Compagnia Assicuratrice Unipol S.p.A.

Registered and Head Offices in Bologna – Via Stalingrado 45 – Share capital €2,350,553,868 fully paid-up. Tax Code and Companies' Register in Bologna 00284160371 – R.E.A. 160304 – Authorised to provide insurance services by M.D. 28 December 1962 (O.J. 15/18.1.63) and M.D. 29 April 1981 (O.J. 135/19.5.81)

Consolidated Quarterly Report as at 30 September 2005

(in accordance with Consob Ruling 11971/1999, Article 82, as modified by Ruling 14990 of 14/4/2005)

Bologna, 11 November 2005

GRUPPO UNIPOL

Translation from the original Italian text.

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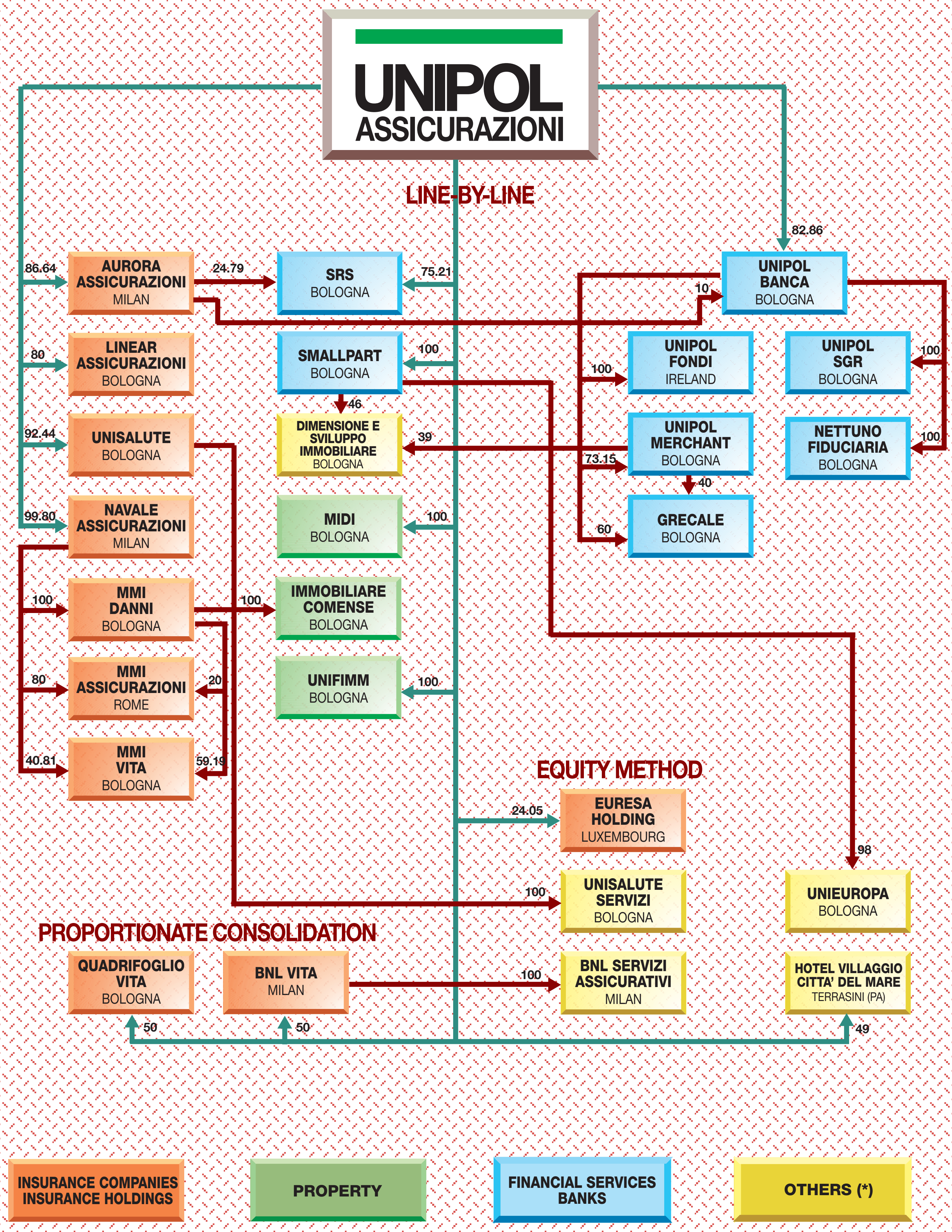
COMPANY'S BOARDS AND OFFICIALS

	Honorary Chairman		Enea Mazzoli
Board of Directors (1)	**Chairman and Managing Director (2)**		Giovanni Consorte
	Vice Chairman and Managing Director (2)		Ivano Sacchetti
	Board Members	Antonio Silvano Andriani	Ivan Malavasi (I)
		Jean Dominique Antoni (I)	Riccardo Margheriti
		Francesco Boccetti	Enrico Migliavacca (I)
		Rocco Carannante (I)	Massimo Pacetti (I)
		Claudio Casini	Marco Pedroni
		Piero Collina	Aldo Soldi
		Bruno Cordazzo	Giuseppe Solinas (I)
		Pier Luigi Fabrizi	Pierluigi Stefanini
		Jacques Forest	Graziano Trere' (I)
		Vanes Galanti	Marco Giuseppe Venturi (I)
		Emilio Gnutti	Mario Zucchelli
		Claudio Levorato	
	Secretary to the Board of Directors (2)		Roberto Giay
Remuneration Committee	**Members**		Vanes Galanti Massimo Pacetti Pier Luigi Stefanini
Internal Audit Committee	**Members**		Francesco Boccetti Rocco Carannante Giuseppe Solinas
Area General Managers (3)			Carlo Cimbri Carmelo De Marco
Joint General Managers			Riccardo Laurora Salvatore Petrillo
Central Managers		Domenico Brighi Giancarlo Brunello Federico Corradini	Stefano Dall'Aglio Francesco Montebugnoli Stefano Scavo
Board of Statutory Auditors (1)	**Chairman**		Umberto Melloni
	Members		Carlo Cassamagnaghi Luigi Capè
	Alternate Members		Marco Baccani Roberto Chiusoli
External Auditors (4)			K.P.M.G. spa

(1) Appointed by the General Shareholders' Meeting of Unipol Assicurazioni on 29 April 2004.
(2) Appointed by the Board of Directors on 29 April 2004.
(3) Appointed by the Board of Directors on 12 September 2005.
(4) Mandate granted by the General Shareholders' Meeting of Unipol Assicurazioni on 30 April 2003 (Second three-year period).
(I) Independent Board Member

BASIS OF CONSOLIDATION AS AT 30 SEPTEMBER 2005



(*) Mainly service companies strictly related to insurance and property business.

N.B. As from 31 October 2005 the companies MMI Danni, MMI Assicurazioni and Immobiliare Comense were merged into Navale Assicurazioni.

GROUP HIGHLIGHTS

(Amounts in €m)

	3rd Quarter 2005	Fin. Year 2004
Direct insurance income	**6,121**	**7,887**
variation %	*9.6* (1)	
- of which Non-Life insurance premiums	**2,763**	**3,866**
variation %	*1.2* (1)	
- of which Life assurance premiums	**2,952**	**2,909**
variation %	*30.2* (1)	
- of which investment products	**406**	**1,112**
variation %	*-31.0* (1)	
Direct customer deposits	**6,120**	
variation %	*56.8* (1)	
Loss ratio % - Non-Life business (net of reinsurance)	**73.8**	
Expense ratio % (net operating expenses to Non-Life net premiums)	**22.6**	
Combined ratio % - direct business	**96.5**	**93.2**
Total net operating expenses	**832**	**1,051**
Net investment income and capital gains	**873**	
Profit before taxation	**478**	**437**
Consolidated profit	**302**	**268**
Net profit - Group	**273**	**244**

Investments and liquid assets	**32,462**	**28,577**
variation %	*13.6* (2)	
Technical provisions	**21,277**	**18,491**
variation %	*15.1* (2)	
Financial liabilities	**9,321**	**8,152**
variation %	*14.3* (2)	
Shareholders' equity pertaining to the Group	**3,820**	**2,636**
variation %	*45.0* (2)	

Number of staff	**6,363**	**5,999**

(1) Variation compared with the third quarter of the previous financial year (%)

(2) Variation compared with 31/12 of the previous financial year (%)

INTRODUCTION

The macro-economic background

Concerns relating to the slowdown in growth worldwide and the increase in international rates of inflation caused by continued increases in the cost of oil are characteristic of the current year.

Italian GDP recorded an increase of 0.7% in the second quarter of 2005 (compared with -0.5% in the previous quarter) thanks to the rise in consumption (+0.6%) and in exports (+0.4%). Forecasts for the end of 2005 (of approximately zero growth in Italy) indicate values lower than those at the end of 2004 for the Eurozone as a whole.

Since July inflation has begun to be affected by the continuing increases in energy costs. In September the rise in consumer prices in Italy was 2% whilst in the Eurozone as a whole it was 2.6%.

According to Istat estimates, in October prices rose by 2.2% in Italy and by 2.5% in the Eurozone as a whole. These values should be consolidated at the end of the year.

Fears of the 'inflation risk' persuaded the US Central Bank to increase its official rates gradually, raising them to 4% on 1 November (from 2.25% at the beginning of the year). On the other hand the ECB has not yet introduced a monetary squeeze and the European base rate has remained at 2% since 6 June 2003.

On 4 August the Bank of England reduced the base rate by a quarter of a point from 4.75% to 4.50%.

The financial markets

In the financial markets there were some uncertainties caused by the economic background and by the worrying international situation.

