



PRESS RELEASE

Unipol Group – 2006 consolidated result at €362m, growing by 28%

- **Group direct aggregate income from insurance business was €10,770m (stable);**
- **IAS/IFRS-compliant net earned premiums were €8,381m (+6.1%), €3,706m of which in Non-Life business (+0.7%) and €4,674m in Life business (+10.8%);**
- **Unipol Banca customer deposits reached €7,912m (+13.8%) and customer funds €26.4bn (+11.5%);**
- **2006 consolidated net profit for the Unipol Group rose to €362m, considerably increasing (+28%) over 2005;**
- **Profit pertaining to the Parent Company Unipol Assicurazioni was €187.2m (-14.4% over 2005), net of value adjustments on the shareholding in Hopa for €82m;**
- **A proposal will be put for dividend distribution of €0.12 each ordinary share and €0.1252 each preference share (both including extraordinary dividend of €0.04 and unchanged compared to the previous financial year). Coupon is expected to be detached on 21 May 2007 and payment on 24 May 2007;**
- **The Ordinary and Extraordinary Shareholders' Meetings have been convened on 23, 24 and 27 April 2007 (in first, second and third call, respectively)**

The Board of Directors of Unipol Assicurazioni, held today, approved the Draft Accounts of the Parent Company Unipol Assicurazioni and the Consolidated Accounts of the Unipol Group for the 2006 financial year.

In **insurance business** 2006 direct aggregate income for the Group companies amounted to €10,777m (+0.4% over 2005), €4,061m of which in Non-Life business (+2.9%) and €6,716m in Life business (-1%). With respect to Non-Life sector, worth mentioning is the considerable growth in Non-Life Non-Motor business (+4.2%) and the increase in Motor business, in line with inflation (+2.0%), also following the substantially stable Motor T.P.L. tariffs. In Life business — which recorded a better trend than the market — the weight of capitalization products

showed a decrease (to 31% of the portfolio from 38% at 2005 year-end) owing to the new strategy of the Group aiming at fostering more profitable products. The corresponding APE amounted to €437m (€470m in the end of 2005)¹.

Direct income from insurance business for the composite companies (Unipol Assicurazioni and Aurora Assicurazioni) reached €6,320m (about -3.1%), €3,591m of which in Non-Life business (+2.9%) and €2,729m in Life business (-10%); for the Non-Life specialist companies (Navale, Linear and Unisalute) €471m (+2.7%) and for the Bancassurance companies (BNL Vita and Quadrifoglio Vita) €3,986m (+6.3%).

IAS/IFRS-compliant earned premiums, net of outward reinsurance, amounted to €8,381m (+6.1%), €3,706m of which in Non-Life business (+0.7%) and €4,674m in Life business (+10.8%, also following the lower incidence of investment products).

The combined ratio — as calculated on direct and indirect business and net of reinsurance — maintained excellent levels, standing at 94.6%, although slightly decreasing in comparison with the 2005 figure (93.8% as at 31/12/2005)². It is to be highlighted that the expense ratio recorded an improvement of about one percentage point.

Technical provisions at 2006 year-end amounted to €24,042m (€7,393m of which in Non-Life business and €16,650m in Life business), +8.1% over the 2005 figure.

On the whole, the Group insurance business impacted on profit before taxation for €555m (+8.3%).

In **banking business** Unipol Banca carried on the strategy to expand its sales network, reaching 268 branches as at today (+18 branches over the end of 2005), 146 of which co-located with Group insurance agencies, with which they operate in full synergy. The commercial activity follows strategic guidelines aiming at increasing customer synergies, mainly retail, with the Group insurance business.

More specifically, the increase in customer deposits is worth highlighting, reaching €7,912m³ as at 31 December 2006, +13.8% compared with 31 December 2005. Customer funds were €26.4bn (+11.5%), including funds under custody for €24.2bn and assets under management for €2.2bn.

Loans to customers grew to €6,251m on 31 December 2006, by about €1bn compared to 31 December 2005 (+18.8%).

