

**PRESS RELEASE**

**Unipol Group - Half-yearly results considerably up**

*Consolidated premiums reached €4,193m (+43.4%), €2,976m of which was for Life business (+67%) and €1,217m for non-Life business (+6.6%). The consolidated net profit as at 30 June 2003 was €80m (€67m of which related to the Unipol Group), a rate of growth of 56% over June 2002. Particularly positive was the technical result for non-Life and Life business, which rose to €93m (+128%).*

*Premium income for the Parent Company Unipol Assicurazioni was €1,327.6m (+44.5%) and the net half-yearly profit was €90.5m (+70.4%).*

*The increase in the share capital was fully subscribed (total takings €1,054.3m) as were the subordinated callable notes reserved for institutional investors (€300m), referred to in the resolutions passed on 21 June 2003 and intended to finance the acquisition of the Italian companies Winterthur Assicurazioni and Winterthur Vita (which will be implemented as soon as the necessary authorizations have been obtained).*

At its meeting held today in Bologna the Board of Directors of Unipol Assicurazioni, under the chairmanship of Giovanni Consorte, approved the **Parent Company's half-yearly report and the consolidated half-yearly report as at 30 June 2003**. The results of the first part of the financial year were very positive: growth, technical results and investment income meant a sustained increase in profits for the period.

**Parent Company: Unipol Assicurazioni**

Premium income for the Parent Company amounted to €1,327.6m (+44.5%), €673.2m of which was for non-Life business (+7.5%) and €654.5m for Life business (+123.7%). Part of this was due to major policies in the corporate sector, but policies of this size are unlikely to be repeated. Premiums written for direct business amounted to €1,291.6m (+48.8%).

The result for technical insurance business showed further improvement, with a positive balance of €95.5m compared with €65.5m as at 30 June 2002. This increase was determined by the increase in the balance for Life business and by the continuing positive trend in non-Life business. The combined ratio (cost of claims plus operating expenses for earned premiums) was 94.7%.

Investment income and capital gains from sales and trading, net of the relevant charges, grew by 66.5% during the half year.

The half-year result for ordinary business rose to €142.4m (+92.5%); the total gross profit amounted to €146.9m (+74.3%) and the **net profit for the period to €90.5m (+70.4%)**.

## Half-yearly results for the Group

In **insurance business** premium income reached €4,193m, a rate of growth over the first half year of 2002 of 43.4% (+44.3% for direct business), €2,976.5m of which was for Life business (+67.1%) and €1,216.7m for non-Life business (+6.6%).

The companies operating in bancassurance (BNL Vita, Noricum Vita and Quadrifoglio Vita) closed the half year with premium income of €2,041m, up 48.1%. The net profit achieved by the three Companies was €19.7m (+367.7% on 30/6/2002). Meieaurora achieved direct premium income of €692m (+33.3%), making a profit of €21.3m (+96.1% compared with the same period of 2002). The specialist companies Linear, Unisalute and Navale recorded growth of 17.5% and premium income of €143m, a net profit of €5.8m (+93.8% over 30/6/2002).

The technical result for **insurance business** (positive to the tune of €93m) was a considerable improvement compared with the previous financial year (€41m) owing to a loss ratio for non-Life business of 75.1% (76.7% as at 30/6/2002), with a combined ratio (incidence of losses and expenses on the net earned premiums) of 95.8% (96.9% as at 30/6/2002) and a positive technical balance for Life business rising to €52m (from €12m as at 30/6/2002).

Net operating expenses recorded an incidence on net earned premiums of 7.5% (9.5% as at 30/6/2002), helped by strong growth in Life business (though a growth of this size is unlikely to be repeated).

The amount of technical provisions reached €18,767m (+8.1% compared with 31/12/2002).

The volume of investments and available cash was €19,098m, an increase of €1,412m over 31/12/2002.

Net ordinary and extraordinary income (excluding net income in class D) amounted to €325m (compared with €305m as at 30 June 2002) and net value adjustments on investments were considerably less (€13m as against €109m as at 30/6/2002) as a result of a slight recovery in share markets.

Investments relating to benefits linked to investment funds, market indices and pension funds (class D) achieved a positive net result of €259m, compared with a negative result of €127m as at 30/6/2002.

