

PRESS RELEASE

The Board of Directors of Unipol Assicurazioni:

- (i) **approved the 2005 half-yearly results for Unipol Assicurazioni S.p.A. and the Unipol Group**
- (ii) **resolved a capital increase for up to €2.6bn**

UNIPOL GROUP

Consolidated premiums were €5,330.8m (+ 4.5% compared with €5,102.6m in the first half of 2004), of which €3,357.5m in Life business (+7.5%) and €1,973.4m in Non-Life business (in line with the first half of 2004).

The balance on the overall technical account was €108.5m (+3.6% compared with €104.8m in the first half of 2004).

Net investment income rose to €643m (+ 42.8% compared with €450.2m in the first half of 2004). Investments and liquid assets rose to €32,572n (+ 10.8% compared with 31 December 2004)

Profit before taxation rose to €333.1m (+81.2% compared with €183.8m in the first half of 2004)

Consolidated net profit was €221.5m (+122% over the first half of 2004), net profit for the Group was €192.1m (+139.7% over the first half of 2004).

By applying the IAS/IFRS, the Group net profit for the first half of 2005 would rise to €201.2m (+4.7% compared with the profit calculated by applying the Italian accounting standards)

The Group consolidated profit for the 2005 financial year is expected to be over €300m, with a ROE of around 11.5%, achieving, therefore, the target set out in the 2003-2006 plan one year in advance.

UNIPOL ASSICURAZIONI S.p.A.

Net profit for the parent company Unipol Assicurazioni S.p.A rose to €260.6m (+122.8% over the first half of 2004).

CAPITAL INCREASE

A capital increase of up to €2.6bn was resolved. The terms and conditions of this capital increase will be set out in a forthcoming meeting of the Board of Directors.

The Board of Directors of Unipol Assicurazioni, chaired by Giovanni Consorte, approved today the half-yearly report of the Unipol Group and of the Parent Company Unipol Assicurazioni as at 30 June 2005.

Consolidated half-yearly report

For **insurance business** the total premium income rose to €5,330.8m¹, a growth rate of 4.5% (compared with €5,102.6m in the first half of 2004), of which €3,357.5m from Life business (+7.5%) and €1,973.4m from Non-Life business (in line with the first half of 2004). Direct premium income totalled €5,311.9m (+4.7% over the first half of 2004), of which €3,354.7m from Life business and €1,957.1m from Non-Life business. The composite companies (Unipol Assicurazioni and Aurora Assicurazioni) brought in direct premiums of €3,416.5m (+7% over the first half of 2004) and achieved a combined net profit of €379.9m (+96.4%). The specialist companies (Linear, Navale, Unisalute and companies of the MMI Italia Group) had direct premium income of €229.7m (+46.4%) and achieved net profit of €6.9m (+144%). The bancassurance companies (BNL Vita and Quadrifoglio Vita) had direct premium income of €1,665.6m (-3.4%) and achieved profits of €24.7m (+54.7%).

The technical result of the Group for **insurance business** improved to €108.5m (+3.6% compared with €104.8m in the first half of 2004), of which €60.6m related to the Life technical account and €48.0m to the Non-Life technical account. The aggregated combined ratio (claims and net operating expenses on net earned premiums for Non-Life business) was 97% (96.5% in the first half of 2004), whilst combined ratio for direct business was 96% (94.2% in the first half of 2004). Technical provisions as at 30 June 2005 were €31,130.7m (+9.7% compared with €28,387.9m as at 31 December 2004), whilst investments and liquid assets reached €32,571.9m (+10.8% compared with €29,402.2m as at 31 December 2004).

Property and financial management was very positive. Net investment income for the period amounted to €643m (+42.8% compared with €450.2m as at 30 June 2004), whilst net value adjustments were -€62.2m (-13.3% compared with -€71.7m in the first half of 2004).

