



PRESS RELEASE

Unipol Group – Approved the first half 2006 consolidated results and the 2006-2009 Industrial Plan

Half Yearly results as at 30 June 2006

Consolidated net premium income rose to €4,637m (+9.7% over the first half 2005), €2,629m of which in Life business (+16%) and €2,007m in Non-Life business (+2.6%)

Customer deposits in banking business reached €8,747m (+24.6% compared with 31/12/2005)

Investments and liquid assets were €36,476m (+1.5% compared with 31/12/2005)

Consolidated profit rose by 2.7%, at €230m.

2006-2009 Industrial Plan

The plan involves the following targets by 2009:

- premium income rising to €11,950m (€4,800m of which in Non-Life business and €7,150m in Life business);
- banking customer deposits of €9bn (CAGR¹ 6.4%);
- net profit for Unipol Banca of €94m, corresponding to a ROE of 9.5%;
- profits for the Unipol Group of €570m (CAGR 22.3%), corresponding to a ROE of 14% net of excess capital;
- profit per share of €0.24 (CAGR 22.3%).

The Board of Directors of Unipol Assicurazioni approved today the Half Yearly Reports as at 30 June 2006 of the Unipol Group and of the Parent Company Unipol Assicurazioni.

¹ Compound Annual Growth Rate

Unipol Group – Half Yearly Report

In **insurance business** the Group companies direct aggregate income amounted to €5,599m (+5.4% compared with €5,312m as at 30 June 2005), €2,007m of which in Non-Life business (+2.6%) and €3,592m in Life business and Investment Products (+7.1%).

More specifically, the composite companies (Unipol Assicurazioni and Aurora Assicurazioni) recorded income from insurance business of €3,463m (€1,769m of which in Non-Life business, €1,694m in Life business and Investment Products), the Non-Life specialised companies (Linear, Navale and Unisalute) of €238m and the bancassurance companies (BNL Vita and Quadrifoglio Vita) of €1,897m.

IAS/IFRS-compliant consolidated direct premium income amounted to €4,637m (+9.7% over the first half 2005²), €2,629m of which in Life business (+16%) and €2,007m in Non-Life business (+2.6%). Income from Life investment products was marginal (€14m).

Overall operating expenses, incurred as at 30 June 2006 (acquisition commissions, renewal commissions and other acquisition, investment management and administrative expenses), net of reinsurance commissions, totalled €493m (€483m as at 30/6/2005, +2.1%). The incidence of net operating expenses on net premium income in Non-Life business fell to 21.9% (compared with 22.3% as at 30/6/2005).

Non-Life loss ratio, including claims settlement costs and net of reinsurance, was 74.4% (74.1% as at 30/6/2005).

Combined ratio as at 30 June 2006, as calculated on direct and indirect business and net of reinsurance, was 96.3% (96.4% as at 30/6/2005)³.

The Group overall insurance business contributed to the pre-tax economic result with €323m, in line with the 2005 half yearly result.

These results were affected by the important non-recurring operations which have been carried out in the first half of 2006, namely:

- sale by Unipol Assicurazioni, on 16 March 2006, to Abn Amro N.V. of 10,856,573 Antonveneta shares, at a unit price of €26.50 per share, totalling a countervalue of €287.7m. The capital gain thus realised was €58.9m, tax included;
- sale by Unipol Assicurazioni and Aurora Assicurazioni, on 3 April 2006, to BNP Paribas of 451,820,000 BNL Bank ordinary shares at a unit price of €2.925 per share, totalling a countervalue of €1,321.6m. The capital gain thus realised was €80.4m, tax and minorities included⁴.

The aforesaid capital gains, net of the residual charges pertaining to the PTO on BNL, mostly correspond to the extraordinary items realised in the first half of 2005, mainly linked to capital gains on property.

² All the first half 2005 figures are pro-forma and IAS/IFRS-compliant.

³ In compliance with Consob Notice DME/6064291 it is hereby clarified that this ratio is the sum of two indices. The first one is the loss ratio, net of outward reinsurance (74.4%), resulting from the incidence of net claims charges (net amount) on net premiums (both amounts are shown in the annex 'Detail on insurance technical items' – Non-Life business); the second one (21.9%) results from the ratio of total operating expenses, net of investment management charges, to the net written premiums. The similar figure relating to combined ratio for direct business is 96.7% (74.3% loss ratio + 22.4% cost/income).