In **banking business**, Unipol Banca's network continued to expand, with 179 branches by the end of the half year (173 at the end of 2002), and continued to develop commercial links and services in synergy with the Group's insurance sector. Direct customer deposits reached €1,828m (+68% on 30/6/2002) and loans to clients rose to €1,620m (+73%). Customer funds reached a total of €9,245m (+35.5%). Unipol Banca made a net profit of more than €4m (+406% over the same period of 2002).

Overall the aggregate net result for the companies in the Group – excluding the Parent Company – was €58.3m (+120% over 30/6/2002).

The consolidated result, before taxation and after the deduction of depreciation and goodwill, was €144.3m (€90.4m as at 30/6/2002; +59%). Net of taxation the **Group profit was €80m compared with €51m as at 30/6/2002 (+56%)**. **The net profit for the Group was €67m (€47m as at 30/6/2002; +41.9%)**.

### **Subsequent events**

Since the end of the half year the Group's business has continued to grow both in insurance and in banking. The income expectations for the current financial year are positive given the solid foundations on which operating activities are based and the care with which investment activities are managed. Provided there are no exceptional or anomalous events the forecast is for results that are well up on the previous financial year.

On 2 July Unipol Assicurazioni signed an agreement to sell its entire holding (of 51%) in Noricum Vita to the Sanpaolo IMI Group at a total price of €40.3m. The sale, for which legal authorization is awaited, will bring in net capital gains of approximately €20m.

The increase in the share capital, which was resolved on 21 June 2003 by Unipol Assicurazioni and the rights issue for which began on 14 July, was fully subscribed with total takings of €1,054.3m. The subordinated callable notes reserved for institutional investors (for a face value of €300m) were fully subscribed by institutional investors on 28 July and as from 1 August 2003 began to be quoted on the Luxembourg Stock Exchange.

As previously stated these operations are intended to finance the acquisition, resolved on 21 June 2003, of the controlling interest in the Italian insurance companies Winterthur Assicurazioni and Winterthur Vita (Unipol Assicurazioni will acquire 90% and Finsoe 10%), which will be implemented as soon as the authorizations required by law are obtained. In 2002 the two companies had premium income of €2,042m (€1,320m for non-Life business and €722m for Life business) and made a consolidated net profit of €94.5m. The trend in the companies' business in the first half of 2003 and in the first few months of the second half continued to be positive, in line with the results achieved in 2002.

With this acquisition the Group's market share, taking account of the expected divestment of Noricum Vita, should rise to around 9%, confirming Unipol as the fourth largest of the major insurance groups operating in Italy.

Bologna, 12 September 2003

Compagnia Assicuratrice Unipol S.p.A.

([www.Unipol.it](http://www.Unipol.it))

*The forms and the summary of consolidated Balance Sheet and Profit and Loss Account in millions of Euro are attached.*