In the Eurozone as a whole short-term rates are stable compared with the beginning of the year and should remain so at the end of the year. On the other hand medium- to long-term rates are down compared with values at the end of 2004 but a slight inversion of the trend is expected by the end of the year.

Share markets have recorded extremely positive performances, with the exception of the New York Stock Exchange which has performed negatively, and these performances should be confirmed at the end of the year. As at 30 September the Milan Stock Exchange had risen by +14.1%, but this had fallen to 8.51% by 9 November.

Having stabilised at approximately 1.20 in the third quarter of 2005, the Euro gradually fell against the dollar to 1.18 in the first ten days of November (a sharp fall compared with 1.36 at the end of 2004).

The insurance market

According to the figures issued by ISVAP on 17 October 2005, premium income in the first half of 2005 amounted to almost €56bn, an increase of 13% compared with the same period last year. The rate of growth was decidedly more sustained than in 2004 when it was 2.4% in the first six months.

Rates of growth were especially good in Life business, where premium income reached €37.8bn (+19.2% compared with 30/6/2004) and represented 67.6% of the total. On the other hand Non-Life business, with premium income of €18.1bn, grew by only 2% compared with the first six months of last year, an incidence of 32.4%.

More specifically, within Non-Life business the Motor premium portfolio (Motor TPL and Land vehicles - own damage or loss) grew by 0.5% (compared with +3.1% in the first half of 2004), whilst the total in the other Non-Life classes recorded an increase of 4.3% (+5.2% as at 30/6/2004).

The breakdown of Non-Life premium income according to class remained substantially the same as in the corresponding period of 2004. The principal sales channel was represented by the tied agencies, which placed 84.6% of the whole Non-Life portfolio and 91.2% of that for Motor TPL alone.

As regards Life business, Class I (Life assurance) recorded premium income of €17bn, an increase of 10.5%. The highest rates of growth were recorded in Class III (Insurance with a greater financial content), which grew by 22.8% to reach €13.5bn, and in particular in Class V (Capitalisation), which, with a rate of growth of 32.7%, reached €6.8bn.

The breakdown of Life premium income according to sales channel shows that most of it was obtained through banking and postal outlets, which had a 63.6% share (59.6% as at 30/6/2004).

THE UNIPOL GROUP

Also in the third quarter of 2005 the Group continued to operate in accordance with the strategic guidelines providing for the consolidation of insurance business and expansion of the banking and merchant banking businesses, the aim of which is to offer the market an integrated range of banking, insurance, supplementary pension and health products in order to maximise customer and marketing synergies.

In insurance business, in its ruling of 12 October ISVAP authorised the merger by incorporation into Navale Assicurazioni of the insurance companies MMI Assicurazioni and MMI Danni, acquired from the French group Mutuelles du Mans. The legal effects of the merger came into force on 31 October 2005. In the third quarter Navale continued preparatory work on the strategic repositioning of the Company, which is becoming the company in the Group that specialises in the sales channel consisting of non-exclusive agents and small brokers. Navale's head office was transferred to Milan and the migration of the premium portfolio to the new underwriting system was nearing completion, as was the migration of the claims portfolio, which will be managed by the Group claims-handling departments.

In **banking business and assets under management** Unipol Banca continued to expand its sales network, in line with the permits granted by the Supervisory Body. By the end of September it had 237 branches compared with 221 at the end of 2004, whilst there are still 16 permits already granted by the Supervisory Body, to be used by the end of the current year for opening new sales outlets, which are already at an advanced stage of preparation.

However, **the most significant events** that characterised the quarter and the subsequent period were attributable to the project to acquire control of **Banca Nazionale del Lavoro.**
Detailed information on this project has already been provided over the last few months by publishing prospectuses and documents, issuing press releases, holding meetings with financial analysts in the principal European financial centres and publishing the half-yearly report.

You will recall that the main strategic objectives of these operations were, briefly, as follows:

- Creation of an integrated national insurance and banking group, which is to be a leading provider in Italy of insurance and banking services and services relating to assets under management with a unique method of distribution (approximately 1,000 banking outlets and 1,800 insurance agencies) and customer synergies in the Italian market. The resulting financial conglomerate will be the fourth-largest Italian financial group in terms of revenues (€12bn) with approximately 9 million customers;
- Extension to BNL’s distribution network of the co-located method of distribution successfully tested by Unipol Banca;
- A significant boost to growth in the size and profits of Unipol and BNL and a significant increase in value for all shareholders thanks to numerous revenue and cost synergy profiles that can be pursued by activating a number of different business improvement levers. Once the new business plan has been put into effect it is expected to generate synergies worth €540m, €261m of which will be cost synergies and €279m will be revenue synergies.

The principal formal measures taken during the third quarter of 2005 to implement the project and still underway are summarised below:

1. Purchasing, after authorisation by the Bank of Italy received on 15 July 2005, a 14.89% stake in BNL's ordinary share capital as at that date;
2. Signing a shareholders' agreement on 18 July 2005 with other BNL shareholders with a view to creating a blocking and consultation agreement for the shareholdings in BNL in order to enable Unipol Assicurazioni and the other partners to lump their BNL holdings together in order to identify common company and business strategies that would boost BNL's operational capabilities;
3. As a result of (1) and (2) above, Unipol Assicurazioni submitted a mandatory public tender offer to acquire all BNL's ordinary shares (MTO) and, on 15 September, as duly authorised by CONSOB, published the offer document relating to the mandatory Public Tender Offer launched by Unipol for the ordinary shares of Banca Nazionale del Lavoro.

The MTO, which is subject to obtaining the authorisation of the Supervisory Authority, will be implemented on the basis of a payment of €2.70 for each BNL ordinary share and will relate to 58.89% of the company's fully-diluted ordinary capital, i.e. all the shares that make up the ordinary capital, with the exception of any shares relating to the free capital increase reserved for employees resolved by BNL's Board of Directors on 30 September 2005 and of those already held by the Group and by the partners that support the aforementioned shareholders' agreements signed on 18 July. Although a maximum expenditure of €4.96bn is expected to cover the cost of the MTO, in practical terms Unipol Assicurazioni anticipates that the maximum expenditure will drop to a figure of no more than €4.53bn, with the Deutsche Bank and Credit Suisse First Boston shareholdings in BNL (4.85% and 0.31% of the fully-diluted ordinary share capital respectively) not included as part of the MTO since they are the subject of option call contracts in favour of Unipol Assicurazioni. In addition, assuming that the Banca Popolare dell'Emilia Romagna soc. coop. shareholding in BNL (approximately 3.85% of BNL's fully-diluted ordinary share capital) can be deemed to be stable even when it is part of BNL's future share structure, it is not expected to accept the offer. In this case, the maximum Unipol expects actually to pay drops still further to a total of €4.2bn. The tender is guaranteed to the tune of €4.07bn by an underwriting syndicate of banks that includes BNP Paribas, Credit Suisse, Deutsche Bank, Bayerische Hypo, Nomura Bank International Plc, Banca Carige, Banca Popolare dell'Emilia, Banca Popolare di Vicenza and Lloyds TSB Bank, while Unipol has already deposited €896m in an interest-bearing current account opened with BNP Paribas as guarantee for the offer payment.

Unipol Assicurazioni will support the financial commitment resulting from the MTO by adopting and implementing the following measures:

- Increasing the capital by €2.6bn. On 29 August Unipol Assicurazioni's Extraordinary Shareholders' Meeting approved the proposal to provide the Board of Directors with the power to increase the share capital by a maximum of €2.6bn. The holding company Finsoe had already paid €896m on 12 August 2005 on account of the future capital increase. Under the powers conferred upon it and in accordance with the resolution passed by the Board on 12 September 2005, at a meeting held on 6 October 2005 the Board of Directors of Unipol Assicurazioni established the terms and conditions of the capital increase. The offer price was set at €2.05 for each new ordinary share and at €1.56 for each new preference share. The new shares were offered as an option to Unipol shareholders at a ratio of 13 new ordinary and/or preference shares for every nine ordinary and/or preference shares held. The Offer period started on 10 October and ended successfully on 28 October with the subscription of shares for a total of €2,580.6m, corresponding to 99.31% of the overall capital increase (€2,598.5m). Unexercised rights were offered on the Stock Exchange from 7 November and they were all purchased during the first trading session. The relevant shares will have to be subscribed by 14 November.

- Using €0.2bn of its own free funds and freeing up approximately €0.8bn mainly by definitively disposing of minority shareholdings. In particular it is expected that a maximum of 35% of Aurora will be sold, which will nevertheless allow the Group to control 51% of the Company. Therefore in October Unipol Assicurazioni and Clessidra SGR spa signed a preliminary agreement for the sale of a maximum of 9.99% of Aurora's share capital. Unipol Assicurazioni has also received irrevocable offers from Kora spa (for 9.99% of the share capital), Ariete spa (for 9.99% of the share capital) and Finsoe spa (for 5% of the share capital). Therefore if these sales go through a maximum of 35% of Aurora will be sold for a total of €751.7m.
- Unipol Group issuing subordinated loans and/or other sources of long-term funding, up to a maximum of €1.4bn. It should be pointed out that on 25 October 2005 Unipol completed with ISVAP the procedure required for it to be authorised to issue subordinate loans. The actual amount issued will be determined at the end of the acceptance period for the public tender offer and will be commensurate with the actual amount required to cover BNL's operation.

Unipol Assicurazioni has therefore already completed the preparatory work for making available the sources of equity and finance required to back the project to acquire the BNL Banking Group. The success of the capital increase is proof of shareholders' trust in the Unipol Group and their approval of the strategic guidelines laid down by the Company's management team.