⁴ The individual economic result of Unipol Assicurazioni benefited, for these operations, from €62.1m (sale of the Antonveneta stake) and €40.2m (sale of the BNL stake), both gross of taxes.

Investment income was especially affected by the rise in interest rates which led to value adjustments on debt securities in portfolio. These value adjustments, also according to the classification adopted by the Group, which records a significant part of stocks (37% as at 30 June 2006) as financial assets at fair value through profit and loss, impacted considerably on the economic result for the period.

The activities of the **banking business**, made up of the Unipol Banca Group, record in the current half year considerable growth levels, with assets managed by the Parent Company Unipol Banca still prevailing.

Especially, the increase in customer deposits is worth highlighting, reaching €8,747m as at 30 June 2006, an improvement by 24.6% compared with 31 December 2005. Customer funds amounted to €25,030m (+5.8% compared with 31/12/2005), €22,894m of which were funds under custody and €2.136m assets under management.

Loans to customers rose, amounting to €6,360m as at 30 June 2006, an increase of €855m in the half year (+15.5%), thanks to the favourable trend in mortgage loans to households.

Net interest income at the end of the first half of the financial year was €81m, a remarkable increase (+35.8%) owing to the considerable growth in lending and to the broader spread between credit and debit interest rates.

Gross operating income reached €124m, an increase of 23.3% in comparison with the first half 2005. Cost/income ratio (operating costs/gross operating income) fell by 7%, standing at 68% and showing a remarkable trend to line up with the best performances in the sector.

Profit before taxation was €25m (+97.1% compared with 30/6/2005).

Following the aforementioned business trends, consolidated profit reached €230m (+2.7% over the first half 2005). Consolidated profit pertaining to the Group, net of minorities (up from €18m to €33m including the sale of the 19.98% stake of Aurora Assicurazioni carried out in the second half year 2005) stood at €197m (-4%).

The Group investments and liquid assets as at 30 June 2006 amounted to €36,476m (+1.5% compared with 31/12/2005) and technical provisions and financial liabilities to €33,613m (+2.8% compared with 31/12/2005).

Life In-Force Value as at 30 June 2006 rose to €435m, compared with €430m as at 31 December 2005. Life Embedded Value⁵ as at 30 June 2006 was €1,913m compared with €2,039m on 31 December 2005 as a result of value adjustments on securities recorded through balance sheet items.

As at 30 June 2006 the one-year value of Life new business was €98.8m, +1.5% compared with €97.3m in 2005. The margin on Life new business was 21.2% (an increase in comparison with 20.6% in 2005).

As at 30 June 2006 the Unipol Group distribution network was made up of 1,725

⁵ The Embedded Value is the sum of Adjusted Shareholders' Equity and Life In-Force Value, as calculated according to the actuarial method fundamentals (net of fiscal effects and minorities). To calculate Embedded Value and Life New Business Value, the following hypothesis were adopted: 6.00% discount rate, 4.25% assets yield rate and 35% tax rate.

Life new business value was calculated by way of estimate and discounting of profits from Life new premium income. More specifically, the yearly figure as at 30 June 2006 was calculated taking into account the new business for the previous 12 months.

The margin on Life new business was assessed as the ratio between new business value and APE. The APE are the sum of the first years of annual premiums and 1/10 of single premiums.

insurance agencies, 576 of which Unipol Assicurazioni agencies and 1,149 Aurora Assicurazioni agencies and about 4,500 sales points.

Unipol Assicurazioni – Half Yearly Report

Unipol Assicurazioni totalled direct premium income of €1,807m (+5.1% over the first half 2005), €709m of which in Non-Life business (+2.3%) and €1,098 in Life business (+7%).

Combined ratio in direct business was 96.2%, slightly increasing compared with 95.7% as at 30 June 2005.

Investments and liquid assets were €15,001.6m (+5.5% compared with 31 December 2005), gross technical provisions €9,518.8m (+10.1%).

