425)          |
| -other expense                                 | (1.163)            | (3.622)          |
| <b>Pre-tax profit/(loss)</b>                   | <b>(6.083.204)</b> | <b>1.196.628</b> |
| 22) Income tax on profit, current and deferred | 19.539             | (18.399)         |
| <b>23) Profit (loss) for the year</b>          | <b>(6.063.665)</b> | <b>1.178.229</b> |

## AMBRA PROPERTY S.r.l.

Registered offices in Bologna - Share capital €100,000  
Direct shareholding 100%

At 31 December - (amounts in €)

### BALANCE SHEET

|  | 2009             | 2008             |
|--|------------------|------------------|
| <b>ASSETS</b>                            |                  |                  |
| A) SHARE CAPITAL PROCEEDS TO BE RECEIVED | 0                | 0                |
| B) FIXED ASSETS                          | 4.328.749        | 4.487.622        |
| I Intangible                             | 59.726           | 72.674           |
| II Tangible fixed assets                 | 4.266.241        | 4.414.546        |
| III Financial fixed assets               | 2.782            | 402              |
| C) WORKING CAPITAL                       | 1.107.529        | 1.426.652        |
| I Inventory                              | 35.789           | 47.009           |
| II Financial receivables                 |                  |                  |
| -due within one year                     | 720.043          | 608.041          |
| IV Liquid funds                          | 351.696          | 771.602          |
| D) PREPAYMENTS AND ACCRUED INCOME        | 17.916           | 18.311           |
| <b>TOTAL ASSETS</b>                      | <b>5.454.193</b> | <b>5.932.585</b> |
| <b>LIABILITIES AND EQUITY</b>            |                  |                  |
| A) SHAREHOLDERS' EQUITY                  | 4.247.908        | 4.386.464        |
| I Share capital                          | 100.000          | 100.000          |
| IV Legal reserve                         | 3.615            | 0                |
| VII Other reserves:                      |                  |                  |
| - Provision for conversion/rounding in € | 2                | 1                |
| - Extraordinary reserve                  | 68.687           | 0                |
| - Share premium reserve                  | 4.214.161        | 4.214.161        |
| IX Profit (loss) for the year            | (138.557)        | 72.302           |
| C) POST-EMPLOYMENT BENEFITS              | 38.664           | 64.951           |
| D) PAYABLES                              | 1.167.623        | 1.480.158        |
| -due within one year                     | 1.142.034        | 1.442.827        |
| -due beyond one year                     | 25.589           | 37.331           |
| E) PREPAYMENTS AND ACCRUED INCOME        | 0                | 1.012            |
| <b>TOTAL LIABILITIES AND EQUITY</b>      | <b>5.454.195</b> | <b>5.932.585</b> |

### INCOME STATEMENT

|  | 2009             | 2008           |
|--|------------------|----------------|
| A) OPERATING INCOME  | 4.000.890        | 2.268.787      |
| 1) Sales and services income   | 3.986.590        | 2.258.345      |
| 5) Other revenues and income   | 14.300           | 10.442         |
| B) OPERATING COSTS   | 4.079.701        | 2.120.579      |
| 6) Raw and ancillary materials, consumables and finished goods                         | 364.738          | 215.807        |
| 7) Service provision   | 1.307.819        | 638.097        |
| 8) Use of third party assets   | 53.556           | 23.539         |
| 9) Personnel   |                  |                |
| a) wages and salaries  | 1.156.818        | 670.985        |
| b) social security contributions   | 357.814          | 175.169        |
| c) employees' leaving entitlement  | 77.383           | 39.988         |
| e) other costs   | 63.824           | 3.908          |
| 10) Amortisation/depreciation and write-downs  |                  |                |
| a) depreciation of intangible fixed assets   | 19.474           | 18.344         |
| b) depreciation of tangible fixed assets   | 504.962          | 266.543        |
| d) write-downs of receivables included in working capital and available cash           | 14.135           | 2.956          |
| 11) Change in inventory of raw and ancillary materials, consumables and finished goods | 11.087           | (9.103)        |
| 14) Other operating costs  | 148.091          | 74.346         |
| <b>Operating loss (A-B)</b>  | <b>(78.811)</b>  | <b>148.208</b> |
| C) FINANCIAL INCOME AND CHARGES  | (1.239)          | 2.520          |
| 16) Other financial income   |                  |                |
| d) income other than that already mentioned: other                                     | 3.126            | 5.921          |
| 17) Interest and other financial charges   |                  |                |
| -other   | (4.392)          | (3.401)        |
| 17-bis) Profits (losses) on currencies   | 27               | 0              |
| E) EXTRAORDINARY INCOME AND EXPENSE  | (4.938)          | (624)          |
| 21) Expense  |                  |                |
| -other   | 2.843            | 0              |
| 21) Expense  |                  |                |
| - tax in previous years  | (7.781)          | 0              |
| - other  | 0                | (624)          |
| <b>Pre-tax profit/(loss)</b>   | <b>(84.988)</b>  | <b>150.104</b> |
| 22) Income tax on profit, current and deferred   | (53.569)         | (77.802)       |
| <b>23) Profit (loss) for the year</b>  | <b>(138.557)</b> | <b>72.302</b>  |

