



PRESS RELEASE

Unipol Group — Consolidated profit grew by 4.1% in the first quarter of 2007

Aggregate income from insurance business reached €2,798m (+10.7% compared with 31 March 2006), €1,797m of which in Life business (+15.6%) and €1,000m in Non-Life business (+3%).

Consolidated net earned premiums were €2,054m (+1.2%), €1,113m of which in Life business and €941m in Non-Life business.

Unipol Banca gross operating income rose to €69.1m (+13.9%) and net profit to €12.5m (+65.3%).

Consolidated net profit for the Unipol Group grew to €122m, +4.1% over the first quarter of 2006.

Launch of the programme for the purchase of own shares to service the stock granting plan to employees.

The Board of Directors of Unipol Assicurazioni, held today, approved the Unipol Group consolidated quarterly report as at 31 March 2007.

In **insurance business** aggregate income for the Group companies reached €2,798m (+10.7% over the first quarter of 2006), €1,797m of which in Life business (+15.6%) and €1,000m in Non-Life business (+3%). Life business showed remarkable growth especially in the bancassurance sector (BNL Vita and Quadrifoglio Vita), recording increase by 61.6% and premiums for €1,359m, thanks to the excellent results achieved by the BNL network in distributing unit linked products.

During the first quarter of 2007 the Group strategy focussed on re-qualifying Life portfolio, which led to a remarkable reduction in capital redemption policies. Their weight on Life income decreased to 7.5% (compared with 46.4% in the first quarter of 2006), thus favouring index/unit linked policies. Activities involving supplementary pension schemes proved to be particularly intense, owing to the acquisition of several mandates, although results i.r.o. assets under management will be manifest as from 1 July 2007, when the enabling act of the pension reform will come into effect, governing the transferral of the severance indemnity fund to supplementary pension schemes by way of

the silent-assent mechanism. The growth by 3% in Non-Life business — although impacted by curbed tariffs in Motor T.P.L. — was higher than the market in 2006 (+2.4%) and resulted from an increase of 1.5% in Motor business and of 5.3% in Non-Motor business.

Consolidated earned premiums, net of reinsurance, amounted to €2,054m, €1,113m of which in Life business (-0.9%) and €941m in Non-Life business (+3.9%).

Loss ratio, net of reinsurance, was 71.5%, an improvement compared with 73.7% in the first quarter of 2006, when it was affected by some major claims and an increase in the number of claims reported, which then slowed down during 2006. Combined ratio was 94.6% (compared with 96.1% in the first quarter of 2006).

The financial management policies favoured short-term monetary investments and equity assets. In a macroeconomic scenario showing uncertainties in rates growth, operations were focussed on investments in floating-rate stocks and on a gradual and slight increase in the weight of equity portfolio, favouring highly profitable and liquid shares in the Eurozone.

Net income from financial assets and cash decreased to €345m (-1.7%). Net of capital gains from the sale of shareholdings carried out in the first quarter of both financial years (€59m relating to Banca Antonveneta in the first quarter 2006 and €19m relating to BPI in the first quarter 2007 respectively) this amount would be €326m, up 11.6%. Deducting net income and charges from financial liabilities for €83m, net income/charges stood at €262m (-17.7%).

As at 31 March 2007 the Group network agency was made up of 586 Unipol Assicurazioni agencies, 1,124 Aurora Assicurazioni agencies and 214 Navale multi-mandate agencies (Navale sells its products through 275 brokers as well).

On the whole, the insurance activity posted profit before taxation of €161m (+10% over the first quarter of 2006), €142m of which resulting from Non-Life business and €18m from Life business.

In **banking business** Unipol Banca went on opening new branches, reaching 269 in the end of March (265 at 2006 year-end), 150 of which co-located with insurance agencies. Today's insurance agencies in Italy authorized to sell standard banking products are 1,900.

Unipol Banca's customer deposits as at 31 March 2007 were €7,329m, -7.4% compared with 31 December 2006 due to a reduction in deposits by the Group companies, whilst loans to customers were €6,414m, +2.6% over 31 December 2006.

Customer funds on 31 March 2007 reached €26.9bn, +2% compared with the 2006 year-end figure, €2.2bn of which from assets under management portfolio.