GENERAL DRAFTING CRITERIA AND BASIS OF CONSOLIDATION

EC Regulation 1606/2002 provides that, starting with the accounts as at 31 December 2005, European companies with securities traded on a regulated European market must draw up their consolidated accounts in accordance with the IAS/IFRS international accounting standards.
As for interim reports to be published during 2005, in its ruling 14990 of 14 April 2005, which amended the Regulation on Issuers 11971/1999 (Articles 81 and 82), CONSOB ruled that all the quarterly and half-yearly reports must be drawn up using the valuation criteria laid down by the IAS/IFRS (introducing an optional transitional scheme for adopting the IAS/IFRS for the first two quarters of 2005).

In compliance with the above provisions Unipol Group's quarterly report as at 30 September 2005 has been drawn up in accordance with the contents of Appendix 3D of the Regulation on Issuers 11971/1999, applying the valuation criteria laid down by the IAS/IFRS that have been validated up to now and are current. These valuation criteria are the same as those used for drawing up the reconciliations prepared in accordance with Article 81bis (1) (a) and (b) of the Regulation on Issuers 11971/1999 published in the half-yearly report as at 30 June 2005.

It should be mentioned that the principles used may not be the same as those that will be applied for drawing up the consolidated accounts for 2005 since new versions or interpretations could be issued before publication of the Group's consolidated accounts as at 31 December 2005 (possibly retroactively).

It should also be mentioned that, being interim reports drawn up more rapidly than the annual accounts, quarterly reports are more likely to contain items that have been estimated (based on the available management figures and company statistics).

The layout that has been adopted for the profit and loss account is different from that used for previous quarterly reports, in line with the standard layout for profit and loss accounts for the insurance sector proposed by ISVAP in an initial document issued for public consultation. The profit and loss account figures as at 30 September 2004, submitted for the purposes of comparison with those as at 30 September 2005 and set out in accordance with the IAS/IFRS principles, are reasonable and coherent estimates.

Accounting standards and valuation criteria

Below is a summary of the principal accounting standards applied in drawing up this quarterly report.

Goodwill
Differences arising from consolidation and goodwill paid when acquiring bank branches (assets with an indefinite useful life) in the accounts on 31 December 2003 were maintained at the book value, after they had been valued using methods provided for in the IAS. Following the positive outcome of the impairment test this goodwill was also confirmed as at 31 December 2004. The results of the valuations carried out and current trends give no reason to believe that any items had lost value as at 30 September 2005.

Investments in property
Investments in land and buildings were recorded by applying the criterion of the cost less depreciation, as allowed by IAS 40 (an alternative method to that of fair value).
Property, the recoverable value of which was estimated to be less than the book value (or zero) was depreciated in each financial year on a straight-line basis based on the recoverable value and the presumed useful life. It consisted mainly of tourist and hotel complexes, supermarkets and industrial units, in view of their particular nature and purpose.
If the recoverable value of the property was estimated to exceed the book value, no depreciation was carried out. In the case of the Group it is residential property.

In the case of property that is wholly-owned (i.e. both land and buildings) only buildings were depreciated.

Financial investments

Financial assets at fair value through profit or loss

This category includes both financial instruments held for trading and securities designated by the undertaking as being assessed at fair value through profit or loss.

The fair value is calculated, in descending order of priority, on prices recorded in active markets, on prices provided by operators or on the internal valuation models generally used in the financial world.

The differences (positive or negative) between fair value and book value are recorded as profit or loss. The fair value of listed securities is represented by the market value as at 30 September 2005.

The Group classified in this category share securities other than strategic shareholdings, variable-yield bonds, securities structured in such a way that the derivative elements may need to be separated, investment funds and derivatives, as well as financial instruments linked to financial liabilities assessed at fair value.

Financial assets available for sale

Investments classified as securities available for sale are assessed at fair value. The differences compared with the book value must be recorded in the shareholders' equity in a special provision for unrealised profits/losses (net of tax).

The fair value of securities available for sale is calculated, in descending order of priority, on prices recorded in active markets, on prices provided by operators or on the internal valuation models generally used in the financial world. The fair value of listed securities is represented by the market value as at 30 September 2005.

If a security available for sale incurs a permanent loss of value, the unrealised accumulated loss previously recorded in the shareholders' equity is recorded in the profit and loss account

The Group classified as Assets available for sale fixed-yield bonds (with the exception of those matching special Life tariffs), securities structured in such a way that the derivative part is not separable, strategic shareholdings (less than 20% of the share capital, of commercial or company strategic importance) and securities arising out of the securitisation schemes carried out by Unipol Banca.

Investments in equity instruments not listed on active markets for which it is not possible to make a reliable assessment of the fair value were valued at cost (net of any write-downs).

Most of the financial assets held by BNL Vita that are not connected with unit- and index-linked products were also classified in this category.

Financial assets held to maturity

Investments in securities held to maturity are recorded at cost less depreciation if necessary written down to take account of permanent losses of value.

The Group classified as Financial assets held to maturity most fixed-yield bonds matching special Life tariffs.

Loans and receivables

Receivables in this category consist of contracts for which the Group holds a right to the cash flows arising out of the loan agreement, are characterised by fixed or ascertainable payments and are not listed on an active market.

This item consists mainly of receivables from customers and banks of the entities in the banking Group. This category also includes mortgage loans and credit facilities granted by the insurance companies, reinsurers' deposits, reverse repurchase agreements and receivables for agents' recoupments.

In accordance with the provisions of IAS 39, loans and receivables must be recorded initially at their fair value, which corresponds to the amount granted including the transaction costs and the fees chargeable direct. Subsequently, receivables classified in the 'Loans and receivables' portfolio are recorded at 'cost less depreciation', using the 'actual interest method'.

Securitisation schemes
As indicated in IAS 27 and in SIC 12, the vehicle companies set up for securitisation schemes were considered to be controlled by the Group and therefore included in the basis of consolidation. The vehicles' balance sheets and profit and loss accounts, including the figures relating to the portfolios under management, which were excluded from the financial statements under the previous accounting standards, were used for the purposes of consolidation.

Derivatives
Derivatives are initially recorded at the purchase cost representing the fair value and subsequently assessed at fair value. The fair value of derivatives is based on prices gathered from regulated markets or provided by operators, on models used for valuing options (basing hypotheses on market and economic conditions), or on models for assessing the present value of future cash flows.
Derivatives may be classified as '*trading*' or '*hedging*'.
In the case of hedging operations IAS 39 provides for a separate set of regulations known as *hedge accounting*.
The Group classified most of the derivatives in the trading category, as it was administratively difficult to demonstrate the efficacy of the hedging as governed by IAS 39. Therefore the securities underlying the above items were classified in the category of assets at fair value through profit or loss in such a way as to make hedging still financially worthwhile. Only some items were classified in the 'hedge derivatives' category.

Tangible assets
This item includes property for own use, plant and machinery and fixtures and fittings.
The criterion used by the Group for recording and valuing this category of property is that of cost less depreciation.
Depreciation, which is carried out in each year on a straight-line basis on the estimated residual useful life, begins when the property is available and ready for use and ends when the property is eliminated from the accounts.
In the case of property that is wholly-owned (i.e. both land and buildings) only buildings were depreciated.

Technical provisions on insurance contracts
As regards Non-Life business, all the products in the portfolio as at 30 September 2005 were classified as insurance contracts. Therefore the corresponding technical provisions were valued in accordance with the national standards also laid down by the Supervisory Authority (ISVAP). The only exception relates to additional catastrophe provisions and equalisation provisions, which are not allowed under the IAS.

As regards Life business, all products in the portfolio as at 30 September 2005 with an insurance risk of at least 10%, or with discretionary profit-sharing, were classified as insurance contracts. The relevant technical provisions were therefore valued in accordance with the national standard also laid down by ISVAP.

Financial liabilities

This item includes financial liabilities at fair value through profit or loss and financial liabilities valued at cost less depreciation.

Financial liabilities at fair value through profit or loss
In particular, this item includes liabilities relating to Life policies where the investment risk is borne by the policyholders if the insurance risk is less than 10%, negative items on derivatives and bank trading liabilities.

Financial liabilities at cost less depreciation
This item includes amounts due to other banks and to banking customers, deposits received from reinsurers, debt securities issued, other corporate financing obtained and liabilities on Life policies with a financial content, with an insurance risk below 10% or with no discretionary profit-sharing (some types of product specifically funded by assets).

Net premium income
This item includes earned premiums relating to insurance contracts and financial instruments with discretionary profit-sharing, net of reinsurance.

Fees and commissions receivable
This item includes fees receivable for financial services provided.
In particular this item includes charges on Life policies with an insurance risk below 10%, with no discretionary profit-sharing.
As far as unit-linked policies are concerned, the acquisition charges relating to the asset management service provided is recorded and deferred throughout the duration of the policy.

Net income from financial instruments recorded at fair value through profit or loss
This item includes the profits and losses made, the interest, dividends, charges and the positive and negative variations in value of the financial assets and liabilities recorded at fair value through profit or loss.

Income from shareholdings in subsidiaries, affiliated companies and joint ventures
This item includes income from shareholdings in subsidiaries, affiliated companies and joint ventures recorded in the corresponding asset item.

Income from financial instruments and other investments
This item includes income arising out of investments that do not come under the previous two categories. Mainly included are interest receivable from 'Loans and receivables' and from securities classified as financial assets available for sale and held to maturity, other investment income, including dividends and rental income from property held for investment purposes and profits made as a result of the sale of an asset or of a financial liability and of investments in property.