Income from investments and short-term investments (net of investment charges, and excluding investments for the benefit of policyholders who bear the risk thereof and investments deriving from Class D pension funds), amounted to €279.6m (-0.7%).

Ordinary and extraordinary net income from investments (excluding net income pertaining to Class D) amounted to €296.3m, or -16.4% compared with 30 June 2005, as a result of net value adjustments for €115m compared with €20.9m as at 30 June 2005.

Net profit for the period amounted to €187.6m (-28.0%).

Significant events after 30 June 2006 and expected business outlook

After the end of the half year Unipol Banca S.p.A. acquired a further 3.33% stake in the subsidiary company Unipol Merchant – Banca per le Imprese. After this transaction the owned stake rose to 86.15% from the previous 82.82%.

As regards insurance business, in the period after the end of the half year the growth rate in premium income was similar to the one recorded in the first part of the year. The technical trend in Non-Life business overall confirmed the results achieved in the first six months.

Trend in acquisition and operating costs was in line with expectations.

Income from property and financial management, which was characterized in the first six months of the year by considerable write downs to align with the market values, were positively influenced by the prices recovery as recorded in summer on both the equity market and the bond market.

Considering the trends so far recorded and the expected business outlook, in a scenario characterized by a constant uncertainty in capital markets, the financial result for the current financial year is expected to improve in comparison with the previous financial year.

Unipol Group 2006-2009 Industrial Plan

The Board of Directors of Unipol Assicurazioni also approved the Unipol Group 2006-2009 Industrial Plan.

The Plan's strategic guidelines are based on four key pillars:

1) In **insurance business**, consolidation of the present strong position in the domestic market and growth in profitability, both targets pursued through the following main actions:

- increase in premiums, by strengthening the offer capacity;
- reduction in operating costs, by realizing the synergies not yet exploited;
- maintain technical excellent skills, mainly focussing on claims;
- streamlining the new Life business, by way of a more profitable mix;

More specifically, the Plan expects to achieve the following targets by 2009:

- in Non-Life business:
 - premium income of about €4,800m (€2,850m of which in Motor business line and €1,950m in Non-Motor business line), corresponding to a CAGR of 5% (compared with €3,948m in 2005);
 - combined ratio of 92% and made up of a loss ratio of 70.5% (-0.5 p.p. compared with the 2005 figure) and an expense ratio of 21.5% (-1.2 p.p. compared with the 2005 figure).
- In Life business:
 - APE (Annual Premium Equivalent) amounting to €580m (€470m in 2005), or CAGR of 5.3%;
 - New Business value of €137m (€97m in 2005), or CAGR of 9%.

2) In **banking business**, broadening the operating scale and pursuing profitability, by way of the following key guidelines:

- improvement in cost/income ratio through growth in receipts. This target will be achieved by getting the newly-opened branches fully operational (they are expected to lead to a 15% growth in receipts), and thanks to an increase in average gross operating income per branch, which is expected to rise to €1,120m (compared with €748m in 2005, CAGR 10.6%);
- broadening of the branch network, which should total 398 upon completion of the Plan (compared with 250 branches at 2005 year-end).

More specifically, according to the Plan the following targets involving Unipol Banca are expected to be achieved by 2009:

- cost/income ratio of 56.4% (compared with 84.3% in 2005);
- gross operating income of €446m (compared with €187m in 2005, or CAGR of 24.3%), €173m of which are non-interest income and €273m net interest income;
- customer deposits of €9,000m (€7,021m in 2005, CAGR 6.4%);
- lending of €8,600m (€5,261m in 2005, CAGR 13.1%);
- funds under custody of €27,300m (€21,590m in 2005, CAGR 6%);
- assets under management of €4,900m (€2,055m in 2005, CAGR 24.3%);
- ROE of 9.5% (compared with 3.5% annualized in the first half 2006);
- net profit exceeding €90m (€16m in the first half 2006).

3) As regards **organization**, strengthening the Parent Company's holding functions, so as to improve integration and coordinated growth of the various business areas.

In particular, centralization of all the 'holding' activities is expected in order to:

- consolidate and strengthen its control and steering role;
- strengthen relationships with markets and stakeholders;
- improve financial and risk management;
- progressively set up a unique centre for handling operating costs, with an integrated approach to all the Group activities;
- foster cross-selling on insurance and banking business.