In **banking business** Unipol Banca closed the half year with a net profit of €12.1m (almost three-times the result recorded in first half of 2004, which was €3.2m), net of depreciation, set asides and taxes of over €29m. Direct customer deposits totalled €4,586m (+20.6 % over the first half of 2004), whilst customer funds were over €21.5bn, including assets under management of €1,831m (+45%) and funds under custody of €19,694m (+53.8%). Loans to customers rose to €3,204m (+32.3% compared with €2,422m in the first half of 2004), recording a very positive trend as regards mortgage loans, which reached €852m. Unipol Banca distribution network as at 30 June 2005 was made up of 233 branches (of which 115 were co-located with insurance agencies), 46 financial counters and 446 financial advisers. It is worth highlighting, *inter alia*, that the Bank of Italy has already given authorization to open 20 new branches, according to the three-year plan that involves the achievement of 450 branches upon completion of the plan (subject to authorization by the Supervisory Authority). Unipol Merchant – Banca per le Imprese recorded very positive results too, closing the half year with a net profit of €3.2m (€2.1m as at 30 June 2004) and granting a series of loans for €213m (€80m in the first half of 2004). This result was achieved owing to a very strict managing policy (no doubtful loans are recorded as at today). Furthermore, during the half year, significant mandates were managed in the field of business consultancy services, such as the listing of IGD Immobiliare and Monti Ascensori on the Stock Exchange and assisting Hera in the merger with Meta.

With the aforesaid positive management trends, the **balance on the Group's ordinary activities** rose to €204.7m (+27.6% compared with €160.4m in the first half of 2004), net of, *inter alia*, depreciation relating to 'differences arising from consolidation' for €22.3m.

¹ Part of this result related to the companies of the MMI Italia Group (not included in the basis of consolidation in the first half of 2004), which totalled premium income of €77.4m.

Consolidated net profit, including the portion pertaining to minority interests, amounted to €221.5m (+122% compared with €99.7m in the first half of 2004), whilst **Group consolidated net profit** was €192.1m (+ 139.7% compared with €80.2m in the first half of 2004).

As at 30 June 2005 the Group ranked **3rd** on the list of major insurance groups operating in Italy.

Half-yearly report of the Parent Company Unipol Assicurazioni.

Unipol Assicurazioni's **gross premium income** totalled €1,746.2m (+15.1% compared with €1,517.3m in the first half of 2004), of which €716.9m in Non-Life business (+1%) and €1,029.4m in Life business (+27.5%).

Insurance business was particularly positive, with the balance on the technical account standing at €141.7m (+110.2%). Combined ratio for direct business was 95.7% (compared to 94.0% in the first half of 2004).

Gross technical provisions rose to €8,056.3m (+13.8% compared to 31 December 2004).

The value of **investments** and liquid assets stood at €11,200.9m (+13.3% compared to 31 December 2004).

Income from investments and cash flow amounted to €281.5m (+71.5%), 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.

The **balance on ordinary activities** was €244.7m (+113%), whilst **net profit** reached €260.6m (+122.8% compared with €117m in the first half of 2004).

Significant events after the end of the first half of the year and expected business outlook.

The most significant event occurred in the months after the end of the first half of the year, and which is still currently underway, relates to the plan to acquire control of Banca Nazionale del Lavoro, information of which was disclosed in full detail to the market by way of several press releases issued in the last months.

As far as the Group's companies business is concerned, the premium income performance was in line with the half-yearly figures. The technical business confirms, on the whole, the positive trends occurred in the first part of the year. The operating expenses show a regular trend. Property and financial management was positive, in line with expectations.

On the basis of the half-yearly results and of the trends showed in July and August, as well as excluding the effects resulting from the BNL operation, the Unipol Group expects to achieve at year-end a ROE of about 11.5% (as calculated according to the Italian accounting standards), achieving one year in advance the ROE target, equal to 11%, provided for in the 2006three-year plan (as calculated with the same standards).

The Group's consolidated net profit (always according with the Italian accounting standards) is expected, in fact, to be over €300m.