The more careful credit policy is to be pointed out, which — notwithstanding a still problematic business cycle — allowed to control the incidence of net bad and doubtful loans on total lending, standing at 0.66%, that is well below the average for the sector (1.36%).

In banking business pre-tax profit at the end of 2006 was €55m (€6m on 31/12/2005). Unipol Banca's net profit stood at €30.2m (€20.4m in 2005, according to the Italian GAAP then in force), in line with the targets set out in the plan.

¹ The APE are calculated as the sum of annual premiums from new business and one tenth of single premiums from new business. The figure is net of minorities.

² This indicator is the sum of two indices: the first one is the loss ratio, net of outward reinsurance (73.1%), resulting from the incidence of net claims charges on net premiums (both amounts are shown in the annex 'Details on insurance technical items' – Non-Life Business); the second one (expense ratio), 21.5%, results from the ratio of total operating expenses, net of investment management charges, to the net written premiums.

³ €8,016m including 'financial liabilities held for trading'.

As at 31 December 2006 Group **investments** and liquid assets totalled €37,350m, an increase of €1,425m over 31 December 2005 (+4%).

2006 **net investment income** amounted to €1,163m (€957m as at 31/12/2005, +21.5%). More specifically, net income from financial assets available for sale included €139m of capital gains on the sales of the Antonveneta shares to Abn Amro (€59m) and the BNL ordinary shares to Bnp Paribas (€80m). The total amount was also affected by the write-down on the Hopa shareholding for €82m.

Overall **gross result** for the Unipol Group was €590.9m (+22.7%). Net of taxes for €229.4m, **consolidated net profit** stood at €361.5m, remarkably growing (+28%) over 2005. Net of minority interests for €80.3m (especially relating to the subsidiary Aurora Assicurazioni) **profit pertaining to the Group** as at 31 December 2006 was €281.3m (+10.5%).

Shareholders' equity for the Group, including the result for the period, amounted to €5,358m as at 31 December 2006 (€5,552m as at 31/12/2005). Net minority interests were €515m (€491m as at 31/12/2005).

Life Embedded Value and Life New Business Value

2006 Life In Force Value for the Unipol Group – on the same conditions of 2005 – was €424m, in line with the 2005 result. Considering the more prudential hypothesis on the discount rates adopted (discount rate of 6.5%, compared with 6% in the end of 2005 and assets yield rate expected stable, at 4.25%) and the effects of the new exclusive 2007-2011 distribution agreement relating to BNL Vita, 2006 Life In Force Value decreases to €366m. Life Embedded Value as at 31 December 2006 was €1,849m (-9% compared with €2,039m on 31 December 2005), €1,483m of which relating to Life Adjusted Shareholders' Equity (€1,609 at 2005 year-end) and €366m to In Force Value (€430m at 2005 year-end). 2006 Life New Business Value was, on the same conditions of 2005, €100m (€97.3m at 2005 year-end). Considering the new hypothesis on rates and the aforesaid agreement involving BNL Vita, New Business Value decreases to €61.2m.

It is to be specified that, according to the Unipol-BNL agreements, as from 1 March 2007 the BNL Vita assets are managed by the Unipol Group. This deal will bring to the Unipol Group estimated annual fees for over €3m (over the 5-years agreement period) not included in the aforementioned calculations.

Annual Accounts of the Parent Company Unipol Assicurazioni

During 2006 **direct premiums** for Unipol Assicurazioni were €3,005m, €1,476m of which relating to Non-Life business (+3.3%) and €1,529m to Life business (-13.1%). It is to be pointed out that the slight decrease in Life business income was strongly affected by the targeted reduction in premiums relating to capital redemption products in the corporate segment.

Combined ratio from direct business was 92.1%, compared with 91.5% in 2005.

Technical provisions set aside for Life and Non-Life businesses totalled €9,039.2m at the end of 2006 (+4.5% over the previous financial year). **Investments and liquid assets** reached €14,507.4m (net of value adjustments), €1,125.4m of which (€987.5m at 2005 year-end) relating to Class D investments, an increase of €290.3m (+2%) compared with 31 December 2005.