4) As regards **capital management**, exploiting and searching for external growth opportunities, in line with the Group strategies and the profitability targets as laid down in the Plan.

More specifically, the acquisition of the main minorities of the subsidiaries is on the agenda (using about €800m of excess capital). The remaining portion of excess capital could be destined to any growth opportunities that may arise in the market.

Dividend policy in line with that of the previous years will be confirmed.

Taking into account the aforesaid acquisition of minorities (€800m), the shareholders' equity absorbed to back internal growth (about €300m) and the issue of callable notes for around €400m, according to the Plan about €2,000m of free regulatory capital would be available for the Group's growth.

According to the Plan, the above mentioned strategies are expected to lead the Unipol Group to achieve the following targets by 2009:

- Group net profit of €570m (€254m in 2005)
- Earning per share of €0.24 (€0.11 in 2005)
- Group ROE, net of excess capital, over 14% (9.2% proforma in 2005).

The above said targets, together with other figures involved in the Plan, are summarised in the tables below.

	2005	<i>Amounts in €/m or %</i>	
		2009	'05-'09 CAGR
Insurance business			
Non-Life premium income	3,948	4,800	5.0%
Combined Ratio	93.7%	92.0%	-1.7 p.p.
Technical result – Non-Life	245	350	9.3%
Life premium income*	5,188	7,150	8.3%
Margins on New Life Business	20.6%	23.6%	+3.0 p.p.
Unipol Banca			
Customer Deposits	7,021	9,000	6.4%
Customer Funds	23,645	32,200	8.0%
Lending	5,261	8,600	13.1%
Cost/Income	84.3%	56.4%	-27.9 p.p.
Gross Operating Income	187	446	24.3%
Net Profit	-4	94	
ROE	n.s	9.5%	-
Unipol Group			
Total premium income*	9,136	11,950	6.9%
Net profit pertaining to the Group	254	570	22.3%
ROE **	9.2%	~14%	~5 p.p.
Earning per share (€ cent.)	11	24	22.3%
Free regulatory excess capital	2,700	~2,000***	

* IAS/IFRS Proforma Life Premium Income including 100% of BNL Vita and 50% of Quadrifoglio Vita.

** Net of excess capital

*** Over the Plan

The Plan will be disclosed to the Financial Community tomorrow, September 14, 2006. The documents used during this event will be available by today afternoon on www.unipol.it, section 'Investor Relations'. In this section, details on how to access to the webcasting of the presentation are also available.

Bologna, 13 September 2006

Unipol Assicurazioni S.p.A

www.unipol.it

Attached are summaries of Profit and Loss Account and Balance Sheet as at 30 June 2006 of the Unipol Group and Unipol Assicurazioni S.p.A.

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CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT 30 JUNE 2006

€m		30-06-2006	30-06-2005
1.1	Net premium income	4,452.4	4,104.2
1.1.1	<i>Gross earned premiums</i>	4,604.1	4,245.8
1.1.2	<i>Earned premiums ceded</i>	-151.6	-141.5
1.2	Commissions and fees receivables	60.3	56.3
1.3	Income and charges arising out of financial instruments recorded at fair value through profit or loss	82.8	219.4
1.4	Income arising out of shareholdings in subsidiaries, associates and joint ventures	2.4	9.0
1.5	Income arising out of other financial instruments and investments in property	588.8	427.1
1.5.1	<i>Interest receivable</i>	396.1	230.6
1.5.2	<i>Other income</i>	31.5	25.7
1.5.3	<i>Profits realised</i>	161.2	169.3
1.5.4	<i>Unrealised profits</i>	0.0	1.5
1.6	Other receipts	59.2	53.8
1	TOTAL RECEIPTS AND INCOME	5,246.0	4,869.8
2.1	Net charges relating to claims	4,081.5	3,809.3
2.1.2	<i>Amounts paid and charges in technical provisions</i>	4,199.4	3,880.9
2.1.3	<i>Reinsurers' share</i>	-117.9	-71.6
2.2	Commissions and fees payable	18.2	16.8
2.3	Charges arising out of shareholdings in subsidiaries, associates and joint ventures	0.2	0.2
2.4	Charges arising out of other financial instruments and investments in property	141.5	92.1
2.4.1	<i>Interest payable</i>	95.5	63.9
2.4.2	<i>Other charges</i>	6.7	7.1
2.4.3	<i>Losses realised</i>	23.2	8.6
2.4.4	<i>Unrealised losses</i>	16.1	12.6
2.5	Operating expenses	577.3	557.5
2.5.1	<i>Commissions and other acquisition expenses</i>	367.5	368.7
2.5.2	<i>Investment management expenses</i>	13.1	7.8
2.5.3	<i>Other administrative expenses</i>	196.7	180.9
2.6	Other costs	98.0	67.4
2	TOTAL COSTS AND CHARGES	4,916.6	4,543.3
	PROFIT (LOSS) FOR THE YEAR BEFORE TAXATION	329.4	326.6
3	Taxation	99.4	102.7
	PROFIT (LOSS) FOR THE YEAR NET OF TAX	230.0	223.8
4	PROFIT (LOSS) PERTAINING TO DISCONTINUED OPERATIONS		
	CONSOLIDATED PROFIT (LOSS)	230.0	223.8
	pertaining to the Group	197.2	205.5
	pertaining to minority interests	32.8	18.3

**SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
BROKEN DOWN BY BUSINESS SECTOR**

(Amounts in €m)

	NON-LIFE BUSINESS		<i>var.</i> %	LIFE BUSINESS		<i>var.</i> %	INSURANCE TOTAL		<i>var.</i> %
	30/6/06	30/6/05		30/6/06	30/6/05		30/6/06	30/6/05	
Net premium income	1,832	1,846	-0.8	2,621	2,258	16.0	4,452	4,104	8.5
Net income from commissions and fees	(0)	0		2	5		2	5	
Financial income/charges	181	225	-19.4	300	298	0.5	481	524	-8.1
Net charges relating to claims	(1,362)	(1,368)	-0.4	(2,719)	(2,441)	11.4	(4,082)	(3,809)	7.1
Operating expenses	(418)	(416)	0.4	(75)	(67)	12.6	(493)	(483)	2.1
Other income/charges	(36)	(14)		(3)	(3)		(39)	(17)	
Pre-tax profit (loss)	197	273	-27.8	126	51	146.4	323	324	-0.4

	BANKING BUSINESS		<i>var.</i> %	Intersector eliminations		CONSOLIDATED TOTAL		<i>var.</i> %
	30/6/06	30/6/05		30/6/06	30/6/05	30/6/06	30/6/05	
Net premium income						4,452	4,104	8.5
Net income from commissions and fees	39	38	3.2	1	-3	42	40	6.5
Financial income/charges	70	50	40.1	(19)	(10)	532	563	-5.5
Net charges relating to claims						(4,082)	(3,809)	7.1
Operating expenses	(87)	(80)	8.4	3	6	(577)	(557)	3.6
Other income/charges	3	5		(3)	(2)	(39)	(14)	
Pre-tax profit (loss)	25	13	97.1	(19)	(10)	329	327	0.9
Taxation						(99)	(103)	-3.2
Consolidated profit (loss)						230	224	2.7
Profit (loss) - minority interests						33	18	78.6
Profit (loss) - Group						197	205	-4.0