| ASSETS   | As at 30 June 2003           | As at 30 June 2002           | As at 31 December 2002 |
|--|------------------------------|------------------------------|------------------------|
| <b>A. Subscribed share capital unpaid</b>  | <b>0</b> <sup>77</sup>       | <b>0</b> <sup>153</sup>      | <b>0</b>               |
| <b>B. Intangible assets</b>  |                              |                              |                        |
| 1. Deferred acquisition costs  | 67 <sup>78</sup>             | 63 <sup>154</sup>            | 64                     |
| 2. Other assets  | 22 <sup>79</sup>             | 25 <sup>155</sup>            | 22                     |
| 3. Differences arising from consolidation  | 380 <sup>80</sup>            | 407 <sup>156</sup>           | 393                    |
| Total  | <b>470</b> <sup>81</sup>     | <b>494</b> <sup>157</sup>    | <b>479</b>             |
| <b>C. Investments</b>  |                              |                              |                        |
| I - Land and buildings   | <b>491</b> <sup>82</sup>     | <b>628</b> <sup>158</sup>    | <b>521</b>             |
| II - Investments in Group undertakings and other participating interests   |                              |                              |                        |
| 1. Stocks and shares   | 1.167 <sup>83</sup>          | 855 <sup>159</sup>           | 921                    |
| 2. Debt securities   | 33 <sup>84</sup>             | 27 <sup>160</sup>            | 33                     |
| 3. Corporate financing   | 0 <sup>85</sup>              | 0 <sup>161</sup>             | 0                      |
| Total  | <b>1.199</b> <sup>86</sup>   | <b>882</b> <sup>162</sup>    | <b>954</b>             |
| III - Other financial investments  |                              |                              |                        |
| 1. Stocks and shares   | 409 <sup>87</sup>            | 345 <sup>163</sup>           | 317                    |
| 2. Units and shares in investment funds  | 122 <sup>88</sup>            | 148 <sup>164</sup>           | 131                    |
| 3. Bonds and other fixed-income securities   | 10.771 <sup>89</sup>         | 8.705 <sup>165</sup>         | 8.502                  |
| 4. Loans   | 72 <sup>90</sup>             | 69 <sup>166</sup>            | 71                     |
| 5. Other financial investments   | 362 <sup>91</sup>            | 229 <sup>167</sup>           | 1.183                  |
| Total  | <b>11.737</b> <sup>92</sup>  | <b>9.496</b> <sup>168</sup>  | <b>10.204</b>          |
| IV - Deposits with ceding undertakings   | <b>28</b> <sup>93</sup>      | <b>25</b> <sup>169</sup>     | <b>27</b>              |
| Total  | <b>13.455</b> <sup>94</sup>  | <b>11.031</b> <sup>170</sup> | <b>11.707</b>          |
| <b>D. Investments for the benefit of Life assurance policyholders who bear the risk thereof and arising out of pension fund management</b> | <b>5.097</b> <sup>95</sup>   | <b>4.537</b> <sup>171</sup>  | <b>5.162</b>           |
| <b>D. bis Technical provisions - reinsurers' share</b>   |                              |                              |                        |
| I - Technical provisions - Non-Life business   | 430 <sup>96</sup>            | 442 <sup>172</sup>           | 452                    |
| II - Technical provisions - Life business (except those at item III)   | 293 <sup>97</sup>            | 410 <sup>173</sup>           | 310                    |
| III - Technical provisions of Life business where investment risk is borne by policyholders, and pension fund management provisions        | 0 <sup>98</sup>              | 0 <sup>174</sup>             | 0                      |
| Total  | <b>723</b> <sup>99</sup>     | <b>852</b> <sup>175</sup>    | <b>761</b>             |
| <b>E. Debtors</b>  |                              |                              |                        |
| I - Debtors arising out of direct insurance operations   | 502 <sup>100</sup>           | 493 <sup>176</sup>           | 520                    |
| II - Debtors arising out of reinsurance operations   | 129 <sup>101</sup>           | 191 <sup>177</sup>           | 144                    |
| III - Other debtors  | 373 <sup>102</sup>           | 206 <sup>178</sup>           | 236                    |
| Total  | <b>1.004</b> <sup>103</sup>  | <b>890</b> <sup>179</sup>    | <b>900</b>             |
| <b>F. Other assets</b>   |                              |                              |                        |
| I - Tangible assets and stocks   | 22 <sup>104</sup>            | 15 <sup>180</sup>            | 16                     |
| II - Cash at bank and in hand  | 546 <sup>105</sup>           | 408 <sup>181</sup>           | 810                    |
| III - Own shares   | 0 <sup>106</sup>             | 0 <sup>182</sup>             | 7                      |
| IV - Other assets  | 51 <sup>107</sup>            | 59 <sup>183</sup>            | 49                     |
| Total  | <b>620</b> <sup>108</sup>    | <b>483</b> <sup>184</sup>    | <b>883</b>             |
| <b>G. Prepayments and accrued income</b>   | <b>130</b> <sup>109</sup>    | <b>131</b> <sup>185</sup>    | <b>121</b>             |
| <b>TOTAL ASSETS</b>  | <b>21.499</b> <sup>110</sup> | <b>18.417</b> <sup>186</sup> | <b>20.013</b>          |