Transition to IAS/IFRS

With reference to the adoption of the IAS/IFRS, it is hereby clarified that the Unipol Group used the optional regime pursuant to Article 81-bis (Half-yearly reports – transitional regime) of the Regulation on Issuers 11971/1999, as amended by resolution 14990 of 14/4/2005, that allows undertakings to keep on applying the national accounting standards, completing the half-yearly information with a quantitative reconciliation of shareholders' equity as at 30/6/2005 and 31/12/2004, and of the result for the period, obtained by way of the methods used for the international accounting standards and, in a separate appendix, with the reconciliations provided for by paragraphs 39 and 40 of the international accounting standard IFRS 1 – First adoption of the International Financial Reporting Standards.

The effects resulting from the application of the IAS/IFRS are as follows (amounts in € million):

	National standards	IAS/IFRS	Change in amounts
Group Shareholders' Equity as at 31/12/2004	2,602.9	2,635.5	+32.6
Group Profit for the 2004 financial year	211.3	244.3	+33.0
Group Shareholders' Equity as at 30/06/2005	2,755.1	2,894.1	+139.0
Group Profit for the first half of 2005	192.1	201.2	+9.1

Share capital increase

The Board of Directors of Unipol Assicurazioni, availing itself of the powers granted to it by the Extraordinary Shareholders' Meeting of 29 August 2005, resolved a share capital increase of up to €2.6bn, by issuing ordinary and preference shares to be offered in option to shareholders, pursuant to Article 2441(3) of the Civile Code. The deadline for the subscription of the capital increase – according to Article 2439(2) of the Civile Code - is set on 31 December 2006. The Board of Directors, in a forthcoming meeting, will (i) establish number and issue price of the new shares, as well as the relevant rights issue ratio relating to the shares outstanding and (ii) set out terms and conditions underlying the exercise of the option right, as well as the offer on the Stock Exchange of the unexercised rights.

Bologna, 12 September 2005

Unipol Assicurazioni S.p.A.

www.unipol.it

Attached are the summaries of the Profit and Loss Account and the Balance Sheet for the Unipol Group and Unipol Assicurazioni S.p.A.

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

SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
(amounts in € million)

	30 June 2005			30 June 2004			31 December 2004		
	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total
TECHNICAL ACCOUNT									
Gross premiums	3.357,5	1.973,4	5.330,8	3.124,5	1.978,1	5.102,6	5.721,0	3.902,7	9.623,7
Outward reinsurance premiums	(17,6)	(139,4)	(157,0)	(26,7)	(215,3)	(242,0)	(50,0)	(422,0)	(472,0)
Net change in the provision for unearned premiums		1,6	1,6		(44,6)	(44,6)		(40,8)	(40,8)
Total Life premiums and Non-Life earned premiums	3.339,9	1.835,6	5.175,4	3.097,8	1.718,2	4.816,0	5.670,9	3.439,9	9.110,9
Claims and sums paid and changes in Life mathematical provisions and Non-Life provision for outstanding claims	(3.712,7)	(1.372,1)	(5.084,8)	(3.364,0)	(1.289,3)	(4.653,3)	(6.347,6)	(2.470,7)	(8.818,3)
Operating expenses	(90,3)	(409,6)	(499,9)	(96,9)	(379,8)	(476,7)	(191,3)	(753,9)	(945,2)
Other technical income and charges	3,2	(5,8)	(2,6)	9,7	23,6	33,4	23,5	(11,3)	12,2
Net income (charges) from Class D investments (1)	192,2		192,2	120,9		120,9	305,4		305,4
Net income from investments allocated to the technical account of Life business	328,3		328,3	264,5		264,5	610,4		610,4
Balance on the technical account (2)	60,6	48,0	108,5	32,0	72,8	104,8	71,4	204,1	275,4
NON-TECHNICAL ACCOUNT									
Net income from investments (3)			192,7			163,6			239,9
Net value adjustments			(62,2)			(71,7)			(71,1)
Amortization 'difference arising from consolidation'			(22,3)			(23,7)			(44,5)
Balance other income/other charges			(12,1)			(12,6)			(45,1)
Balance on ordinary activities			204,7			160,4			354,7
Extraordinary income			133,1			31,3			135,6
Extraordinary charges			(4,7)			(7,9)			(28,5)
Profit before taxation			333,1			183,8			461,9
Tax on profit			(111,6)			(84,1)			(188,9)
Consolidated profit			221,5			99,7			272,9
Profit (loss) for the year - minority interests			29,3			19,6			61,6
PROFIT (LOSS) FOR THE YEAR - GROUP			192,1			80,2			211,3