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

ASSETS

LIABILITIES AND SHAREHOLDERS' EQUITY

€m		30-06-2006	31-12-2005	€m		30-06-2006	31-12-2005
1	INTANGIBLE ASSETS	1,432.7	1,443.4	1	SHAREHOLDERS' EQUITY	5,689.3	6,042.9
1.1	Goodwill	1,400.7	1,411.2	1.1	pertaining to the Group	5,225.1	5,551.7
1.2	Other intangible assets	32.0	32.3	1.1.1	Capital	2,360.1	2,360.1
2	TANGIBLE ASSETS	374.6	371.3	1.1.2	Other equity		
2.1	Property	320.6	317.3	1.1.3	Capital reserves	2,296.8	2,391.3
2.2	Other tangible assets	54.0	54.0	1.1.4	Accumulated earnings and other reserves	454.3	432.5
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	701.8	678.2	1.1.5	(Own shares)		
4	INVESTMENTS	35,601.7	35,064.5	1.1.6	Provision for net exchange rate differences		
4.1	Investments in property	353.1	352.3	1.1.7	Profits or losses on financial assets available for sale	-116.3	80.5
4.2	Shareholdings in subsidiaries, associates and joint ventures	26.8	28.4	1.1.8	Other profits or losses recorded in the equity direct	32.9	32.9
4.3	Investments held to maturity	1,009.7	949.4	1.1.9	Profit (loss) for the year pertaining to the Group	197.2	254.5
4.4	Loans and receivables	10,182.8	10,926.1	1.2	pertaining to minority interests	464.2	491.1
4.5	Financial assets available for sale	12,071.6	9,723.2	1.2.1	Capital and reserves pertaining to minority interests	475.4	462.2
4.6	Financial assets recorded at fair value through profit or loss	11,957.6	13,085.1	1.2.2	Profits or losses recorded in the equity direct	-44.0	0.9
5	SUNDRY RECEIVABLES	976.4	1,142.9	1.2.3	Profit (loss) for the year pertaining to minority interests	32.8	28.1
5.1	Receivables arising out of direct insurance operations	649.2	785.9	2	AMOUNTS SET ASIDE	40.3	37.9
5.2	Receivables arising out of reinsurance operations	89.4	112.0	3	TECHNICAL PROVISIONS	23,794.2	22,249.4
5.3	Other receivables	237.8	244.9	4	FINANCIAL LIABILITIES	9,818.7	10,436.4
6	OTHER ASSETS	694.1	534.7	4.1	Financial liabilities recorded at fair value through profit or loss	3,363.0	3,723.0
6.1	Non-current assets or assets held for sale belonging to a group in the course of being sold			4.2	Other financial liabilities	6,455.7	6,713.4
6.2	Deferred acquisition costs	71.8	68.8	5	PAYABLES	381.6	410.9
6.3	Deferred tax assets	291.0	176.3	5.1	Payables arising out of direct insurance operations	66.1	68.3
6.4	Current tax assets	74.5	48.3	5.2	Payables arising out of reinsurance operations	43.3	57.7
6.5	Other assets	256.7	241.3	5.3	Other payables	272.3	285.0
7	CASH AND CASH EQUIVALENTS	874.8	860.8	6	OTHER LIABILITIES	931.8	918.3
				6.1	Liabilities of a group in the course of being sold held for sale		
				6.2	Deferred tax liabilities	244.8	223.5
				6.3	Current tax liabilities	129.9	74.5
				6.4	Other liabilities	557.0	620.3
	TOTAL ASSETS	40,656.0	40,095.8		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	40,656.0	40,095.8

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

(Amounts in €K)