Income from investments and liquid assets (net of investment charges and value adjustments and excluding charges relating to investments for the benefit of policyholders who bear the risk thereof and to investments arising out of Class D

pension fund management) was €396.0m, a decrease compared with €407.6m in 2005 due to higher value adjustments on stocks.

Profit before taxation was €234.1m (-8.5% over the previous financial year).

Profit for the financial year – affected by the value adjustment of €82m on the shareholding in Hopa – was €187.2m (-14.4% over 2005).

Significant events after the end of the financial year

In addition to what has already been thoroughly explained in previous press releases and in relation to the Group reorganization plan, further events are to be remarked, namely:

- on 15 January 2007 the Aurora Assicurazioni's shareholding in BPI was sold, thus realising a capital gain of about €19m (as calculated according to the IAS/IFRS);
- on 5 February 2007 the Unipol Group presented the new product called *2diCuore*. It is an absolute innovation in the Italian market, since it combines banking account and Motor T.P.L. policy in one single solution, hence granting to customers the important added value of friendliness, time and cost saving;
- on 9 March 2007 Banca Agricola Mantovana S.p.A. ('BAM') submitted to the Unipol Group notice of its intention to terminate the bancassurance agreement entered into between the two parties. According to this agreement – and subject to obtaining the authorizations as prescribed by the law – BAM has to acquire the 50% stake of Quadrifoglio Vita S.p.A. held by Unipol Assicurazioni S.p.A., at a price to be set by an independent advisor.

Expected business outlook

Business outlook in the first months of 2007 shows a regular trend, including growth in premiums from bancassurance business and reduction in capital redemption policies.

Worth highlighting is that – as from 1 February 2007 – the Direct Claims Settlement Procedure has come into force, pursuant to which the Unipol Group has implemented innovative plans i.r.o. claims settlement process. As at today it is impossible to foresee the economic effects that this Procedure will have on the market.

No further remarkable events are to be pointed out other than those involving the ordinary corporate policy, focussed on improving profitability.

Dividends

In view of the successful results achieved by both Unipol Group and Unipol Assicurazioni, a proposal will be put to the Shareholders of Unipol Assicurazioni for a total dividend distribution of €287.9m (the same value as in 2005 and corresponding to a payout of 153.8% on the unconsolidated profit), €181.7m of which are ordinary dividends (-6.1% compared with the previous financial year and corresponding to a payout of 97.1% on the unconsolidated profit) and €106.2m extraordinary dividends (+12.5%).

The related unit dividends proposed are the same as those distributed in 2006, namely:

- €0.12 each ordinary share (€0.0750 of which ordinary dividend and €0.0450 extraordinary dividend);
- €0.1252 each preference share (€0.0802 of which ordinary dividend and €0.0450 extraordinary dividend).

Coupon is expected to be detached on 21 May 2007 and payment on 24 May 2007.

General Shareholders' Meeting

The Ordinary Shareholders' Meeting of Unipol Assicurazioni is convened on 23, 24 and 27 April 2007 (in first, second and third call, respectively) in ordinary and extraordinary session.

In the Ordinary session, the General Shareholders' Meeting will be called to approve the Annual Accounts, and also:

- the adoption of a **stock granting** plan. This plan involves the *una tantum* free granting of Unipol ordinary shares to all the employees linked to the Company by indefinite term contracts as at the granting date. The plan aims at (i) increasing the employees' participation in the achievement of corporate targets and strategies; (ii) make employees aware of value creation for both Company and shareholders and (iii) favouring employees' loyalty by motivating their presence in the Company. The plan will be implemented through own shares being acquired by the Company, according to the terms and conditions laid down by both national and EC regulations as applicable from time to time. Information on the plan, pursuant to Article 114-bis of the Consolidated Law, will be made available to the public according to the terms and conditions as prescribed by the applicable law;
- the renewal of the authorization given to the Board of Directors to purchase and/or dispose, in one or several times, of **own shares** and/or of shares of the holding company Finsoe, for a period of 18 months from the meeting's resolution; the confirmation of the reserve amount for the purchase of own shares and of shares of the holding company (corresponding to €100m and €45m respectively). As at today neither Unipol Assicurazioni nor its subsidiaries hold any own shares, or shares of the holding company Finsoe;
- **appointment of the Board of Directors** for the 2007 – 2008 – 2009 financial years, after setting the number of its Members and fixing their remuneration;
- **appointment of the Board of Statutory Auditors** for the 2007 – 2008 – 2009 financial years and setting of their remuneration.