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

The economic result is consequently not affected.

(2) As regards Non-Life business, consolidated accounts do not require the transfer of investment income from the non-technical account.

(3) Net of investment income transferred to the technical account for Life business and of the goodwill amortization of the companies valued by the equity method for €1.8m as at 30 June 2005.

SUMMARY OF CONSOLIDATED BALANCE SHEET

(Amounts in € million)

	30 June 2005	30 June 2004	31 December 2004
ASSETS			
Intangible assets	1.129,5	1.201,2	1.153,7
Investments			
Land and buildings	657,3	878,7	894,7
Investments in Group undertakings and other participating interests	2.196,0	1.340,7	1.453,9
Other financial investments	22.278,0	19.732,1	19.954,4
Deposits with ceding undertakings	25,3	26,8	25,1
Total investments	25.156,5	21.978,3	22.328,1
Investments for the benefit of Life-assurance policyholders who bear the risk thereof and investments arising out of pension fund management	6.330,9	5.909,2	5.986,0
Technical provisions - reinsurers' share			
Non-Life insurance business	584,9	550,4	567,5
Life assurance business	139,9	366,2	171,2
Total technical provisions - reinsurers' share	724,7	916,6	738,7
Debtors	1.137,0	1.324,0	1.349,3
Other assets	1.254,3	746,2	1.205,6
Prepayments and accrued income	178,6	202,1	177,9
TOTAL ASSETS	35.911,5	32.277,6	32.939,3
LIABILITIES			
Capital and Reserves			
Share capital	965,5	911,6	916,5
Free reserves	1.595,7	1.520,3	1.521,3
Consolidation reserve	(18,5)	(57,2)	(54,7)
Reserve for valuation differences on unconsolidated shareholdings	20,3	10,9	8,5
Profit (loss) for the financial year	192,1	80,2	211,3
Capital and reserves - minority interests	284,4	248,6	298,5
Total capital and reserves	3.039,5	2.714,5	2.901,4
Subordinated liabilities	674,0	666,0	674,0
Technical provisions			
Non-Life insurance business	7.255,8	6.691,2	6.801,6
Life assurance business	17.545,5	15.137,1	15.602,6
Total technical provisions	24.801,3	21.828,3	22.404,2
Technical provisions where investment risk is borne by policyholders and provisions arising out of pension fund management	6.329,3	5.906,4	5.983,8
Provisions for other risks and charges	88,5	34,5	63,8
Deposits received from reinsurers	217,5	397,9	247,0
Creditors and other liabilities	730,4	690,5	625,0
Accruals and deferred income	30,9	39,5	40,1
TOTAL LIABILITIES	35.911,5	32.277,6	32.939,3

RECLASSIFIED PROFIT AND LOSS ACCOUNT OF UNIPOL ASSICURAZIONI S.p.A.
(Amounts in €K)