Other income
This item includes income arising out of the sale of goods, the provision of services other than those of a financial nature and from the use by third parties of the Company's tangible and other assets. It also includes other net technical income relating to insurance contracts, exchange rate differences allocated to the profit and loss account as per IAS 21, profits made and value readjustments relating to tangible and other assets.

Claims charges, net of reinsurance
This item includes the sums paid out during the period for claims, matured policies and surrendered policies and the amount relating to variations in the technical provisions relating to contracts that fall within the scope of IFRS 4, net of amounts recovered and of reinsurance cessions.

Fees and commissions payable
This item includes fees payable for financial services received. In particular, it includes commissions relating to Life policies with an insurance risk of less than 10%, with no discretionary profit-sharing. Acquisition commissions paid for the placement of unit-linked policies are written down throughout the duration of the contract to meet deferred acquisition charges.

Charges from shareholdings in subsidiaries, affiliated companies and joint ventures
This item includes charges arising out of shareholdings in subsidiaries, affiliated companies and joint ventures recorded in the corresponding asset item.

Charges from other financial instruments and investments in property
This item includes charges arising out of investments in property and financial instruments other than shareholdings and financial instruments classified as 'Assets recorded at fair value through profit or loss'. In particular, it includes interest payable on financial liabilities, other investment charges, costs relating to investments in property such as joint-ownership charges and maintenance expenses that do not increase the value of the investment, losses made as a result of the elimination of assets or financial liabilities and as a result of investments in property, depreciation and write-downs (impairment).

Operating expenses
This item includes commissions and other acquisition expenses relating to insurance

contracts, administrative expenses and depreciation not allocated to charges relating to claims.
It also includes the administrative expenses of the undertakings that do not operate in insurance.

Other charges
In particular, this item includes other net technical charges relating to insurance contracts, losses made and depreciation relating to tangible and intangible assets not allocated to other cost items.

Basis of Consolidation

The application of the new international standards has involved adopting different consolidation criteria, in particular for the subsidiaries that don't carry out insurance business, which up to now have been valued by the equity method, and for the jointly-controlled companies that the Group used to consolidate on a line-by-line basis because of the core insurance business they carried out and by virtue of agreements between shareholders.

Unipol Group's consolidated quarterly report as at 30 September 2005 has been compiled by adding together the figures of the Parent Company Unipol Assicurazioni and those of all the subsidiaries, both direct and indirect (IAS 27), irrespective of the type of business activity they carry out (Unipol Banca Banking Group), excluding those that because of their size are considered to be immaterial.
The jointly-controlled companies (the bancassurance companies Quadrifoglio Vita and BNL Vita) are included by proportionate consolidation (IAS 31) whilst the affiliated companies are valued by the equity method (IAS 28).
During the third quarter of 2005 there were no significant variations in the shareholdings pertaining to the new basis of consolidation. These operations are described in the half-yearly report as at 30 June 2005.
The new basis of consolidation, together with the list of shareholdings consolidated on a line-by-line basis and included by proportionate consolidation, appears in the table on the following page, whilst shareholdings valued by the equity method are listed below:

- Unieuropa srl – Bologna
- Unisalute Servizi srl - Bologna
- BNL Servizi Assicurativi srl - Milan
- Hotel Villaggio Città del Mare spa-Terrasini (PA)
- A.P.A. spa – Parma
- Assicoop Ferrara spa - Ferrara
- Assicoop Firenze spa - Florence
- Assicoop Imola spa – Imola (BO)
- Assicoop Modena spa - Modena
- Assicoop Ravenna spa - Ravenna
- Assicoop Romagna spa - Forlì
- Assicoop Sicura spa - Bologna
- Assicoop Siena spa – Siena
- Assicura spa - Reggio Emilia
- Consorzio ZIS Fiera 2 - Bologna
- Euresa Holding sa - Luxembourg
- Nuovi Investimenti spa - Bologna
- Pegaso Finanziaria spa - Bologna

COMPANIES INCLUDED IN THE BASIS OF CONSOLIDATION

Company name	Country	Method (1)	Business (2)	Shareholding % Direct	Shareholding % Indirect	Total interest %	Votes available Ordinary meeting %	Consolid. %
Compagnia Assicuratrice Unipol spa	Italy	G	1					
Aurora Assicurazioni spa	Italy	G	1	86.64		86.64	86.64	100.00
Compagnia Assicuratrice Linear spa	Italy	G	1	80.00		80.00	80.00	100.00
MMI Assicurazioni spa	Italy	G	1		80,00 (Navale Ass.) 20,00 (MMI Danni)	99.80	100.00	100.00
MMI Danni spa	Italy	G	1		100,00 (Navale Ass.)	99.80	100.00	100.00
MMI Vita spa	Italy	G	1		59,19 (MMI Danni) 40,81 (Navale Ass.)	99.80	100.00	100.00
Navale Assicurazioni spa	Italy	G	1	99.80		99.80	99.80	100.00
Unisalute spa	Italy	G	1	92.44		92.44	92.44	100.00
Unipol Banca spa	Italy	G	7	82.86	10.00 (Aurora Assic.)	91.52	92.86	100.00
Unipol Merchant - Banca per le Imprese spa	Italy	G	7		73.15 (Unipol Banca)	66.95	73.15	100.00
Unipol Fondi Ltd	Ireland	G	11		100.00 (Unipol Banca)	91.52	100.00	100.00
Unipol Sgr spa	Italy	G	8		100.00 (Unipol Banca)	91.52	100.00	100.00
Nettuno Fiduciaria srl	Italy	G	11		100.00 (Unipol Banca)	91.52	100.00	100.00
Grecale srl	Italy	G	11		60,00 (Unipol Banca) 40,00 (Unipol Merchant)	81.69	100.00	100.00
Midi srl	Italy	G	10	100.00		100.00	100.00	100.00
Unifimm srl	Italy	G	10	100.00		100.00	100.00	100.00
Immobiliare Comense srl	Italy	G	10		100,00 (MMI Danni)	99.80	100.00	100.00
Dimensione e Sviluppo Immobiliare spa	Italy	G	11		46,00 (Smallpart) 39,00 (Unipol Merchant)	72.11	85.00	100.00
Smallpart spa	Italy	G	9	100.00		100.00	100.00	100.00
SRS spa	Italy	G	9	75.21	24.79 (Aurora Assic.)	96.69	100.00	100.00
Quadrifoglio Vita spa	Italy	P	1	50.00		50.00	50.00	50.00
Bnl Vita spa	Italy	P	1	50.00		50.00	50.00	50.00

(1) Consolidation method: G= Line-by-line, P= Proportionate consolidation, U= Line-by-line as per coordinated management.

(2) Business: 1= Italian insurers; 2= EU insurers; 3= Non-EU insurers; 4= Insurance holdings; 5= EU reinsurers, 6= Non-EU reinsurers; 7= Banks; 8=Asset management companies; 9= Sundry holdings; 10=Property companies; 11= Other.

GROUP BUSINESS PERFORMANCE AS AT 30 September 2005

The third quarter of 2005 closed with a **consolidated result of €302m**, €29m of which pertaining to minority interests. **Group net profit totalled €273m.**

The following are the key business features as at 30 September 2005:

A. **Income from insurance business**, gross of the reinsurers' share, totalled **€6,145m** (+9.4% compared with 30/9/2004), €406m of which was from Life investment products;

B. **Customer deposits** in **banking business** rose to **€6,120m** (+56.8% compared with 30/9/2004). Customer funds (assets under management and funds under custody) amounted to €22,043m (+52% compared with 30/9/2004);

C. Earned premiums, net of reinsurance, amounted to €5,685m, €2,763m of which was from Non-Life business and €2,922m from Life business;

D. Claims charges, net of reinsurance, amounted to €5,323m, €2,040m in Non-Life business and €3,285m in Life business;

E. Operating expenses, net of commissions received from reinsurers, amounted to €832m, the incidence on net premiums being 22.6% in Non-Life business and 3.1% in Life business;

F. As at 30 September 2005 the combined ratio of direct business was 96.5%;

G. Investments and liquid assets rose to €32,462m, €6,564m of which related to banking business, an increase of €853m compared with 30 June 2005 and of €3,885m compared with 31 December 2004;

H. Technical provisions and financial liabilities amounted to €30,598m, €6,128m of which relating to banking business. The corresponding values were €29,644m as at 30 June 2005 and €26,643m as at 31 December 2004;

I. Net investment income for the period and net profits from disposals and trading amounted to €873m, whilst net value adjustments on investments were negative to the tune of €75m;

J. The total gross result amounted to €478m. As at 30 September 2005 Group profits, net of €176m for taxes and of €29m for profits pertaining to minority interests, were €273m.

The tables on the following page show a summary of the profit and loss account at the end of September 2005 (compared with that for the corresponding period of the previous financial year) and for the third quarter of 2005, and the profit and loss account as at 30 September 2005 broken down by business sector – Non-Life business, Life business, banking business.

It should be stressed that interim results represent a trend, which must be seen in relation to seasonal factors that affect insurance business, underwriting policies and tariff adjustments adopted, the launch of new products, trends in the financial market and trends in the economy in general. Lastly, these results may be influenced in various ways by extraordinary non-recurring events.

SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
(Amounts in €m)

	FIGURES AS AT		FIGURES OF
	30 September 2005	30 September 2004	3rd Quarter 2005
INCOME			
Net premium income	5,685	4,559	1,581
Fees and commissions receivable	95	82	39
Net income from financial instruments recordedat fair value through profit or loss	441	395	171
Income from shareholdings in subsidiaries, affiliated companies and joint ventures	15	4	(1)
Income from other financial instruments and investments in property	589	359	169
Other income	60	68	38
Total income	**6,885**	**5,466**	**1,996**
CHARGES			
Claims charges, net of reinsurance	(5,323)	(4,171)	(1,463)
Fees and commissions payable	(26)	(15)	(20)
Charges from shareholdings in subsidiaries, affiliated companies and joint ventures	(3)	(0)	(3)
Charges from other financial instruments and investments in property	(178)	(153)	(71)
Operating expenses	(832)	(760)	(266)
Other charges	(45)	(82)	(16)
Total charges	**(6,408)**	**(5,182)**	**(1,839)**
Profit (loss) before taxation	**478**	**284**	**157**
Taxation	(176)	(110)	(75)
Consolidated profit (loss)	**302**	**175**	**82**
Profit (loss) - Minority interests	29	16	10
Profit (loss) - Group	**273**	**159**	**72**

The figures for 30 September 2004 are reasonable and coherent estimates.

SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT BREAKDOWN PER BUSINESS SECTOR
(Amounts in €m)

	Insurance business			*Banking business*	*elimination interbusiness dealings*	*Group total*
	Non-Life	*Life*	*Total*			*as at 30/9/2005*
INCOME						
Net premium income	2,763	2,922	5,685			5,685
Fees and commissions receivable	4	24	28	67		95
Net income from financial instruments at fair value through profit or loss	142	297	439	2		441
Income from shareholdings in subsidiaries, affiliated companies and	33	17	50		(36)	15
Income from other financial instruments and investment property	191	232	423	169	(3)	589
Other income	27	33	60	15	(15)	60
Total income	**3,159**	**3,526**	**6,685**	**254**	**(54)**	**6,885**
CHARGES						
Net claims charges	(2,040)	(3,285)	(5,325)		2	(5,323)
Fees and commissions payable	(1)	(13)	(14)	(12)		(26)
Charges from shareholdings in subsidiaries, affiliated companies and	(3)		(3)			(3)
Charges from other financial instruments and investment property	(57)	(45)	(102)	(93)	17	(178)
Operating expenses	(624)	(89)	(713)	(119)		(832)
Other charges	(12)	(26)	(38)	(7)	1	(45)
Total charges	**(2,737)**	**(3,459)**	**(6,196)**	**(231)**	**19**	**(6,408)**
Profit (loss) before taxation	**422**	**67**	**490**	**23**	**(35)**	**478**
Taxation	(155)	(9)	(164)	(11)	(1)	(176)
Consolidated profit (loss)	**267**	**59**	**326**	**12**	**(35)**	**302**
Profit (loss) - Minority interests	26	1	27	1	1	29
Profit (loss) - Group	**241**	**58**	**299**	**11**	**(36)**	**273**

INSURANCE BUSINESS

Premiums and investment products

Total income (premiums and investment products) amounted to €6,145m as at 30 September 2005, up 9.4% compared with 30 September 2004. This trend was mainly in Life business, which recorded an increase of 17.5%. The trend in Non-Life business was in line with the previous financial year (+1%).

Using the same basis of consolidation (excluding premium income as at 30/9/2005 from the companies in the MMI Group) premium income would have recorded an increase of 7.5% (+17.5% in Life business and -2.9% in Non-Life business).

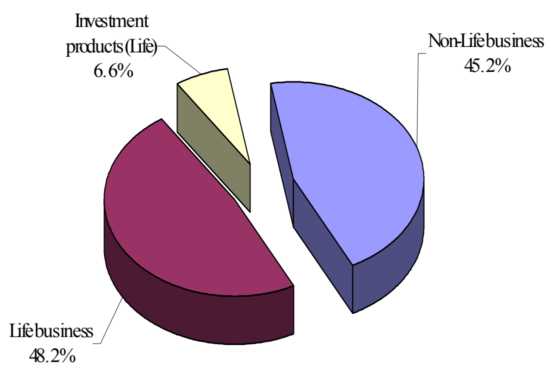
The following is the breakdown of insurance income as at 30 September 2005:

- 45.2% Non-Life business
- 48.2% Life business
- 6.6% Life investment products.

Direct business amounted to €6,121m (+9.6% compared with 30/9/2004), €5,715m of which was for premiums and €406m for investment products.
All the Non-Life premium income of the companies in the Group is classified as insurance premiums, as it complies with the requirements of IFRS 4.

€381m (94%) of investment product income was achieved in Class III (unit- and index-linked policies), €11m (3%) in Class I (policies matched by specific assets, with insurance risk lower than 10%) and €14m (3%) in Class V (capitalisation policies matched by specific assets, with insurance risk lower than 10%).

Policies issued were underwritten almost exclusively in Italy.



The following table shows direct business as at 30 September 2005 relating to Unipol Assicurazioni, Aurora Assicurazioni and other subsidiaries, and broken down by sector and type of business – Non-Life premiums, Life premiums and investment products (in €m):

Direct income	Non-Life premiums	Life premiums	Total	Comp. %	Investment products	Total income
Unipol Assicurazioni	975	1,257	2,233	39.1%	35	2,267
Aurora Assicurazioni	1,471	788	2,259	39.5%	35	2,294
Other subsidiaries	317	907	1,224	21.4%	337	1,560
TOTAL DIRECT PREMIUMS	**2,763**	**2,952**	**5,715**	**100.0%**	**406**	**6,121**
Direct premiums - Breakdown per class of business						
Traditional companies	2,446	2,046	4,493	78.6%	69	4,562
Non-Life specialist companies	317		317	5.5%		317
Bancassurance companies		906	906	15.9%	337	1,243
TOTAL DIRECT PREMIUMS	**2,763**	**2,952**	**5,715**	**100.0%**	**406**	**6,121**

The breakdown of total income (Non-Life premiums, Life premiums and investment products) according to class of business, and the composition indices are set out in the table below:

BREAKDOWN OF INCOME PER CLASS OF BUSINESS
(Amounts in €m)

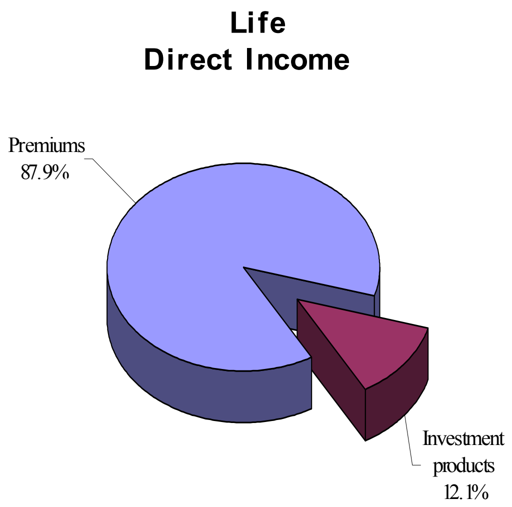
	30 September 2005	Comp. %	30 September 2005	Comp. %	Var. % 2005/2005	31 December 2005	Comp. %
DIRECT ITALIAN BUSINESS							
Non-Life insurance business							
Accident and Health (classes 1 and 2)	368	6.0	344	6.2	7.1	529	6.7
Land vehicles - TPL (class 10)	1,530	25.0	1,491	26.7	2.6	2,053	26.0
Land vehicles - Own damage or loss (class 3)	238	3.9	250	4.5	-4.9	350	4.4
Marine, Aviation and Goods in transit (classes 4, 5, 6, 7, 11 and 12)	26	0.4	36	0.6	-26.7	40	0.5
Fire and Other damage to property (classes 8 and 9)	265	4.3	288	5.2	-7.9	413	5.2
General TPL (class 13)	233	3.8	225	4.0	3.3	345	4.4
Credit and Bond (classes 14 and 15)	28	0.5	33	0.6	-15.2	43	0.5
Miscellaneous pecuniary losses (class 16)	32	0.5	25	0.4	29.3	36	0.5
Legal protection (class 17)	16	0.3	15	0.3	8.1	22	0.3
Assistance (class 18)	28	0.5	25	0.4	12.1	35	0.4
Total Non-Life insurance business	**2,763**	**45.1**	**2,731**	**48.9**	**1.2**	**3,866**	**49.0**
Life assurance business							
I - Life assurance, annuities	1,226	20.0	1,071	19.2	14.4	1,449	18.4
III - Unit-linked / Index-linked products	126	2.1	6	0.1	1,842.3	14	0.2
V - Capitalisation operations	1,385	22.6	1,177	21.1	17.7	1,393	17.7
VI - Pension funds	215	3.5	14	0.2	1,482.1	53	0.7
Total Life assurance business	**2,952**	**48.2**	**2,268**	**40.6**	**30.2**	**2,909**	**36.9**
Total Life and Non-Life direct premiums	**5,715**	**93.4**	**4,999**	**89.5**	**14.3**	**6,775**	**85.9**
Total Life investment products	**406**	**6.6**	**588**	**10.5**	**-31.0**	**1,112**	**14.1**
Total direct income	**6,121**	**100.0**	**5,587**	**100.0**	**9.6**	**7,887**	**100.0**
INDIRECT BUSINESS							
Non-Life insurance premiums	21	87.3	26	87.7	-19.9	37	90.4
Life assurance premiums	3	12.7	4	12.3	-16.7	4	9.6
Total indirect business	**24**	**100.0**	**29**	**100.0**	**-19.5**	**41**	**100.0**
TOTAL INCOME	**6,145**		**5,616**		**9.4**	**7,928**	

Life business

As at 30 September 2005 Life business totalled €3,361m, an increase of 17.5% compared with 30 September 2004, fundamentally unchanged assuming the same basis of consolidation since Life premiums from MMI Vita made very little difference.