In the Extraordinary Session the General Shareholders' Meeting will be called to resolve upon the following:

- Amendment to the provision relating to the **corporate purpose** and any further amendments associated and pertaining thereto; relevant and subsequent resolutions. Approval of the new Company By-laws.
- Amendment to Articles 5,8,9,10,12,13,17,19 and 20 of the **Company By-laws**, so as to update it to Article 148 of the Consolidated Law, to the provisions implementing the decree and to the new provisions of the Insurance Code.
- Approval of the **plan to merge** Aurora Assicurazioni S.p.A. into Compagnia Assicuratrice Unipol S.p.A. **by incorporation**. Relevant and subsequent resolutions, also involving amendments to the By-laws. Approval of the new Company By-laws.

Other resolutions by the Board of Directors

In today's session the Board of Directors of Unipol Assicurazioni also approved the new guidelines and criteria of the remuneration policies for the managers. In this respect, a new structured remuneration plan has been implemented, focussing on the introduction of variable short-term incentives (MBO) — strictly linked to the

achievement of Group and individual targets — as well as to variable long-term incentives (Performance Shares and Deferred Shares), associated with the three-year trend of Unipol ordinary share and to the Group gross profit over the three-year period.

Finally, the Board of Directors of Unipol Assicurazioni carried out the periodical assessment on the necessary **independence** of Board Members. Given that the company focuses its attention particularly on the 'substantial' independence, thus interpreting in an extensive way what is required by the Corporate Governance Code, this assessment of independence excluded *a priori* any Board Members: (i) who hold office in company bodies of the direct holding company Finsoe and/or of the indirect holding company Holmo; and (ii) who hold office in company bodies of entities party to shareholders' agreements for the control of the Company or that in any way contain clauses whose object is the composition of the Board of Directors of the Company, or of companies controlled by these entities according to Article 2359 (1) of the Italian Civil Code. According to these assessment criteria, the following Directors of the Company have been defined as independent: Jean Dominique Antoni, Rocco Carannante, Pier Luigi Fabrizi, Ivan Malavasi, Massimo Masotti, Pier Luigi Morara, Francesco Vella e Luca Zaccherini.

With respect to the known investigation conducted by the Rome Prosecutor, the Board of Directors of Unipol – following opinion by the appointed lawyer Luca Sirotti – decided to lodge a complaint in order to protect the corporate interests and allow the Court to throw full light on the events.

Presentation of the results to the financial community

Unipol Group 2006 results will be disclosed to the financial community and to the specialist press today at 5 p.m. CET in the *Auditorium* of Unipol Banca (Bologna, Piazza della Costituzione 2). Attendance to the event is made possible also via webcasting or conference call. Details on the technical access procedures are available on the Website www.unipol.it (section 'Investor Relations').

(Attached are the reclassified Profit and Loss Account and the reclassified Balance Sheet as at 31/12/2006 for the Unipol Group and Unipol Assicurazioni).