## BALANCE SHEET

(Amounts in ₹n)

| LIABILITIES   | As at 30 June 2003              | As at 30 June 2002           | As at 31 December 2002       |
|---|---------------------------------|------------------------------|------------------------------|
| <b>A. Capital and reserves</b>  |                                 |                              |                              |
| I - Capital and reserves - Group  |                                 |                              |                              |
| 1. Subscribed share capital or equivalent funds   | 35 509 <sup>111</sup>           | 504 <sup>187</sup>           | 506 <sup>187</sup>           |
| 2. Free reserves  | 36 830 <sup>112</sup>           | 773 <sup>188</sup>           | 770 <sup>188</sup>           |
| 3. Consolidation reserve  | 37 -48 <sup>113</sup>           | -46 <sup>189</sup>           | -46 <sup>189</sup>           |
| 4. Reserve for valuation differences<br>on unconsolidated shareholdings   | 38 1 <sup>114</sup>             | -1 <sup>190</sup>            | -1 <sup>190</sup>            |
| 5. Exchange risk reserve  | 39 0 <sup>115</sup>             | 0 <sup>191</sup>             | 0 <sup>191</sup>             |
| 6. Reserve for own shares and holding company's shares  | 40 0 <sup>116</sup>             | 0 <sup>192</sup>             | 7 <sup>192</sup>             |
| 7. Profit (loss) for the period   | 41 67 <sup>117</sup>            | 47 <sup>193</sup>            | 102 <sup>193</sup>           |
| Total - Group   | 42 <b>1.357</b> <sup>118</sup>  | <b>1.277</b> <sup>194</sup>  | <b>1.339</b> <sup>194</sup>  |
| II - Capital and reserves - minority interests  |                                 |                              |                              |
| 1. Capital and reserves - minority interests  | 43 140 <sup>119</sup>           | 143 <sup>195</sup>           | 144 <sup>195</sup>           |
| 2. Profit (loss) for the period - minority interests  | 44 13 <sup>120</sup>            | 4 <sup>196</sup>             | 19 <sup>196</sup>            |
| Total - minority interests  | 45 <b>153</b> <sup>121</sup>    | <b>147</b> <sup>197</sup>    | <b>163</b> <sup>197</sup>    |
| Grand total   | 46 <b>1.511</b> <sup>122</sup>  | <b>1.424</b> <sup>198</sup>  | <b>1.502</b> <sup>198</sup>  |
| <b>B. Subordinated liabilities</b>  | 47 <b>332</b> <sup>123</sup>    | <b>300</b> <sup>199</sup>    | <b>337</b> <sup>199</sup>    |
| <b>C. Technical provisions</b>  |                                 |                              |                              |
| I - Non-Life business   |                                 |                              |                              |
| 1. Provision for unearned premiums  | 48 891 <sup>124</sup>           | 831 <sup>200</sup>           | 859 <sup>200</sup>           |
| 2. Provision for claims outstanding   | 49 3.083 <sup>125</sup>         | 2.929 <sup>201</sup>         | 2.987 <sup>201</sup>         |
| 3. Equalization provisions  | 50 8 <sup>126</sup>             | 8 <sup>202</sup>             | 8 <sup>202</sup>             |