Gross operating income grew to €69.1m (+13.9%) and cost/income ratio was 63.2% (69.5% at 2006 year-end). Unipol Banca net profit rose to €12.5m (+65.3% compared with €7.6m in the first quarter of 2006).

On the whole, the banking business impacted on the Group's gross consolidated profit for €21m (+68.8%)

Overall gross result for the Unipol Group was €182m (+14.4%). Net of taxes for the period of €59m, **consolidated profit** was €122m, +4.1% over the first quarter of 2006.

Minority interests rose to €22m, (+62.8%), €17m of which relating to the 29.14% stake of Aurora Assicurazioni's share capital acquired through the Public Tender Offer at the end of the first quarter 2007 (which will not recur as from the next quarter, when the Group stake will rise to 95.8%). Net of this amount, **profit pertaining to the Group** stood at €100m (€104m as at 31/03/2006).

Provided no exceptional or unusual events occur, the Group business outlook for the present year is positive and increasing and in line with expectations.

Launch of the programme for the purchase of own shares to service the stock granting plan to employees

The Board of Directors also resolved upon launching the programme for the purchase of own shares to service the free granting of Unipol ordinary shares to the employees (the 'Stock Granting Plan'), as approved by the Ordinary Shareholders' Meeting of 24 April 2007.

Following approval of the Stock Granting Plan the Company addressed the related acceptance offer to 1,977 employees, 68 of which managers, for a total of about €1.2m. The collected acceptances correspond to around 85% of the total offer, or about €1.02m.

The programme for the purchase of own shares to service the Stock Granting Plan complies with the terms of the authorization to the purchase of own shares as given to the Board of Directors by the Shareholders' Meeting held on 24 April 2007.

The Meeting's resolution involves the faculty to purchase a number of Unipol ordinary shares not exceeding 10% of the Company's share capital, pursuant to the provisions of Article 144-bis of the Regulation of Issuers, for a period of up to 18 months from the date of the Meeting's resolution.

Taking into account the restrictions implied in the Meeting's resolution, the Board of Directors set the following terms and conditions for the implementation of the plan:

- purchases shall be carried out for maximum €1.315m and up to 430,000 Unipol ordinary shares;
- purchases shall be carried out on the MTA (Italian Equity Market), pursuant to the provisions of Article 144-bis (b) of the Regulation on Issuers and Article 2.6.6. of the Regulation on the Markets Organized and Managed by Borsa Italiana;
- the purchase price shall not be higher than the higher of the price of the last independent trade and the highest current independent offer on the MTA;
- the amount of shares purchased each day shall not exceed 25% of the average daily volume of the shares traded on the MTA;
- the plan will be implemented from 22 May to 31 May 2007, so as to allow the stock granting on 1 June 2007.

Under the aforesaid programme, on the seventh daily market session following the date of execution of the transactions Unipol Assicurazioni will disclose to the market and CONSOB the following information: number of purchased shares, date and time of each purchase, average price, price of each purchase and cumulated number of shares on the disclosure date.

As at today Unipol Assicurazioni does not hold any own shares.

Other resolutions by the Board of Directors

The Board of Directors has, furthermore, assessed whether the non-executive Board Members meet the necessary independence requirements, given the new and more structured definition of 'independence' following the review of the Corporate Governance Code for listed companies and the more rigorous criteria adopted by the Company. According to this assessment the following Directors have been defined as independent:

Jean Dominique Antoni, Sergio Betti, Rocco Carannante, Gilberto Coffari, Ivan Malavasi, Massimo Masotti, Pier Luigi Morara, Giuseppe Politi, Francesco Vella e Luca Zaccherini.

Annexed are summaries of the consolidated Balance Sheet and consolidated Income Statement and summary of the consolidated Income Statement by Business Sectors as at 31 March 2007.

Bologna, 10 May 2007

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Please note that the original Press Release is in Italian. In case of doubt, the Italian version prevails.