Direct business amounted to €3,358m (+17.6% compared with 30/9/2004). There were remarkable increases in Classes I and V (traditional and capitalisation policies) of 14.2% and 15% respectively. Class VI (pension funds) rose from €14m as at 30 September 2004 to €215m as at 30 September 2005 as a result of management of the *Cometa* fund – the occupational pension fund for the metal and mechanical industry – being activated.
Class III (index- and unit-linked policies) recorded a decrease of 6.7%.

As at 30 September 2005 Life direct premiums amounted to €2,952m whilst investment products amounted to €406m. As at 30 September 2004 Life premiums had amounted to €2,268m and investment products to €588m.



Pension funds

There were no substantial changes in pensions legislation, the relative enabling acts not having been issued.
As regards the activity of the Parent Company Unipol Assicurazioni in occupational pension funds, two new mandates were started, to manage both the *Solidarietà Veneto* pension fund (horizontal pension fund for employees in the Veneto region), and the *Cooperlavoro* pension fund (service cooperatives).
The work of managing existing mandates continued as normal and the agreement with the *Filcoop* pension fund (agricultural cooperatives) was being finalised.
At the end of the quarter there were 13 mandates in existence and total assets under management amounted to €501m.
During the third quarter of 2005 there were no new calls for tenders for the selection of fund managers.
In the open-end pension funds sector, at the end of September the assets of the four funds managed by the Group (*Unipol Futuro*, *Unipol Previdenza*, *Unipol Insieme* and *Aurora Previdenza*) reached a total of €86m and 8,865 members.

* * *

The **traditional composite companies** (Unipol Assicurazioni and Aurora Assicurazioni) achieved direct Life income of €2,114m, to which must be added €1m in premium income from MMI Vita which brought the total to €2,115m, an increase of 25.1% compared with 30 September 2004.
Life premiums amounted to €2,046m, whilst investment products amounted to €69m.

As at 30 September 2005 **Unipol Assicurazioni** had achieved direct income from Life business of €1,292m, an increase of 38.8% compared with the same period of the previous year, mainly as a result of a 30.9% growth in Class V (capitalisation policies) and an increase in Class VI (pension funds), which rose from €13m as at 30 September 2004 to €214m as at 30 September 2005. On the other hand Class I (traditional policies) recorded a decrease of 7.3% and Class III (unit- and index-linked policies) remained stable.
As at 30 September 2005 income from Life policies sold through Unipol Banca totalled €115m.
Life direct business of the Parent Company Unipol Assicurazioni was made up of €1,257m in insurance premiums and €35m in investment products, €24 of which was from Class III.

The subsidiary **Aurora Assicurazioni** achieved direct income from Life business of €823m (+8.2% compared with 30/9/2004). The most remarkable increase was recorded in Class III (unit- and index-linked policies), which was up 66.2%. Class I (traditional policies) recorded an increase of 8.9%, whilst the other classes remained substantially stable.
Life direct business of Aurora Assicurazioni was made up of €788m in insurance premiums and €35m in investment products, all of which was from Class III.
Income from the banking channel (Reti Bancarie Holding) amounted to €119m at the end of September.

* * *

The **bancassurance companies** (Bnl Vita and Quadrifoglio Vita), which are 50% controlled, recorded total income of €2,485m, an increase of 6.6% compared with 30 September 2004.

The Group share amounted to €1,243m. Investment products represented 36% of total direct income.

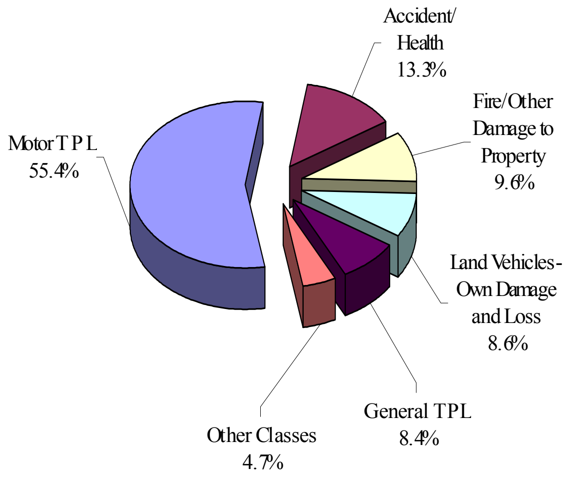
Bnl Vita achieved direct income of €1,906m (+7.6% over 30/9/2004), 50% of which, i.e. €953m, pertained to the Group. Almost all of Class III (unit- and index-linked policies), a total of €301m, was represented by investment products and was 12.5% down, whilst Classes I and V were all insurance premium income and show an increase of 20.3% compared with the situation as at 30 September 2004.

As at 30 September 2005 **Quadrifoglio Vita** achieved direct income of €580m (+3.5% over 30/9/2004), 50% of which, i.e. €290m, pertained to the Group. In particular there was an increase of 131.3% in Class V (capitalisation policies) whilst the other classes were down (Class I -12.3% and Class III -58.2%).
Group income from direct business was made up of €254m in insurance premiums and €36m in investment products.

Non-Life business

Total premium income in the Non-Life portfolio as at 30 September 2005 amounted to €2,784m (+1% compared with 30/9/2004). On the same basis of consolidation, that is excluding the Non-Life companies of the MMI Group, the decrease was 2.9% compared with 30 September 2004.
Premium income from direct business alone amounted to €2,763m, (+1.2% compared with 30/9/2004). The various classes of business performed differently: Motor TPL recorded growth of 2.6% compared with 30 September 2004, and Accident and Health (+7.1%) and General TPL (+3.3%) also improved. Fire (-7.9%) and classes linked to other Motor cover (-4.9%) were down.

Breakdown
Non-Life Direct Premiums(%)



* * *

The traditional sector of the **composite companies** (Unipol Assicurazioni and Aurora Assicurazioni) had direct premium income of €2,447m (-2.7% compared with 30/9/2004).

As at 30 September 2005 direct premium income for **Unipol Assicurazioni** amounted to €975m, +2.7% compared with 30 September 2004, of which +2.4% in Motor TPL and +3% in the other business lines.

Aurora Assicurazioni had direct premium income of €1,471m as at 30 September 2005, a decrease of 6% compared with 30 September 2004, mainly owing to Motor TPL business.

* * *

The **specialist companies** (Linear, Unisalute, Navale, MMI Assicurazioni and MMI Danni) wrote direct premiums of €317m (+46.4%). Assuming the same basis of consolidation, i.e. taking account of the contribution of the Non-Life companies in the MMI Group as at 30 September 2005, premium income remained substantially unchanged.

Linear achieved premium income of €121m (+7.5%). 60% of premium income for the period was obtained over the telephone and the remaining 40% via the Internet.

The growth achieved by **Unisalute**, which had premium income of €43m, an increase of 15.4% over 30 September 2004, was particularly significant compared with average growth in the Health sector in Italy in the first half of the year of 10%.

The Non-Life specialist companies **Navale Assicurazioni, MMI Danni** and **MMI Assicurazioni** had direct premium income of €153m as at 30 September 2005, and recorded a fall of 8.3% compared with the third quarter of last year (the companies in the MMI Group +8% and Navale -32.7%).

Insurance business performance

Overall the insurance business contributed €299m to the Group's net profit, €58m of which related to Life business and €241m to Non-Life business.
Operating expenses incurred as at 30 September 2005 (acquisition and renewal commissions, other acquisition costs and administrative expenses), net of commissions received from reinsurers, totalled €713m.
The corresponding incidence on net premium income for the period was 12.5%.

The loss ratio for Non-Life business, including claims settlement costs and net of reinsurance, was 73.8%.
A total of 1,072,894 direct claims were reported, a proforma increase compared with 30 September 2004 of 5.9%. (The increase takes account of MMI Italia Group claims reported as at 30/9/2004).
In particular, although tariffs remained substantially stable, Motor TPL recorded an increase in average claims costs higher than the rate of inflation, partly as a result of the higher number of claims involving personal injuries, which cancelled out the slight decrease in claims frequency.

As at 30 September 2005 the **combined ratio** for direct business was 96.5% (94.9% as at 30/9/2004).

Reinsurance

Inward reinsurance

As at 30 September 2005 premiums written amounted to €23.6m (-19.5% compared with 30/9/2004), €20.6m of which was from Non-Life lines of business and €3m from Life business.

Outward reinsurance

Premiums ceded totalled €215m whilst as at 30 September 2004 they had amounted to €335m. The retention rate rose from 93.3% as at 30 September 2004 to 96.3% as at 30 September 2005.

In the current year Unipol Assicurazioni will maintain types of reinsurance cover substantially the same as those adopted last year to protect business risks, except for Goods in transit for which excess-of-loss non-proportional cover has been arranged on the fully-retained portfolio starting this year.

In the case of Aurora Assicurazioni, Non-Life reinsurance cover arrangements have changed significantly since last year.
Proportional cessions have been reduced by entering into individual agreements for Fire, Bonds, Technological risks, Hail, some TPL types of coverage, Assistance and Legal protection.
Cessions of excess-of-loss types of cover have affected Motor TPL, Motor supplementary guarantees, General TPL, Accident, Fire, Theft, Goods in transit and Bonds, in addition to the usual stop-loss agreement on the proportion retained in Hail.

In line with the good technical performance of business entered into by the companies in the Group, the reinsurers of proportional types of cover benefited from a positive result during the third quarter. As regards non-proportional types of cover, they had not suffered particularly high loss ratios up to the end of the third quarter.

Hail seems to have achieved a loss ratio well below that covered by the relative Stop-loss.

Finally a new single scheme has been applied in the case of Navale and the newly-acquired companies in the MMI Italia Group, based partly on proportional and partly on excess-of-loss types of cover in line with the one applied by the Parent Company, which is currently giving reinsurers positive results as a consequence of the positive technical performance in recent years.