Bologna, 15 March 2007

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

UNIPOL GROUP
2006 CONSOLIDATED INCOME STATEMENT

€/m		31/12/2006	31/12/2005
1.1	Net premium income	8,380.6	7,899.2
1.1.1	<i>Gross earned premiums</i>	8,717.0	8,233.5
1.1.2	<i>Earned premiums ceded</i>	-336.4	-334.2
1.2	Commissions and fees receivable	112.0	120.9
1.3	Income and charges arising out of financial instruments recorded at fair value through profit or loss	272.0	481.5
1.4	Income arising out of shareholdings in subsidiaries, associates and joint ventures	1.9	45.5
1.5	Income arising out of other financial instruments and investments in property	1,268.0	751.5
1.5.1	<i>Interest receivable</i>	901.3	473.6
1.5.2	<i>Other income</i>	57.0	36.2
1.5.3	<i>Profits realised</i>	308.9	240.0
1.5.4	<i>Unrealised profits</i>	0.9	1.7
1.6	Other receipts	96.1	94.2
1	TOTAL RECEIPTS AND INCOME	10,130.6	9,392.8
2.1	Net charges relating to claims	7,826.9	7,206.9
2.1.2	<i>Amounts paid and change in technical provisions</i>	8,073.3	7,424.3
2.1.3	<i>Reinsurers' share</i>	-246.4	-217.4
2.2	Commissions and fees payable	35.7	42.9
2.3	Charges arising out of shareholdings in subsidiaries, associates and joint ventures	0.2	0.0
2.4	Charges arising out of other financial instruments and investments in property	378.6	321.3
2.4.1	<i>Interest payable</i>	186.9	131.0
2.4.2	<i>Other charges</i>	12.7	17.8
2.4.3	<i>Losses realised</i>	70.3	41.9
2.4.4	<i>Unrealised losses</i>	108.6	130.7
2.5	Operating expenses	1,155.8	1,118.4
2.5.1	<i>Commissions and other acquisition expenses</i>	758.4	732.2
2.5.2	<i>Investment management expenses</i>	25.4	22.5
2.5.3	<i>Other administrative expenses</i>	372.0	363.7
2.6	Other charges	142.5	221.6
2	TOTAL COSTS AND CHARGES	9,539.7	8,911.2
	PROFIT (LOSS) FOR THE YEAR BEFORE TAXATION	590.9	481.6
3	Taxation	229.4	199.1
	PROFIT (LOSS) FOR THE YEAR NET OF TAX	361.5	282.5
4	PROFIT (LOSS) PERTAINING TO DISCONTINUED OPERATIONS		
	CONSOLIDATED PROFIT (LOSS)	361.5	282.5
	pertaining to the Group	281.3	254.5
	pertaining to minority interests	80.3	28.1

UNIPOL GROUP
2006 CONSOLIDATED INCOME STATEMENT broken down by BUSINESS SECTOR

€/m		Non-Life business		Life business		Banking business	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
1.1	Net premium income	3,706.2	3,681.9	4,674.4	4,217.3		
1.1.1	Gross earned premiums	4,018.2	3,992.4	4,698.8	4,241.1		
1.1.2	Earned premiums ceded	-312.0	-310.5	-24.4	-23.8		
1.2	Commissions and fees receivable	2.1	2.2	21.8	38.2	92.5	91.0
1.3	Income and charges arising out of financial instruments recorded at fair value through profit or loss	92.1	142.4	161.0	338.1	19.2	1.4
1.4	Income arising out of shareholdings in subsidiaries, associates and joint ventures	14.3	60.5	6.9	21.6	0.0	0.0
1.5	Income arising out of other financial instruments and investments in property	412.4	252.1	561.5	300.6	381.2	229.9
1.6	Other receipts	37.3	55.7	43.6	28.7	15.4	12.8
1	TOTAL RECEIPTS AND INCOME	4,264.3	4,194.8	5,469.2	4,944.4	508.3	335.1
2.1	Net charges relating to claims	2,709.5	2,620.6	5,118.1	4,586.5	0.0	0.0
2.1.2	Amounts paid and change in technical provisions	2,922.3	2,820.0	5,151.7	4,604.4	0.0	0.0
2.1.3	Reinsurers' share	-212.7	-199.4	-33.6	-18.0	0.0	0.0
2.2	Commissions and fees payable	2.1	2.2	18.1	26.4	17.9	16.6
2.3	Charges arising out of shareholdings in subsidiaries, associates and joint ventures		0.0		0.0	0.5	
2.4	Charges arising out of other financial instruments and investments in property	161.2	169.5	55.4	44.9	244.5	136.0
2.5	Operating expenses	827.0	845.1	154.0	120.5	180.9	166.1
2.6	Other charges	88.8	150.2	44.4	61.1	9.4	10.4
2	TOTAL COSTS AND CHARGES	3,788.6	3,787.5	5,390.0	4,839.4	453.2	329.1
	PROFIT (LOSS) FOR THE YEAR BEFORE TAXATION	475.7	407.3	79.1	105.0	55.1	6.1

