



PRESS RELEASE

In 2003 consolidated premium income exceeded €7.4bn (+24%), 62% of which was for Life business (+24%). Group results are estimated to have risen by more than 40%. The results of the Parent Company increased by approximately 35%.

Bologna, 30 January 2004

At the meeting held today Unipol Assicurazioni's Board of Directors examined the provisional figures for the 2003 financial year, a year that was particularly important from the point of view of strategy and in view of the results achieved. The main features of 2003 were:

- the acquisition of the Winterthur Italia Group and the consequent €1,054m increase in share capital, which was fully subscribed by shareholders last July;
- the launch of the merger of the companies in the Winterthur Italia Group with Meieaurora, which will give rise to Aurora Assicurazioni, the third largest composite company in Italy;
- the reorganization of Unipol Assicurazioni to adapt it to the new configuration of the Group in order, by unifying the claims handling systems of the composite companies, to be able to share the IT and communications systems, centralize property and financial management and make economies of scale and of investment in order to create value for shareholders;
- further growth in banking and merchant banking business, which now includes medium-term lending operations;
- a substantial rise in premium income, in particular in Life business, and a considerable rise in the results of the companies in the Group and in the consolidated result.

In particular, as regards insurance income, the Group's consolidated direct premium income rose to €7.4bn (+24% compared with 2002), €4.6bn of which was for Life business (+24% compared with 2002) and €2.8bn for Non-Life business (+23% compared with 2002). The Winterthur Italia Group, acquired on 26 September 2003, did not contribute to Group premium income until the final quarter of the year (during which it achieved premium income of €0.55bn). Taking account of the premium income of the Winterthur Italia Group for the whole of 2003 would give a figure for premium income of €8.8bn (€5bn for Life business and €3.8bn for Non-Life business), 33.3% of it from the bancassurance companies (46.7% in 2002) and the remaining 66.7% from the other companies in the Group (53.3% in 2002).

In the case of Life business, results benefited from the considerable growth in premium income achieved by Unipol Assicurazioni (+75%) and Meieaurora (+45%). Placing Unipol Assicurazioni policies through the Unipol Banca network (which almost quadrupled its own Life premium income, bringing it up to €126m) led to a considerable increase in business. Despite the sale during 2003 of Noricum Vita (which in 2002 had premium income of €0.3bn), bancassurance business achieved growth of 4.7% owing to high rates of growth in BNL Vita and Quadrifoglio Vita (+17% overall compared with 2002).

In Non-Life business there was a satisfactory rise in premium income, associated with a further improvement in the technical results. In particular, the combined ratio of Group direct business

recorded a further drop and is expected to be around 95% (95.5% in 2002), whilst that of Unipol Assicurazioni is estimated to be approximately 93%.

Despite the background showing signs of continuing uncertainty over the recovery of international economies and financial markets, Property and Financial Management achieved very positive results, which were considerably better both in absolute terms and in terms of yield on managed stocks.

In the Banking and Managed Savings sector Unipol Banca continued to pursue its plan for growth, which by the end of the year gave it a sales network consisting of 192 branches (81 of which were combined with insurance agencies), 53 finance shops and 438 financial advisers. Direct customer deposits amounted to approximately €2.7bn (+20% compared with 2002), whilst customer funds reached €11.5bn (+64% compared with 2002). Loans exceeded €1.9bn, with a ratio of net doubtful loans to overall loans of 0.6%.

Unipol Merchant – Banca per le Imprese, authorized to undertake lending activities with effect from September 2003 and part of the Unipol Banca banking group as from the same date, began to carry out medium-term lending activities and also took part in two of the principal Stock Exchange listing operations of 2003 (Hera and Meta).

Based on the first calculations for the close of the 2003 financial year, Group results are expected to be positive and well up on the 2002 financial year, the increase in the consolidated net result for the Group being estimated at more than 40% and the net result for the Parent Company approximately 35%.

Examination of the overall results for the 2003 financial year, relating to both the individual company accounts and the Group consolidated accounts, is expected to take place at the Board meeting to be held on 26 March 2004.

2004 will see the completion of the process of merging Meieaurora with the companies in the Winterthur Italia Group (which will give rise to **Aurora Assicurazioni**). In addition, plans are well underway for the IT systems of the recently-acquired companies to be shared with those of the Parent Company and for both claims handling procedures and property and financial management activities to be centralized within the Parent Company. Once these projects are completed it will be possible to achieve major synergies of cost and investment, the effects of which will be spread out over the next few financial years.

As regards insurance premium income in the current financial year, the Unipol Group is setting itself the target of exceeding €9bn in premiums and of achieving a share of the Italian market of approximately 9% with a further improvement in results. Significant results are also expected in banking business, since Unipol Banca is planning to open new branches and expects growth of more than 20% in direct customer deposits and more than 35% in customer funds as well as further increases in revenue synergies with the Unipol Group's insurance customers.

Compagnia Assicuratrice Unipol S.p.A.
(www.unipol.it)