BANKING BUSINESS

In the first nine months of 2005 the Unipol Banca Banking Group continued to carry out its own work, the main highlight being the progress made by the Parent Company Unipol Banca. Nevertheless also worthy of note is the huge increase in the work done by Unipol Merchant – Banca per le Imprese both in the capital market and to increase the level of corporate financing granted.

As at 30 September 2005 the Banking Group's distribution network was made up of the following entities:

- 237 bank branches (116 of which were co-located with insurance agencies)
- 46 finance shops
- 440 authorised financial advisers.

The number of employees rose to 1,600, an increase of 167 over the figure for the end of 2004, mainly owing to the addition of the staff of the newly-acquired bank outlets.

Analysis of Unipol Banca Group's principal consolidated figures for the third quarter of 2005 reveals an operating result of almost €23m and a gross operating income of €151m, most of which was contributed by a net interest income of €92m and a net income from commissions and fees of €55m.
Operating costs for the third quarter amounted to €111m.

Total assets rose to more than €7bn (+12% compared with 31/12/2004). The growth of banking business, resulting from continued marketing activity and the steady improvement in the distribution model, enabled the Unipol Banca Group to increase lending to customers to more than €5bn (+28% compared with 31/12/2004) and at the same time to achieve direct customer deposits of €6.1bn, although these grew at a slightly lower rate (+11.6% over 31/12/2004).

It should also be noted that **Unipol Banca**, the Parent Company of the Banking Group, achieved customer funds (assets under management and funds under custody) of approximately €22bn, an increase of 52% compared with the figure as at 30 September 2004. In particular, the portfolio of assets under management rose to more than €1.9bn, +35% compared with 30 September 2004, whilst funds under custody exceeded €20bn (+53%).
Premium income from Unipol Assicurazioni Life policies marketed as at the date in question reached €115m.

The advisory services offered by **Unipol Merchant – Banca per le Imprese** (Capital Markets, Mergers & Acquisitions, Corporate Finance Advisory, Financial Brokerage) involved carrying out various roles during the period, those of major importance being:

- being involved in the initial public offering (IPO) of IGD Immobiliare Grande Distribuzione spa on the Milan Stock Exchange as Joint-Global Coordinator and Co-Sponsor;
- acting as Financial Advisor to Hera spa in the plan for merger by incorporation of Meta spa and in the associated voluntary public tender offer;
- acting as Listing Partner and Party Responsible for the Institutional Offer for the IPO on the Expandi segment of the Milan Stock Exchange of Monti Ascensori spa;
- providing assistance to Kerself spa in its IPO on the Expandi share market by acting as Listing Partner and Party Responsible for the Institutional Offer (IPO forecast for December 2005).

Unipol Fondi Ltd's total portfolio rose to more than €625m (+7.4% compared with 30/9/2004).

The table shows the principal items in the quarterly profit and loss account of the banking side of the business, reclassified in accordance with the banking layout in order to give a better picture of the nature and the contribution to the Group consolidated profit and loss account as a whole.

BANKING BUSINESS *(amounts in €m)*	**30/09/2005**
Net interest income	92
Net income from commissions and fees	55
Gross operating income	**151**
Deterioration of receivables - net value adjustments	(16)
Operating expenses	(111)
Profit for the period pertaining to the Group	**11**

Staff

As at 30 September 2005 the number of Group insurance company employees stood at 4,763, 79 of whom were on fixed-term contracts.
A net increase of 197 over 31 December 2004 was recorded as a result of the inclusion of 165 people from the newly-acquired companies within the MMI Italia Group.
The number of Unipol Banca Group employees on the same date was 1,600, 26 of whom were on fixed-term contracts (+167 compared with 31/12/2004).

As at 30 September 2005 the total number of Group employees was 6,363.

	30/09/2005	**31/12/2004**	**Var.**
Unipol	1,611	1,524	87
Aurora	2,160	2,254	-94
Other companies	992	788	204
Total insurance sector	**4,763**	**4,566**	**197**
Unipol Banca	1,545	1,387	158
Unipol Merchant	52	43	9
Other financial companies	3	3	0
Total banking sector	**1,600**	**1,433**	**167**
Total Unipol Group	**6,363**	**5,999**	**364**

Unipol Group Sales Network

The Unipol Group offers a full range of insurance, banking and asset management products through a diversified distribution network which covers the whole of Italy.

In particular, the **composite companies** in the Group benefited from an agency network consisting of 1,752 agencies as at 30 September 2005 (574 Unipol Assicurazioni agencies and 1,178 Aurora agencies). In addition, both Unipol Assicurazioni and Aurora Assicurazioni placed Life products direct through networks of banking outlets, namely Unipol Banca and Reti Bancarie Holding.

As regards the Non-Life **specialist companies**, Unisalute operated in the Health and Assistance sectors by selling group policies direct to businesses, associations and various bodies, managed using the 'managed care' technique. For selling individual policies, as well as the Internet and telemarketing the company used 75 agencies, 72 of which were Unipol agencies that had a Unisalute mandate.
In Motor business Linear operated both by telephone (call centre) and via the Internet.
Navale and the subsidiaries of the MMI Italia Group operated through brokers and non-exclusive agencies.

Turning to the **bancassurance** companies, Quadrifoglio used the network made up of 289 outlets of the Banca Agricola Mantovana (MPS Group) whilst BNL Vita sold its products through approximately 700 outlets belonging to the BNL Group.

As regards **banking business**, as at 30 September 2005 Unipol Banca had 237 points of sale, 116 of which were co-located with insurance agencies, 46 finance shops and 440 financial advisers. The company also made use of direct sales channels (telephone and Internet banking) and the principal Unipol agencies (which are gradually being joined by the Aurora agencies), which sold traditional banking products.

Unipol Merchant – Banca per le Imprese, a subsidiary of Unipol Banca, is the bank in the Unipol Banca Banking Group that specialises in medium-term corporate business as well as operating in merchant banking and investment banking. The principal sales channel for the products and services of Unipol Merchant was the network of branches of Unipol Banca.

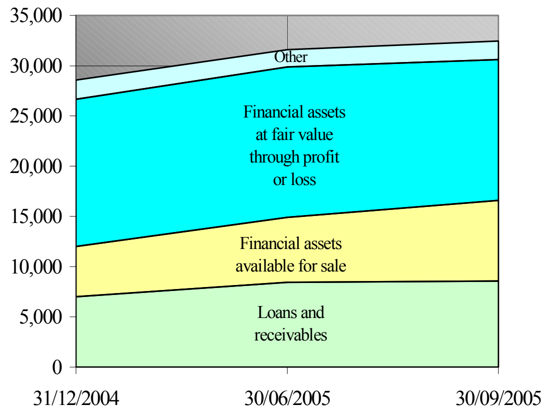
GROUP PROPERTY AND FINANCIAL MANAGEMENT

Investments and liquid assets

As at 30 September 2005 the Group's investments and liquid assets reached a total of €32,462m, an increase of €853m compared with 30 June 2005 (+2.7%) and of €3,885m compared with 31 December 2004 (+13.6%).

Total investments as at 30 September 2005 included investments relating to the companies in the MMI Group (€300m). On the same basis of consolidation the increase in investments compared with 31 December 2004 would have been 12.6%.

Investments
(€m)



Group investments broken down by type and variations compared with 30 June 2005 and 31 December 2004 are shown in the table below:

INVESTMENTS AND LIQUID ASSETS	30/09/2005 (a)	Comp. %	30/06/2005 (b)	Comp. %	Var. % (a/b)	31/12/2004 (c)	Comp. %	Var. % (a/c)
Buildings (1)	659	2.0	657	2.1	0.2	901	3.2	-26.9
Shareholdings in subsidiaries, affiliated companies and joint ventures	22	0.1	22	0.1	-0.1	77	0.3	-71.3
Investments held to maturity	862	2.7	822	2.6	4.9	704	2.5	22.4
Loans and receivables	8,560	26.4	8,454	26.7	1.3	7,022	24.6	21.9
Financial assets available for sale	8,036	24.8	6,458	20.4	24.4	5,014	17.5	60.3
Financial assets at fair value through profit or loss	14,007	43.1	14,975	47.4	-6.5	14,633	51.2	-4.3
- of which held for trading	*10,189*	*31.4*	*11,000*	*34.8*	*-7.4*	*10,974*	*38.4*	*-7.2*
- of which designated at fair value through profit or loss	*3,819*	*11.8*	*3,975*	*12.6*	*-3.9*	*3,659*	*12.8*	*4.4*
Cash and cash equivalents	317	1.0	221	0.7	43.4	227	0.8	39.7
TOTAL INVESTMENTS AND LIQUID ASSETS	**32,462**	**100.0**	**31,609**	**100.0**	**2.7**	**28,577**	**100.0**	**13.6**

(1) Including investment property, property for corporate use and property available for sale

Property

As at 30 September 2005 Group property amounted to €659m, €350m of which was investment property and €309m related to buildings for corporate use, a net decrease of €242m compared with 31 December 2004 (-26.9%), whilst as at 30 June 2005 Group property had been substantially unvaried.

Most of the work begun in 2004 on upgrading, rationalising and making best use of the property assets was completed during the third quarter.

As at 30 September 2005 this had involved finalising divestments of property for a total of approximately €420.8m, largely as a consequence of the sales agreement signed with Glenbrookoperae in December 2004.

Divestments of property yet to be finalised and to be completed by the end of the year amounted to €11.8m.

In addition, as part of current investment plans, a total of €54m was spent on acquiring three properties in Bologna and Milan to be used as offices.