		Intersector eliminations		Total	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
1.1	Net premium income			8,380.6	7,899.2
1.1.1	Gross earned premiums			8,717.0	8,233.5
1.1.2	Earned premiums ceded			-336.4	-334.2
1.2	Commissions and fees receivable	-4.4	-10.5	112.0	120.9
1.3	Income and charges arising out of financial instruments recorded at fair value through profit or loss	-0.3	-0.3	272.0	481.5
1.4	Income arising out of shareholdings in subsidiaries, associates and joint ventures	-19.3	-36.7	1.9	45.5
1.5	Income arising out of other financial instruments and investments in property	-87.0	-31.0	1,268.0	751.5
1.6	Other receipts	-0.1	-2.9	96.1	94.2
1	TOTAL RECEIPTS AND INCOME	-111.1	-81.5	10,130.6	9,392.8
2.1	Net charges relating to claims	-0.7	-0.1	7,826.9	7,206.9
2.1.2	Amounts paid and change in technical provisions	-0.7	-0.1	8,073.3	7,424.3
2.1.3	Reinsurers' share			-246.4	-217.4
2.2	Commissions and fees payable	-2.4	-2.3	35.7	42.9
2.3	Charges arising out of shareholdings in subsidiaries, associates and joint ventures	-0.3		0.2	0.0
2.4	Charges arising out of other financial instruments and investments in property	-82.5	-29.0	378.6	321.3
2.5	Operating expenses	-6.2	-13.3	1,155.8	1,118.4
2.6	Other charges	-0.1	-0.1	142.5	221.6
2	TOTAL COSTS AND CHARGES	-92.2	-44.8	9,539.7	8,911.2
	PROFIT (LOSS) FOR THE YEAR BEFORE TAXATION	-19.0	-36.7	590.9	481.6

UNIPOL GROUP
2006 CONSOLIDATED BALANCE SHEET
ASSETS

€/m		31/12/2006	31/12/2005
1	INTANGIBLE ASSETS	1,335.7	1,443.4
1.1	Goodwill	1,303.8	1,411.2
1.2	Other intangible assets	31.9	32.3
2	TANGIBLE ASSETS	433.6	371.3
2.1	Property	375.9	317.3
2.2	Other tangible assets	57.7	54.0
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	657.4	678.2
4	INVESTMENTS	35,936.0	35,064.5
4.1	Investments in property	298.9	352.3
4.2	Shareholdings in subsidiaries, associates and joint ventures	38.6	28.4
4.3	Investments held to maturity	1,037.8	949.4
4.4	Loans and receivables	10,157.0	10,926.1
4.5	Financial assets available for sale	15,837.8	9,723.2
4.6	Financial assets at fair value through profit or loss	8,565.9	13,085.1
5	SUNDRY RECEIVABLES	1,176.9	1,142.9
5.1	Receivables relating to direct insurance operations	808.9	785.9
5.2	Receivables relating to reinsurance operations	104.8	112.0
5.3	Other receivables	263.2	244.9
6	OTHER ASSETS	696.4	534.7
6.1	Non-current assets or assets held for sale belonging to a group in the course of being sold		
6.2	Deferred acquisition costs	70.2	68.8
6.3	Deferred tax assets	366.2	176.3
6.4	Current tax assets	45.3	48.3
6.5	Other assets	214.6	241.3
7	CASH AND CASH EQUIVALENTS	1,413.6	860.8
	TOTAL ASSETS	41,649.6	40,095.8