CONSOLIDATED BALANCE SHEET

ASSETS

€/m		31/03/2007 before reclassifications	IFRS 5 reclassification (*)	31/03/2007	31/12/2006
1	INTANGIBLE ASSETS	1,683	1	1,683	1,336
1.1	Goodwill	1,651	1	1,651	1,304
1.2	Other intangible assets	32	0	32	32
2	TANGIBLE ASSETS	434	0	434	434
2.1	Property	378		378	376
2.2	Other tangible assets	57	0	57	58
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	636		636	657
4	INVESTMENTS	35,120	908	34,211	35,936
4.1	Investments in property	299		299	299
4.2	Shareholdings in subsidiaries, associates and joint ventures	28		28	39
4.3	Investments held to maturity	1,036	183	853	1,038
4.4	Loans and receivables	9,200	43	9,157	10,157
4.5	Financial assets available for sale	15,199	308	14,891	15,838
4.6	Financial assets at fair value through profit or loss	9,359	374	8,984	8,566
5	SUNDRY RECEIVABLES	1,004	6	998	1,177
5.1	Receivables relating to direct insurance operations	623	0	622	809
5.2	Receivables relating to reinsurance operations	128		128	105
5.3	Other receivables	253	6	247	263
6	OTHER ASSETS	846	9	1,837	696
6.1	Non-current assets or assets held for sale belonging to a group in the course of being sold	0		1,000	0
6.2	Deferred acquisition costs	70		70	70
6.3	Deferred tax assets	410	8	401	366
6.4	Current tax assets	29		29	45
6.5	Other assets	337	1	337	215
7	CASH AND CASH EQUIVALENTS	1,576	76	1,500	1,414
	TOTAL ASSETS	41,299	1,000	41,299	41,650

LIABILITIES AND SHAREHOLDERS' EQUITY

€/m		31/03/2007 before reclassifications	IFRS 5 reclassification (*)	31/03/2007	31/12/2006
1	SHAREHOLDERS' EQUITY	5,575		5,575	5,873
1.1	Pertaining to the Group	5,365		5,365	5,358
1.1.1	Capital	2,360		2,360	2,360
1.1.2	Other equity	0		0	0
1.1.3	Capital reserve	2,297		2,297	2,297
1.1.4	Accumulated earnings and other reserves	787		787	457
1.1.5	(Own shares)	0		0	0
1.1.6	Provision for net exchange rate differences	0		0	0
1.1.7	Profits or losses on financial assets available for sale	-217		-217	-70
1.1.8	Other profits or losses recorded in the equity direct	38		38	33
1.1.9	Profit (loss) for the year pertaining to the Group	100		100	281
1.2	pertaining to minority interests	209		209	515
1.2.1	Capital and reserves pertaining to minority interests	193		193	471
1.2.2	Profits or losses recorded in the equity direct	-6		-6	-36
1.2.3	Profit (loss) for the year pertaining to minority interests	22		22	80
2	AMOUNTS SET ASIDE	45		45	45
3	TECHNICAL PROVISIONS	23,757	653	23,104	24,042
4	FINANCIAL LIABILITIES	10,561	312	10,249	10,379
4.1	Financial liabilities recorded at fair value through profit or loss	3,286	248	3,038	3,121
4.2	Other financial liabilities	7,275	64	7,211	7,258
5	PAYABLES	436	2	435	520
5.1	Payables arising out of direct insurance operations	75	0	75	46
5.2	Payables arising out of reinsurance operations	33	0	33	19
5.3	Other payables	329	2	327	455
6	OTHER LIABILITIES	925	9	1,892	790
6.1	Liabilities of a group in the course of being sold held for sale	0		976	0
6.2	Deferred tax liabilities	228	6	222	210
6.3	Current tax liabilities	61		61	53
6.4	Other liabilities	636	3	633	527
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	41,299	976	41,299	41,650

(*) figures relating to Quadrifoglio Vita - a company destined to be sold that was consolidated by 50% according to the proportional method - which, pursuant to the IFRS 5, were classified under Item 6.1 of the Assets as 'Non-current assets or assets held for sale belonging to a group in the course of being sold' and Item 6.1 of the Liabilities as 'Liabilities of a group in the course of being sold held for sale'.