## UGF ASSISTANCE S.r.l.

Registered offices in Bologna - Share capital €52,000  
Indirect shareholding 100% through Unisalute S.p.A.

At 31 December - (amounts in €)

### BALANCE SHEET

|  | 2009           | 2008           |
|--|----------------|----------------|
| <b>ASSETS</b>                            |                |                |
| A) SHARE CAPITAL PROCEEDS TO BE RECEIVED | 0              | 0              |
| B) FIXED ASSETS                          | 317            | 378            |
| II Tangible fixed assets                 | 317            | 378            |
| C) CURRENT ASSETS                        | 201.848        | 196.840        |
| II Receivables                           |                |                |
| -due within one year                     | 30.826         | 18.138         |
| IV Liquid funds                          | 171.022        | 178.702        |
| <b>TOTAL ASSETS</b>                      | <b>202.165</b> | <b>197.218</b> |
| <b>LIABILITIES AND EQUITY</b>            |                |                |
| A) SHAREHOLDERS' EQUITY                  | 193.228        | 185.935        |
| I Share capital                          | 52.000         | 52.000         |
| IV Legal reserve                         | 7.237          | 6.205          |
| V Statutory reserve                      | 126.698        | 107.085        |
| IX Profit (loss) for the year            | 7.293          | 20.646         |
| D) PAYABLES                              |                |                |
| -due within one year                     | 6.216          | 8.563          |
| E) PREPAYMENTS AND ACCRUED INCOME        | 2.720          | 2.720          |
| <b>TOTAL LIABILITIES AND EQUITY</b>      | <b>202.164</b> | <b>197.218</b> |

### INCOME STATEMENT

|  | 2009          | 2008          |
|--|---------------|---------------|
| A) PRODUCTION RESERVES   | 32.183        | 33.724        |
| 1) Revenues from sales and services                            | 32.183        | 33.478        |
| 5) Other revenues and income                                   |               | 246           |
| B) PRODUCTION COST   | 22.498        | 9.978         |
| 6) Raw and ancillary materials, consumables and finished goods | 22            | 32            |
| 7) Service provision   | 22.050        | 9.395         |
| 10) Amortisation/depreciation and write-downs                  |               |               |
| b) depreciation of tangible non-current assets                 | 61            | 61            |
| 14) Other operating costs                                      | 365           | 490           |
| <b>Operating loss (A-B)</b>                                    | <b>9.685</b>  | <b>23.746</b> |
| C) FINANCIAL INCOME AND CHARGES                                | 771           | 5.683         |
| 16) Other financial income                                     |               |               |
| d) other financial income                                      | 771           | 5.686         |
| 17) Interest and other financial charges                       | 0             | (3)           |
| E) EXTRAORDINARY INCOME AND EXPENSE                            | (204)         | 0             |
| 20) Income   | 2             | 0             |
| 21) Expense  | (206)         | 0             |
| <b>Pre-tax profit/(loss)</b>                                   | <b>10.252</b> | <b>29.429</b> |
| 22) Income tax on profit, current and deferred                 | (2.959)       | (8.783)       |
| <b>23) Profit (loss) for the year</b>                          | <b>7.293</b>  | <b>20.646</b> |

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UNIPOL GRUPPO FINANZIARIO S.P.A.

REGISTERED AND HEAD OFFICES  
via Stalingrado, 45  
40128 Bologna

Share capital  
€ 2,391,426,100.00 fully paid-up

Tax Code and Bologna Company  
Registration No. 00284160371  
R.E.A. No.160304

Entry in special section in accordance  
with Article 113 T.U.B. 40069





[www.unipolgf.it](http://www.unipolgf.it)