	30/06/06	30/06/05	31/12/05		30/06/06	30/06/05	31/12/05
I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS				III. NON-TECHNICAL ACCOUNT			
1. Earned premiums, net of reinsurance	679,127	669,356	1,362,718	1. Balance on the technical account for Non-Life business (item I.10)	62,875	103,480	147,676
2. (+) Allocated investment return transferred from the non-technical account (item III.6)	42,205	81,870	43,226	2. Balance on the technical account for Life business (item II.13)	-9,207	38,234	11,037
3. Other technical income, net of reinsurance	10,397	746	2,918	3. Investment income - Non-Life insurance business			
4. Claims incurred, net of sums recoverable and reinsurance	512,563	504,079	967,934	a) Income from investments	129,192	161,016	188,702
5. Changes in other technical provisions, net of reinsurance	-11	-32	-42	b) Value re-adjustments on investments	302	8,516	8,457
6. Bonuses and rebates, net of reinsurance	90	447	2,236	c) Capital gains on disposals of investments	27,841	31,660	50,265
7. Operating expenses:				Total	157,335	201,192	247,424
a) Acquisition costs, net of reinsurance commissions and profit sharing	101,736	99,708	200,240	4. (+) Allocated investment return transferred from Life assurance technical account (item II.12)	0	28,038	22,133
b) Administrative expenses	44,751	43,718	84,271	5. Investment charges - Non-Life insurance business			
Total	146,488	143,426	284,511	a) Investment management charges, including interest payable	8,590	6,981	14,842
8. Other technical charges, net of reinsurance	9,569	428	6,394	b) Value adjustments on investments	22,740	8,594	94,410
9. Change in the equalization provisions	156	144	153	c) Capital losses on disposals of investments	4,758	16,572	30,472
10. Balance on the technical account for Non-Life insurance business	62,875	103,480	147,676	Total	36,088	32,146	139,725
II. TECHNICAL ACCOUNT - LIFE INSURANCE BUSINESS				6. (-) Allocated investment return transferred to Non-Life insurance technical account (item I.2)	42,205	81,870	43,226
1. Written premiums, net of reinsurance	1,099,338	1,027,190	1,760,292	7. Other income	84,111	64,706	110,273
2. Investment income				8. Other charges	74,627	76,888	145,207
a) Income from investments	153,036	148,894	236,598	9. Balance on ordinary activities	142,194	244,745	210,386
b) Value re-adjustments on investments	7,636	3,412	5,015	10. Extraordinary income	81,030	50,650	114,725
c) Realized gains on investments	30,928	36,292	61,626	11. Extraordinary charges	29,869	330	69,128
Total	191,600	188,597	303,238	12. Balance on extraordinary activities	51,161	50,320	45,597
3. Investment income and unrealized gains on investments for Life assurance policies where investment risk is borne by policyholders and arising out of pension fund management	18,244	30,932	48,969	13. Profit before taxation	193,355	295,065	255,984
4. Other technical income, net of reinsurance	3,013	3,199	6,667	14. Tax on profit for the period	5,750	34,489	37,219
5. Claims incurred, net of reinsurance	344,252	257,450	499,947	15. Profit (loss) for the period	187,605	260,576	218,765
6. Change in the mathematical provisions and other technical provisions, net of reinsurance							
a) Mathematical provisions, supplementary risks-provision for unearned premiums and other technical provisions	738,295	610,752	1,117,042				
b) Technical provisions where investment risk is borne by policyholders and pension fund management provisions	64,228	241,903	310,773				
Total	802,523	852,655	1,427,815				
7. Bonuses and rebates, net of reinsurance	627	424	501				
8. Operating expenses:							
a) Acquisition costs, net of reinsurance commissions and profit sharing	14,025	14,335	24,030				
b) Administrative expenses	10,899	10,575	21,068				
Total	24,924	24,909	45,098				
9. Investment charges							
a) Investment management charges, including interest payable	10,070	10,018	21,276				
b) Value adjustments on investments	100,233	24,283	58,972				
c) Realized losses on investments	996	7,280	12,786				
Total	111,299	41,581	93,035				
10. Investment charges and unrealized losses on investments for Life assurance policies where investment risk is borne by policyholders and arising out of pension fund management	35,598	5,837	15,063				
11. Other technical charges, net of reinsurance	2,180	790	4,536				
12. (-) Allocated investment return transferred to the non-technical account (item III.4)	0	28,038	22,133				
13. Balance on the technical account for Life assurance business	-9,207	38,234	11,037				

BALANCE SHEET OF UNIPOL ASSICURAZIONI S.p.A.

(Amounts in €K)