LIABILITIES AND SHAREHOLDERS' EQUITY

€/m		31/12/2006	31/12/2005
1	SHAREHOLDERS' EQUITY	5,873.0	6,042.9
1.1	Pertaining to the Group	5,357.7	5,551.7
1.1.1	Capital	2,360.1	2,360.1
1.1.2	Other equity		
1.1.3	Capital reserve	2,296.8	2,391.3
1.1.4	Accumulated earnings and other reserves	456.8	432.5
1.1.5	(Own shares)		
1.1.6	Provision for net exchange rate differences		
1.1.7	Profits or losses on financial assets available for sale	-70.3	80.5
1.1.8	Other profits or losses recorded in the equity direct	32.9	32.9
1.1.9	Profit (loss) for the year pertaining to the Group	281.3	254.5
1.2	pertaining to minority interests	515.2	491.1
1.2.1	Capital and reserves pertaining to minority interests	470.9	462.2
1.2.2	Profits or losses recorded in the equity direct	-35.9	0.9
1.2.3	Profit (loss) for the year pertaining to minority interests	80.3	28.1
2	AMOUNTS SET ASIDE	45.0	37.9
3	TECHNICAL PROVISIONS	24,042.4	22,249.4
4	FINANCIAL LIABILITIES	10,379.2	10,436.4
4.1	Financial liabilities recorded at fair value through profit or loss	3,121.2	3,723.0
4.2	Other financial liabilities	7,257.9	6,713.4
5	PAYABLES	520.2	410.9
5.1	Payables arising out of direct insurance operations	46.5	68.3
5.2	Payables arising out of reinsurance operations	18.6	57.7
5.3	Other payables	455.1	285.0
6	OTHER LIABILITIES	789.8	918.3
6.1	Liabilities of a group in the course of being sold held for sale		
6.2	Deferred tax liabilities	210.3	223.5
6.3	Current tax liabilities	52.9	74.5
6.4	Other liabilities	526.7	620.3
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	41,649.6	40,095.8

RECLASSIFIED PROFIT AND LOSS ACCOUNT of UNIPOL ASSICURAZIONI S.p.A.

(Amounts in €K)

	Financial Year 2006			Financial Year 2005		
	Life	Non-Life	Total	Life	Non-Life	Total
TECHNICAL ACCOUNT						
Gross direct business						
(+) Written premiums	1,528,870	1,475,775	3,004,645	1,759,743	1,428,835	3,188,578
(-) Change in math. provisions and prov. for unearned premiums	314,745	32,702	347,447	1,428,062	15,268	1,443,329
(-) Claims paid	1,391,430	1,012,121	2,403,551	498,906	990,221	1,489,127
(+) Balance on other technical items	(3,357)	(52)	(3,409)	(3,700)	152	(3,547)
(-) Operating expenses	46,369	325,539	371,908	45,457	308,203	353,660
(+) Net income from inv. other than Class D investments (1)	148,760	40,561	189,321	188,070	43,226	231,296
(+) Net income from Class D investments (2)	22,089		22,089	39,781		39,781
Balance on gross direct business	(56,182)	145,922	89,740	11,469	158,523	169,992
Balance on outward reinsurance	(920)	(23,643)	(24,563)	(446)	(14,206)	(14,652)
Balance on net indirect business	215	1,355	1,570	14	3,359	3,373
Balance on the technical account	(56,887)	123,634	66,747	11,037	147,676	158,713
NON-TECHNICAL ACCOUNT						
(+) Investment income (3)	0	75,764	75,764	22,133	64,473	86,607
(+) Other income	46,272	119,852	166,124	19,036	91,238	110,273
(-) Other charges	31,594	110,419	142,014	32,949	112,257	145,207
Balance on ordinary activities	(42,210)	208,831	166,621	19,257	191,130	210,386
(+) Extraordinary income	36,736	63,203	99,939	16,807	97,918	114,725
(-) Extraordinary charges	7,322	25,122	32,444	19,948	49,180	69,128
Profit before taxation	(12,796)	246,912	234,116	16,116	239,867	255,984
(-) Tax on profit	(26,955)	73,908	46,954	(17,310)	54,529	37,219
NET PROFIT (OR LOSS)	14,159	173,003	187,162	33,427	185,338	218,765

(1) Investment income for Life business: after transfers to the non-technical account.