	30 June 2005			30 June 2004			2004 Financial Year		
	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total
TECHNICAL ACCOUNT									
Gross direct business									
(+) Written premiums	1.026.413	692.446	1.718.860	803.823	678.232	1.482.055	1.195.851	1.394.663	2.590.514
(-) Change in math. provisions and prov. for unearned premiums	853.240	1.898	855.138	628.971	4.459	633.430	836.354	26.788	863.141
(-) Claims paid	255.830	508.853	764.683	238.454	489.711	728.164	511.085	967.594	1.478.679
(+) Balance on other technical items	2.409	333	2.742	2.729	(6)	2.723	5.440	439	5.880
(-) Operating expenses	24.573	152.723	177.296	24.708	144.778	169.486	48.402	300.804	349.205
(+) Net income from investments other than Class D investments (1)	118.978	81.870	200.849	76.340	34.517	110.857	167.530	28.135	195.665
(+) Net income from Class D investments (2)	25.095		25.095	12.478		12.478	42.963		42.963
Balance on gross direct business	39.253	111.175	150.428	3.238	73.796	77.034	15.944	128.052	143.996
Balance on outward reinsurance	(750)	(8.855)	(9.605)	(63)	(10.190)	(10.253)	(542)	(17.176)	(17.718)
Balance on net indirect business	(270)	1.161	891	369	260	628	407	416	823
Balance on the technical account	38.234	103.480	141.714	3.543	63.867	67.410	15.809	111.292	127.101
NON-TECHNICAL ACCOUNT									
(+) Investment income (3)			115.213			56.287			74.882
(+) Other income			64.706			39.177			71.929
(-) Other charges			76.888			47.974			97.758
Balance on ordinary activities			244.745			114.900			176.153
(+) Extraordinary income			50.650			21.270			39.772
(-) Extraordinary charges			330			459			4.717
Profit before taxation			295.065			135.711			211.207
(-) Tax on profit			34.489			18.760			35.621
NET PROFIT (LOSS)			260.576			116.951			175.586

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

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

(2) Income from investments the risk of which is borne by policyholders, matched by a corresponding variation in technical provisions. The economic result is consequently not affected.

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

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

RELCASSIFIED BALANCE SHEET OF UNIPOL ASSICURAZIONI S.p.A.

(Amounts in €B)

	30 June 2005	30 June 2004	2004 Financial Year
ASSETS			
Intangible assets	39.309	41.582	39.470
Investments and liquid assets			
Land and buildings	502.817	579.860	613.568
Investments in Group undertakings and other participating interests	3.661.295	3.179.548	3.232.917
Debt securities	4.315.807	4.170.700	4.278.098
Other financial investments	1.434.279	729.940	927.601
Deposits with ceding undertakings	22.989	24.088	22.815
Cash at bank and in hand	329.665	242.014	118.013
Total investments and liquid assets	10.266.851	8.926.149	9.193.013
Class 'D' investments	934.000	643.742	692.352
Debtors			
Arising out of direct insurance and reinsurance operations	306.146	327.200	362.846
Other debtors	73.010	109.123	100.498
Total debtors	379.156	436.323	463.344
Other assets	118.032	115.573	104.882
TOTAL ASSETS	11.737.348	10.163.369	10.493.061
LIABILITIES			
Share capital and free reserves	2.562.734	2.421.466	2.427.357
Profit (loss) for the period	260.576	116.951	175.586
Subordinated liabilities	600.000	600.000	600.000
Net technical provisions			
Non-Life	2.144.964	2.015.536	2.067.670
Life	4.872.713	4.053.936	4.211.207
Total technical provisions	7.017.677	6.069.472	6.278.878
Net technical provisions - Class D	934.000	643.742	692.352
Provisions for other risks and charges	18.393	15.670	17.923
Creditors and other liabilities			
Arising out of direct insurance and reinsurance operations	83.525	73.272	64.885
Sundry borrowings and other financial creditors	11.391	14.599	15.085
Provision for staff leaving indemnity	26.053	25.913	24.366
Other creditors	90.543	87.145	81.464
Other liabilities	132.455	95.138	115.165
Total creditors and other liabilities	343.968	296.067	300.965
TOTAL LIABILITIES	11.737.348	10.163.369	10.493.061