ASSETS	30/06/06	30/06/05	31/12/05	LIABILITIES	30/06/06	30/06/05	31/12/05
A. Subscribed share capital unpaid	0	0	0	A. Capital and reserves			
B. Intangible assets				I - Subscribed share capital or equivalent funds	2,360,144	965,514	2,360,144
1. Deferred acquisition costs	29,581	31,054	30,082	II - Share premium reserve	1,973,801	1,228,795	2,433,706
2. Other assets	49,401	8,255	56,638	III - Legal reserve	472,029	84,654	84,654
Total	78,982	39,309	86,720	IV - Other reserves	287,183	283,771	283,784
C. Investments				V - Profit (loss) brought forward	0	0	0
I - Land and buildings	546,963	502,817	541,733	VI - Profit (loss) for the period	187,605	260,576	218,765
II - Investments in Group undertakings and other participating interests				Total	5,280,762	2,823,310	5,381,053
1. Stocks and shares	2,885,948	3,589,958	3,730,025	B. Subordinated liabilities	600,000	600,000	600,000
2. Debt securities	74,663	71,336	66,803	C. Technical provisions			
3. Corporate financing	0	0	0	I - Non-Life business			
Total	2,960,610	3,661,295	3,796,828	1. Provision for unearned premiums	529,958	519,983	530,394
III - Other financial investments				2. Provision for claims outstanding	1,786,796	1,724,536	1,723,230
1. Stocks and shares	508,914	667,699	382,375	3. Sundry technical provisions	1,212	1,184	2,053
2. Units and shares in investment funds	94,441	67,380	54,634	4. Equalization provisions	1,191	1,026	1,034
3. Bonds and other fixed-income securities	6,025,658	4,315,807	4,927,581	Total - Non-Life business	2,319,157	2,246,728	2,256,712
4. Loans	48,321	52,441	50,573	II - Life business			
5. Other financial investments	657,006	646,759	3,086,106	1. Mathematical provisions	6,082,243	4,820,407	5,342,557
Total	7,334,340	5,750,086	8,501,270	2. Provision for amounts payable	28,309	18,499	22,012
IV - Deposits with ceding undertakings	22,369	22,989	25,807	3. Sundry technical provisions	38,469	36,714	37,274
Total	10,864,283	9,937,186	12,865,638	Total - Life business	6,149,021	4,875,620	5,401,843
D. Investments for the benefit of Life assurance policyholders who bear the risk thereof and arising out of pension fund management				Total	8,468,178	7,122,347	7,658,554
I - Investments relating to benefits linked to investment funds and market indices	676,024	619,412	638,017	D. Technical provisions where investment risk is borne by policyholders and pension fund management provisions			
II - Investments arising out of pension fund management	374,640	314,588	349,498	I - Technical provisions for policies whose benefits are linked to investment funds and market indices	676,024	619,412	638,017
Total	1,050,664	934,000	987,516	II - Pension fund management provisions	374,640	314,588	349,498
D. bis Technical provisions - reinsurers' share				Total	1,050,664	934,000	987,516
I - Technical provisions - Non-Life business	100,562	101,763	102,396	E. Provisions for other risks and charges	22,976	18,393	21,829
II - Technical provisions - Life business (except those at item III)	2,872	2,907	2,488	F. Deposits received from reinsurers	38,868	39,829	38,971
III - Technical provisions of Life business where investment risk is borne by policyholders, and pension fund management provisions	0	0	0	G. Creditors and other liabilities			
Total	103,435	104,670	104,884	I - Creditors arising out of direct insurance operations	15,101	32,983	12,978
E. Debtors				II - Creditors arising out of reinsurance operations	11,254	10,713	11,157
I - Debtors arising out of direct insurance operations	276,705	282,391	320,393	III - Debenture loans	0	0	0
II - Debtors arising out of reinsurance operations	21,329	23,755	29,253	IV - Amounts owed to credit institutions	192	0	40
III - Other debtors	64,448	73,010	71,065	V - Sundry borrowings and creditors	85,303	101,935	83,295
Total	362,481	379,156	420,711	VI - Staff leaving indemnity	26,593	26,053	25,066
F. Other assets				VII - Other liabilities	80,783	156,620	127,760
I - Tangible assets and stocks	14,364	13,983	13,555	Total	219,226	328,303	260,296
II - Cash at bank and in hand	3,086,664	329,665	363,911	H. Accruals and deferred income	19,594	24,410	22,440
III - Own shares	0	0	0	TOTAL LIABILITIES	15,700,269	11,890,593	14,970,660
IV - Other assets	49,490	92,390	61,936	GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
Total	3,150,518	436,037	439,403	I. Guarantees issued by the Company	452	456	540,585
G. Prepayments and accrued income	89,907	60,234	65,788	II. Guarantees received/issued by third parties in favour of consolidated	58,614	55,083	54,951
TOTAL ASSETS	15,700,269	11,890,593	14,970,660	III. Commitments	2,131,735	2,630,142	5,470,849
				IV. Pension fund assets managed on behalf of third parties	269,055	226,409	240,418
				V. Other memorandum accounts	10,954,710	9,811,450	10,365,957
				TOTAL MEMORANDUM ACCOUNTS	13,414,566	12,723,539	16,672,761