Shareholdings in subsidiaries, affiliated companies and joint ventures

As at 30 September 2005 assets invested in subsidiaries, affiliated companies and joint ventures totalled €22m, almost exclusively relating to affiliated companies, the decrease of €55m compared with 31 December 2004 being due to the disposal of Finec Holding spa.

Investments held to maturity

As at 30 September 2005 investments held to maturity amounted to €862m (+4.9% compared with 30/6/2005 and +22.4% compared with 31/12/2004). The Group classified in this category fixed-yield bonds matching special Life tariffs

Loans and receivables

As at 30 September 2005 loans and receivables amounted to €8,560m, against €8,454m as at 30 June 2005 (+1.3%) and €7,022m as at 31 December 2004 (+21.9%). This item mainly relates to the banking sector, i.e. €1,248m of receivables from banks (-21.2% compared with 30/6/2005) and €5,049m of receivables from customers (+3.8% compared with 30/6/2005).

Also included is the sum of €896m paid into a term deposit account in order to guarantee payment of the public tender offer for BNL shares.

Financial assets available for sale

As at 30 September 2005 financial assets available for sale amounted to €8,036m (+24.4% compared with 30/6/2005 and +60.3% compared with 31/12/2004).

Group strategic shareholdings are classified in this category. More specifically, they include €1,207m in BNL ordinary shares, corresponding to a stake of 14.89% (€860m as at 30/6/2005 and €96m as at 31/12/2004).

Financial assets at fair value through profit or loss

Financial assets in this category are split between assets held for trading and assets designated as being assessed at fair value through profit or loss.
As at 30 September 2005 they amounted to €14,007m (-6.5% compared with 30/6/2005 and -4.3% compared with 31/12/2004), €3,819m of this being investments in which the risk is borne by policyholders (Life business) and €10,189m being assets held for trading.

Investment income

As at 30 September 2005 net investment income and capital gains amounted to €873m, which included net negative value adjustments of €75m.
Net investment income is detailed in the table below:

NET INVESTMENT INCOME *(amounts in €m)*	**30/09/2005**
Investments in property	128
Financial instruments	766
Bank accounts	10
Subordinate debenture loans and financial liabilities	(31)
Total	**873**

SHAREHOLDERS' EQUITY AND SUBORDINATED DEBENTURE LOANS

Shareholders' equity

As at 30 September 2005 the shareholders' equity pertaining to the Group, including the profit for the period, amounted to €3,820m. The shareholders' equity pertaining to minority interests amounted to €226m.

The Parent Company's share capital as at 30 September 2005 was €965,513,627 made up of 597,487,319 ordinary shares and 368,026,308 preference shares.

As at 8 November the Stock Exchange market value of Unipol shares, including the capital increase, was €4,842m (€2,824m as at 31/12/2004).

Subordinated debenture loans

As at 30 September 2005 there were subordinated debenture loans totalling €791m, €605m of which related to two subordinated debenture loans issued by the Parent Company in 2001 and 2003. Both loans have a nominal value of €300m and a twenty-year maturity and are listed on the Luxembourg Stock Exchange.
The level of subordination is comparable to Tier II (supplementary capital made up of second-rank capital items).

TECHNICAL PROVISIONS AND FINANCIAL LIABILITIES

TECHNICAL PROVISIONS AND FINANCIAL LIABILITIES *(Amounts in €m)*					
	30/09/2005	**30/06/2005**	**Var. %**	**31/12/2004**	**Var. %**
Non-Life technical provisions	7,091	7,150	-0.8%	6,702	5.8%
Life technical provisions	14,186	13,615	4.2%	11,790	20.3%
TOTAL TECHNICAL PROVISIONS	**21,277**	**20,765**	**2.5%**	**18,491**	**15.1%**
Financial liabilities at *fair value*	**3,753**	**3,703**	**1.4%**	**3,571**	**5.1%**
of which investment contracts (Class III - Life)	3,686	3,637	1.4%	3,524	4.6%
Other	68	67	1.5%	47	44.0%
Other financial liabilities	**5,568**	**5,176**	**7.6%**	**4,581**	**21.6%**
of which investment contracts (Classes I and V - Life)	619	626	-1.1%	598	3.5%
Other	4,949	4,549	8.8%	3,983	24.3%
TOTAL FINANCIAL LIABILITIES	**9,321**	**8,879**	**5.0%**	**8,152**	**14.3%**

As at 30 September 2005 the technical provisions amounted to €21,277m (+2.5% compared with 30/6/2005 and +15.1% compared with 31/12/2004) and were made up of €7,091m in technical provisions for Non-Life business and €14,186m in technical provisions for Life business.

Overall financial liabilities amounted to €9,321m (+5% compared with 30/6/2005 and +14.3% compared with 31/12/2004), €4,305m of which related to investment contracts issued by the insurance companies.

CONSOLIDATED PROFIT AND GROUP NET PROFIT AS AT 30 SEPTEMBER 2005

The Group net profit amounted to €273m and can be broken down as follows:

GROUP NET PROFIT AS AT 30 SEPTEMBER 2005 *(Amounts in €m)*	
	30/09/2005
Net profit of the Parent Company, Unipol Assicurazioni	255
Net profits of the other consolidated undertakings	223
Total profit for the period (Parent Company and consolidated undertakings)	**479**
Consolidation adjustments:	
(-) dividends within the Group	-171
Other adjustments (1)	-5
Total consolidation adjustments	**-177**
Consolidated profit	**302**
Minority interests	-29
Net profit - Unipol Group	**273**

(1) *This item includes profits pertaining to minority interests from undertakings included by the equity method.*

SIGNIFICANT RECENT EVENTS AND BUSINESS OUTLOOK FOR THE CURRENT FINANCIAL YEAR

Once again the main events after the end of the quarter relate to the project to acquire control of BNL spa, as already fully described in the first part of this quarterly report, the authorisation procedure for which is still underway.

Particular mention should be made of the following:

- On 6 October 2005, availing itself of the powers granted to it by the Shareholders' Meeting of 29 August 2005 under Article 2443 of the Civil Code, and in compliance with the resolution passed by the Board on 12 September 2005, the Board of Directors of Unipol Assicurazioni S.p.A., approved an increase in the share capital by a maximum of €1,394,630,783.00.
  The capital increase in question is part of the plan to strengthen Unipol Assicurazioni S.p.A's equity as part of the project to merge the Unipol Group with the BNL Group (and in particular the public tender offer) in order to create a leading Group in Italy in insurance, banking and asset management services.

  The offer was structured as follows: capital increase against payment by issuing up to 863,037,227 new ordinary shares and up to 531,593,556 new preference shares with no nominal value, cum coupon and having the same features as those in circulation, to be offered as an option to shareholders at the ratio of 13 new ordinary and/or preference shares for every nine ordinary and/or preference shares held, at the price of €2.05 for each new ordinary share (€1.00 for the share capital increase and €1.05 to be booked as share premium reserve), and €1.56 for each new preference share (€1.00 for the share capital increase and €0.56 to be booked as share premium reserve), a total of €2,598.5m.

  When the option offer period ended on 28 October 2005, new shares totalling €2,580.6m had been subscribed, which corresponds to 99.31% of the capital increase.
  More specifically, a total of 1,385,040,241 shares were subscribed, 857,068,329 of which were ordinary shares, for €1,757m, and 527,971,912 were preference shares, for €823.6m.

  Therefore 4,132,314 rights on 5,968,898 new ordinary shares and 2,507,292 rights on 3,621,644 new preference shares remained unexercised.

  The unexercised rights were offered by the Company on the Stock Exchange through Euromobiliare Sim spa and were all purchased during the session of 7 November 2005.

  The new shares will have to be subscribed at Monte Titoli S.p.A. through the associated depositaries by 14 November 2005 or they will lapse.

- On 21 October 2005, as a result of Unipol Assicurazioni's commitment to keep BNL's ordinary shares listed when the public tender offer is completed, Unipol Assicurazioni and Hopa spa agreed to terminate the put option agreement relating to 151,156,000 BNL ordinary shares owned by Hopa, which they signed on 18 July 2005.

- With reference to the put option agreement signed on 18 July 2005 between Unipol Assicurazioni and Banca CARIGE in accordance with which CARIGE is entitled to sell a maximum of 60,130,428 BNL ordinary shares within thirty days of 18 July 2008, on 4 November 2005 Unipol Assicurazioni ceded the put agreement to Ariete spa, FIN.AD Bologna spa, Nova Coop Società Cooperativa, Talea Società di Gestione Immobiliare spa and Coop Estense Società Cooperativa. These companies, which belong to the cooperative movement, took over the rights and obligations previously granted to and due from Unipol Assicurazioni.

In addition, Unipol Assicurazioni and Deutsche Bank agreed to integrate the call and put option agreements signed on 18 July 2005 in order to provide Unipol Assicurazioni with the chance to opt for any differences resulting from the exercise of these options to be settled in cash. The other conditions remained unchanged.

On 31 October 2005, on being entered in the Milan Companies' Register, the merger by incorporation of MMI Danni S.p.A., MMI Assicurazioni S.p.A. and Immobiliare Comense S.r.l. into Navale Assicurazioni S.p.A. came into effect. The merger project had been approved on 9 June 2005, with the merger deed being signed on 20 October 2005.

Thus setting up a larger undertaking gives further impetus to the plan to relaunch the Navale brand, the aim of which is to improve its market ranking by streamlining its product range and sales network.

Provided no unusual or exceptional events occur the outlook for the Group companies for the current year is positive. Results are expected to be better than last year and in comparison with the budget and are forecast to be in line with the targets set out in the Group's multiyear plan as recently disclosed to the market.

Bologna, 11 November 2005

The Board of Directors

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