CONSOLIDATED INCOME STATEMENT

€/m		31/03/2007	31/03/2006	31/12/2006
1.1	Net premium income	2,054	2,029	8,381
1.1.1	<i>Gross earned premiums</i>	2,128	2,108	8,717
1.1.2	<i>Earned premiums ceded</i>	-74	-79	-336
1.2	Commissions and fees receivable	29	28	112
1.3	Income and charges arising out of financial instruments recorded at fair value through profit or loss	9	127	272
1.4	Income arising out of shareholdings in subsidiaries, associates and joint ventures	0	0	2
1.5	Income arising out of other financial instruments and investments in property	338	249	1,268
1.5.1	<i>Interest receivable</i>	276	175	901
1.5.2	<i>Other income</i>	8	6	57
1.5.3	<i>Profits realised</i>	53	68	309
1.5.4	<i>Unrealised profits</i>	0		1
1.6	Other receipts	43	25	96
1	TOTAL RECEIPTS AND INCOME	2,473	2,459	10,131
2.1	Net charges relating to claims	1,858	1,919	7,827
2.1.2	<i>Amounts paid and change in technical provisions</i>	1,902	1,983	8,073
2.1.3	<i>Reinsurers' share</i>	-43	-64	-246
2.2	Commissions and fees payable	9	11	36
2.3	Charges arising out of shareholdings in subsidiaries, associates and joint ventures	0	0	0
2.4	Charges arising out of other financial instruments and investments in property	84	57	379
2.4.1	<i>Interest payable</i>	53	39	187
2.4.2	<i>Other charges</i>	1	2	13
2.4.3	<i>Losses realised</i>	24	6	70
2.4.4	<i>Unrealised losses</i>	6	11	109
2.5	Operating expenses	301	275	1,156
2.5.1	<i>Commissions and other acquisition expenses</i>	199	179	758
2.5.2	<i>Investment management expenses</i>	5	4	25
2.5.3	<i>Other administrative expenses</i>	97	93	372
2.6	Other charges	39	37	142
2	TOTAL COSTS AND CHARGES	2,291	2,300	9,540
	PROFIT (LOSS) FOR THE YEAR BEFORE TAXATION	182	159	591
3	Taxation	59	41	229
	PROFIT (LOSS) FOR THE YEAR NET OF TAX	122	118	362
4	PROFIT (LOSS) PERTAINING TO DISCONTINUED OPERATIONS			
	CONSOLIDATED PROFIT (LOSS)	122	118	362
	pertaining to the Group	100	104	281
	pertaining to minority interests	22	14	80

CONSOLIDATED INCOME STATEMENT by BUSINESS SECTOR - SUMMARY

(€/m)

	NON-LIFE		%	LIFE		%	TOTAL		%
	BUSINESS			BUSINESS			INSURANCE		
	31/3/07	31/3/06	ch.	31/3/07	31/3/06	ch.	31/3/07	31/3/06	ch.
Net premium income	941	905	3.9	1,113	1,123	-0.9	2,054	2,029	1.2
Net commissions	(0)	(0)		2	(0)		2	(0)	
Financial income/charges	96	98	-1.2	121	190	-36.2	217	287	-24.3
Net claims charges	(673)	(667)	0.9	(1,185)	(1,252)	-5.3	(1,858)	(1,919)	-3.2
Operating expenses	(220)	(206)	6.8	(37)	(30)	20.7	(257)	(237)	8.5
Other income/charges	(1)	(11)	-87.6	4	(3)	-212.6	2	(14)	-117.0
Profit (loss) before taxation	142	119	19.9	18	27	-33.3	161	146	10.0

	BANKING		%	intersector		%	TOTAL		%
	BUSINESS			eliminations			CONSOLIDATED		
	31/3/07	31/3/06	ch.	31/3/07	31/3/06	ch.	31/3/07	31/3/06	ch.
Net premium income	0	0	0.00	0	0	0.00	2,054	2,029	1.2
Net commissions	20	20	2.7	(2)	(2)		20	17	16.5
Financial income/charges	46	33	41.8	(1)	(1)		262	319	-17.7
Net claims charges	0	0	0.0	0	0		(1,858)	(1,919)	-3.2
Operating expenses	(47)	(42)	13.6	3	3		(301)	(275)	9.3
Other income/charges	2	2		(0)	0		4	(12)	-137.2
Profit (loss) before taxation	21	13		0	0		182	159	14.4
Taxation							(59)	(41)	43.8
Consolidated profit (loss)							122	118	4.1
Profit (loss) - Minority interests							22	14	
Profit (loss) - Group							100	104	-3.7