Investment income for Non-Life business: after transfers from the non-technical account.

(2) Income from investments the risk of which is borne by policyholders, matched by a corresponding variation in technical provisions.

The result is consequently not affected.

(3) Investment income for Life business: after transfers from the technical account.

Investment income for Non-Life business: after transfers to the technical account.

**RECLASSIFIED BALANCE SHEET of UNIPOL ASSICURAZIONI S.p.A.
AS AT 31 DECEMBER 2006 AND 2005**

(Amounts in €K)

ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY			
	2006	2005		2006	2005	
Intangible assets			Shareholders' equity			
Deferred acquisition costs	28,653	30,082	Paid-up share capital	2,360,144	2,360,144	
Formation expenses, goodwill and other pluriennial costs	41,994	56,638	Reserves and undistributed profits	2,733,013	2,802,144	
Total intangible assets	70,647	86,720	Profit (loss) for the financial year	187,162	218,765	
Investments and liquid assets			Total shareholders' equity	5,280,319	5,381,053	
I Land and buildings	549,863	541,733	Subordinated liabilities	600,000	600,000	
II Investments in Group undertakings and other participating interests:			Technical provisions, net of reinsurers' share			
Shares and participating interests	2,808,598	3,730,025	Non-Life business: provision for unearned premiums	531,784	501,290	
Debt securities	53,843	66,803	Non-Life business: provision for claims outstanding	1,706,968	1,649,938	
Corporate financing	0	0	Non-Life business: other provisions	3,377	3,088	
III Other financial investments:			Life business: mathematical provisions	5,516,329	5,340,828	
Shares and participating interests	490,052	382,375	Life business: prov. for matured policies, surrenders and annuities	25,495	21,254	
Units and shares in investment funds	147,610	54,634	Life business: other provisions	39,063	37,272	
Debt securities	7,339,723	4,927,581	Total technical provisions	7,823,017	7,553,670	
Loans	46,238	50,573	Net technical provisions where the investment risk is borne by policyholders			
Sundry financial investments	365,203	3,086,106	Contracts with unit- and index-linked benefits	717,259	638,017	
IV Deposits with ceding undertakings	20,662	25,807	Pension funds	408,172	349,498	
V Cash at bank and in hand	1,560,169	363,911	Total	1,125,431	987,516	
VI Company's own shares	0	0	Provisions for other risks and charges			
Total investments and liquid assets	13,381,961	13,229,549	Provisions for taxation	13,775	16,829	
Investments for the benefit of Life assurance policyholders who bear the investment risk thereof			Other provisions	5,000	5,000	
Relating to unit- and index-linked benefits	717,259	638,017	Total provisions for other risks and charges	18,775	21,829	
Relating to pension funds	408,172	349,498	Creditors and other liabilities			
Total	1,125,431	987,516	I Arising out of direct insurance and reinsurance operations:			
Debtors			Intermediaries	4,091	1,939	
I Debtors arising out of direct insurance and reinsurance operations:			Amounts payable to insurance and reinsurance undertakings	15,477	18,876	
Premiums payable by policyholders	174,302	171,701	Deposits received from insurance and reinsurance undertakings	35,936	38,971	
Intermediaries	121,757	95,605	Sundry creditors	3,144	3,320	
Insurance and reinsurance operations	62,998	64,762	II Sundry borrowings and other financial creditors	5,102	4,861	
Amounts recoverable from policyholders and third parties	20,987	17,578	III Provision for staff leaving indemnity	25,277	25,066	
II Other debtors	61,132	71,065	IV Other creditors:			
Total debtors	441,176	420,711	Policyholders' tax due	30,097	28,137	
Other assets			Sundry taxes	8,779	13,886	
Tangible assets and stocks	17,996	13,555	Sundry creditors	45,832	36,452	
Other assets	149,667	127,725	V Other liabilities	165,602	150,200	
Total other assets	167,663	141,280	Total creditors and other liabilities	339,336	321,708	
TOTAL ASSETS	15,186,878	14,865,776	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,186,878	14,865,776	