

PRESS RELEASE

The Board of Directors of Unipol Assicurazioni approved the consolidated results as at 30 September 2005 according to the IAS/IFRS

Income from insurance business totalled €6,145m (up 9.4% compared with 30 September 2004), €3,361m of which were from Life business (+17.5%) and €2,784m from Non-Life business (+1%).

Customers' deposits in banking business rose to €6,120m (+56.8% compared with 30 September 2004) and customers' funds to €22,043m (+52%).

Investments and liquid assets rose to €32,462m (+ €853m compared with 30 June 2005).

Total gross result amounted to €478m (+68% compared with 30 September 2004¹).

Consolidated net profit was €302m (+73.1%¹), whilst profit for the Group was €273m (+72%¹).

The Board of Directors of Unipol Assicurazioni, under the chairmanship of Giovanni Consorte, approved today the Unipol Group's consolidated quarterly report as at 30 September 2005, first-time drawn up by applying the valuation standards fixed by the IAS/IFRS, as presently approved and in force, and according to the provisions of Annex 3D to the Regulation on Issuers 11971/1999.

In **insurance business** total income (which included premiums and investment products, no more classified as premiums according to the IAS/IFRS) rose to €6,145m, a growth rate of 9.4% (compared with €5,616m as at 30 September 2004), €3,361m of which were from Life business and Investment Products (+17.5%) and €2,784m from Non-Life business (+1%)². The corresponding direct income totalled €6,121m (+9.6%), €2,952m of which were from Life business, €406m from Investment Products and €2,763m from Non-Life business.

Income for the composite companies (Unipol Assicurazioni and Aurora Assicurazioni) reached €4,562m (€2,446m of which in Non-Life business and €2,115m in Life business and Investment Products), for the companies specializing in Non-Life business (Linear, Navale, Unisalute and the companies of the MMI Italia Group) €317m and for the bancassurance companies (BNL Vita and Quadrifoglio Vita) €1,243m.

In particular, the excellent result achieved in Life premium income is worth underlining, namely relating to Class I and V (traditional and unit- and index-linked policies), growing by 14.2% and 15% respectively, and Class VI, where activation of the *Cometa* Fund management allowed to reach premium income of €215m.

¹ Profit and loss figures as at 30 September 2004, used for the percentage variations compared with 30 September 2005, were calculated according to the methods defined by the IAS/IFRS by way of reasonable and coherent estimates.

² Part of this result related to the companies of the MMI Italia Group (not included in the basis of consolidation in the first nine months of 2004), which recorded overall premium income of €109m.

It is hereby pointed out that total income from direct business (premium income + investment products), as calculated according to the Italian accounting standards, would amount to €7,364m. The key variation resulting from the adoption of the IAS/IFRS related to the exclusion from calculations of the 50% of the premium income from the bancassurance companies (accounting for €1,243m).

As at 30 September 2005 the Unipol Group's insurance agencies were 1,752 (574 Unipol Assicurazioni agencies and 1,178 Aurora agencies).

Overall the insurance business contributed to the Group's net economic result for €299m, €58m of which related to Life business and €241m to Non-Life business. Total operating expenses incurred as at 30 September 2005 (acquisition commissions, renewal commissions and other acquisition and administrative expenses), net of reinsurance commissions, totalled €713m. The corresponding incidence on net premiums for the period was 12.5%. The loss ratio for Non-Life business, including claims settlement costs and net of reinsurance, was 73.8%. In particular, against substantially stable tariffs, Motor TPL recorded an increase in average claims cost higher than the inflation rate, also deriving from the higher number of claims involving personal injuries, which cancels the slight decrease in claims frequency.

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

- 'financial assets available for sale' amounted to €8,036m (+24.4% compared with 30/6/2005 and +60.3% compared with 31/12/2004). The Group's strategic shareholdings are classified under this category, amongst which €1,207m are BNL ordinary shares, corresponding to a 14.89% stake (€860m as at 30/6/2005 and €96m as at 31/12/2004);
- 'financial assets at fair value through profit or loss' (divided into assets held for trading and assets designated as being assessed at fair value through profit or loss) were €14,007m (-6.5% compared with 30/6/2005 and -4.3% compared with 31/12/2004), €3,819m of which were assets where investment risk is borne by policyholders (Life business) and €10,189m were trading assets;
- 'investments held to maturity' were €862m (+4.9% compared with 30/6/2005 and +22.4% compared with 31/12/2004). Fixed-yield bonds matching special Life tariffs are classified in this category;
- the Group's property amounted to €659m.

Total profits for the companies of the **banking business** were €32.2m (+185% compared with €11.3m as at 30 September 2004). In particular, customers' deposits reached €6,120m (up 56.8% compared with 30/9/2004), whilst customers' funds (funds under custody and assets under management) were €22,043m (+52%), €1.9bn of which were assets under management, whilst loans were over €5bn. Net operating income was nearly €23m, with a gross operating income of €151m. The Banking Group's distribution network as at 30 September 2005 was made up of 237 banking branches (further 16 branches – already approved by the Supervisory Authorities – will be added by year-end), of which 116 co-located with insurance agencies, 121 standalone branches clustered i.r.o. insurance agencies, 46 financial counters and 440 financial advisors provided with mandate. In the first nine months of the year Unipol Merchant – Banca per le Imprese managed several significant mandates, amongst which the involvement in the IPOs of IGD Immobiliare, Monti Ascensori and Kerself on the Stock Exchange and support to Hera in the plan for merger by incorporation of Meta and in the associated voluntary public tender offer.

Following the aforesaid positive business trends, the Unipol Group's total gross result reached €478m (+68% compared with 30 September 2004¹). Consolidated net profit - after deducting taxes for €176m - was €302m (+73.1%¹), whilst profit for the Group, net of minority interests for €29m, stood at €273m (+72%¹).

In comparison with what the results as at 30 September 2005 would have been by applying the Italian accounting standards, the overall adoption of the IAS/IFRS had a positive impact for

over €22m, mainly resulting from depreciations on multiyear costs and goodwill which are excluded from calculations.

Significant events following 30 September 2005 and expected business outlook

The main events occurred after the end of the quarter relate to the project involving the acquisition of control over BNL, the authorisation procedure of which is still underway, and to the share capital increase of Unipol Assicurazioni for €2,598.5m, 99.31% of which (corresponding to €2,580.6m) has already been subscribed by shareholders by exercising their rights at the end of the acceptance period to the offer, and the full subscription of which is expected by 14 November 2005.

It is worth highlighting, *inter alia*, that on 31 October 2005, upon registration in the Company Register in Milan, the merger to incorporate the companies 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 was approved on 9 June 2005, with the merger deed being signed on 20 October 2005. Therefore, setting up a wider-sized undertaking leads to further strengthen the plan to relaunch the Navale brand, aiming to re-qualify its market ranking by streamlining product and distribution network.

Provided no unusual or exceptional events occur, the Group's companies results for the current year are positive, increasing in comparison with the previous financial year and the budget, as well as in line with the targets set forth in the Group's multiyear plan as recently disclosed to the market.

Bologna, 11 November 2005

Unipol Assicurazioni S.p.A.

www.unipol.it

Attached are summaries of the consolidated profit and loss account

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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 at 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 investment property	589	359	169
Other income	60	68	38
Total income	6,885	5,466	1,996
CHARGES			
Net claims charges	(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 investment 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

Figures as at 30 September 2004 result from reasonable and coherent estimates.

**SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
BREAKDOWN PER BUSINESS**

(Amounts in €m)

	Insurance business			Banking business	elimination interbusiness dealings	Total Group
	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 joint ventures	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 joint ventures	(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