| 4. Other provisions   | 51 1 <sup>127</sup>             | 1 <sup>203</sup>             | 2 <sup>203</sup>             |
| Total - Non-Life business   | 52 <b>3.984</b> <sup>128</sup>  | <b>3.769</b> <sup>204</sup>  | <b>3.856</b> <sup>204</sup>  |
| II - Life business  |                                 |                              |                              |
| 1. Mathematical provisions  | 53 9.400 <sup>129</sup>         | 7.298 <sup>205</sup>         | 8.059 <sup>205</sup>         |
| 2. Provision for amounts payable  | 54 120 <sup>130</sup>           | 67 <sup>206</sup>            | 106 <sup>206</sup>           |
| 3. Other technical provisions   | 55 176 <sup>131</sup>           | 164 <sup>207</sup>           | 173 <sup>207</sup>           |
| Total - Life business   | 56 <b>9.696</b> <sup>132</sup>  | <b>7.529</b> <sup>208</sup>  | <b>8.337</b> <sup>208</sup>  |
| Grand total   | 57 <b>13.679</b> <sup>133</sup> | <b>11.298</b> <sup>209</sup> | <b>12.193</b> <sup>209</sup> |
| <b>D. Technical provisions where investment risk is borne by<br/>policyholders and pension fund management provisions</b> | 58 <b>5.088</b> <sup>134</sup>  | <b>4.539</b> <sup>210</sup>  | <b>5.160</b> <sup>210</sup>  |
| <b>E. Provisions for other risks and charges</b>  | 59 <b>44</b> <sup>135</sup>     | <b>47</b> <sup>211</sup>     | <b>42</b> <sup>211</sup>     |
| <b>F. Deposits received from reinsurers</b>   | 60 <b>314</b> <sup>136</sup>    | <b>329</b> <sup>212</sup>    | <b>342</b> <sup>212</sup>    |
| <b>G. Creditors and other liabilities</b>   |                                 |                              |                              |
| I - Creditors arising out of direct insurance operations  | 61 42 <sup>137</sup>            | 37 <sup>213</sup>            | 46 <sup>213</sup>            |
| II - Creditors arising out of reinsurance operations  | 62 55 <sup>138</sup>            | 52 <sup>214</sup>            | 41 <sup>214</sup>            |
| III - Debenture loans   | 63 0 <sup>139</sup>             | 0 <sup>215</sup>             | 0 <sup>215</sup>             |
| IV - Amounts owed to credit institutions  | 64 0 <sup>140</sup>             | 5 <sup>216</sup>             | 0 <sup>216</sup>             |
| V - Sundry borrowings and creditors   | 65 197 <sup>141</sup>           | 161 <sup>217</sup>           | 145 <sup>217</sup>           |
| VI - Staff leaving indemnity  | 66 41 <sup>142</sup>            | 41 <sup>218</sup>            | 41 <sup>218</sup>            |
| VII - Other liabilities   | 67 175 <sup>143</sup>           | 157 <sup>219</sup>           | 127 <sup>219</sup>           |
| Total   | 68 <b>510</b> <sup>144</sup>    | <b>453</b> <sup>220</sup>    | <b>400</b> <sup>220</sup>    |
| <b>H. Accruals and deferred income</b>  | 69 <b>22</b> <sup>145</sup>     | <b>27</b> <sup>221</sup>     | <b>37</b> <sup>221</sup>     |
| <b>TOTAL LIABILITIES</b>  | 70 <b>21.499</b> <sup>146</sup> | <b>18.417</b> <sup>222</sup> | <b>20.013</b> <sup>222</sup> |

## GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

|   |                                 |                              |                              |
|---|---------------------------------|------------------------------|------------------------------|
| I - Guarantees issued by the Company  | 71 1.004 <sup>147</sup>         | 25 <sup>223</sup>            | 32 <sup>223</sup>            |
| II - Guarantees issued by third parties, including in favour of the Company | 72 1.436 <sup>148</sup>         | 90 <sup>224</sup>            | 115 <sup>224</sup>           |
| III - Commitments   | 73 5.834 <sup>149</sup>         | 2.946 <sup>225</sup>         | 3.561 <sup>225</sup>         |
| IV - Pension fund assets managed on behalf of third parties                 | 74 214 <sup>150</sup>           | 137 <sup>226</sup>           | 180 <sup>226</sup>           |
| V - Other memorandum accounts   | 75 18.288 <sup>151</sup>        | 16.241 <sup>227</sup>        | 16.796 <sup>227</sup>        |
| <b>TOTAL MEMORANDUM ACCOUNTS</b>  | 76 <b>26.776</b> <sup>152</sup> | <b>19.440</b> <sup>228</sup> | <b>20.684</b> <sup>228</sup> |

**CONSOLIDATED**

|   | As at 30 June 2003     | As at 30 June 2002   | As at 31 December 2002 |
|---|------------------------|----------------------|------------------------|
| <b>I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS</b>   |                        |                      |                        |
| 1. Earned premiums, net of reinsurance  | 1 1.058 <sup>49</sup>  | 994 <sup>97</sup>    | 2.038                  |
| 2. Other technical income, net of reinsurance   | 2 2 <sup>50</sup>      | 2 <sup>98</sup>      | 4                      |
| 3. Claims incurred, net of sums recoverable and reinsurance   | 3 794 <sup>51</sup>    | 763 <sup>99</sup>    | 1.542                  |
| 4. Changes in other technical provisions, net of reinsurance  | 4 0 <sup>52</sup>      | 0 <sup>100</sup>     | 0                      |
| 5. Bonuses and rebates, net of reinsurance  | 5 0 <sup>53</sup>      | 0 <sup>101</sup>     | 1                      |
| 6. Operating expenses:  |                        |                      |                        |
| a) Acquisition costs, net of reinsurance commissions and profit sharing   | 6 150 <sup>54</sup>    | 137 <sup>102</sup>   | 291                    |
| b) Administration expenses  | 7 69 <sup>55</sup>     | 64 <sup>103</sup>    | 116                    |
| Total   | 8 219 <sup>56</sup>    | 201 <sup>104</sup>   | 407                    |
| 7. Other technical charges, net of reinsurance  | 9 6 <sup>57</sup>      | 3 <sup>105</sup>     | 7                      |
| 8. Change in the equalization provision   | 10 0 <sup>58</sup>     | 0 <sup>106</sup>     | 0                      |
| 9. Balance on the technical account for Non-Life insurance business   | 11 41 <sup>59</sup>    | 29 <sup>107</sup>    | 84                     |
| <b>II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS</b>  |                        |                      |                        |
| 1. Written premiums, net of reinsurance   | 12 2.951 <sup>60</sup> | 1.761 <sup>108</sup> | 3.679                  |
| 2. (+) Allocated investment returns transferred from the non-technical account (item III.5)   | 13 224 <sup>61</sup>   | 112 <sup>109</sup>   | 269                    |
| 3. Investment income and unrealized gains on investments for Life Investments for the benefit of Life assurance policyholders who bear and arising out of pension fund management | 14 292 <sup>62</sup>   | 61 <sup>110</sup>    | 185                    |
| 4. Other technical income, net of reinsurance   | 15 21 <sup>63</sup>    | 17 <sup>111</sup>    | 49                     |
| 5. Claims incurred, net of reinsurance  | 16 838 <sup>64</sup>   | 602 <sup>112</sup>   | 1.251                  |
| 6. Changes in mathematical provisions and other technical provisions, net of reinsurance  |                        |                      |                        |
| a) Mathematical provisions, supplementary risks-provision for unearned premiums and other technical provisions  | 17 1.959 <sup>65</sup> | 511 <sup>113</sup>   | 1.281                  |
| b) Technical provisions where investment risk is borne by policyholders and pension fund management provisions  | 18 515 <sup>66</sup>   | 570 <sup>114</sup>   | 1.190                  |
| Total   | 19 2.474 <sup>67</sup> | 1.080 <sup>115</sup> | 2.471                  |
| 7. Bonuses and rebates, net of reinsurance  | 20 1 <sup>68</sup>     | 2 <sup>116</sup>     | 2                      |
| 8. Operating expenses:  |                        |                      |                        |
| a) Acquisition costs, net of reinsurance commissions and profit sharing   | 21 62 <sup>69</sup>    | 41 <sup>117</sup>    | 97                     |
| b) Administrative expenses  | 22 19 <sup>70</sup>    | 19 <sup>118</sup>    | 38                     |
| Total   | 23 82 <sup>71</sup>    | 59 <sup>119</sup>    | 135                    |

**PROFIT AND LOSS ACCOUNT**

(Amounts in €n)

|  | As at 30 June 2003          | As at 30 June 2002        | As at 31 December 2002 |
|--|-----------------------------|---------------------------|------------------------|
| <b>9. Investment charges and unrealized losses on investments for Life assurance policies where investment risk is borne by policyholders and arising out of pension fund management</b> | 24 33 <sup>72</sup>         | 188 <sup>120</sup>        | 259                    |
| <b>10. Other technical charges, net of reinsurance</b>   | 25 8 <sup>73</sup>          | 8 <sup>121</sup>          | 27                     |
| <b>11. Balance on the technical account for Life assurance business</b>  | 26 <b>52</b> <sup>74</sup>  | <b>12</b> <sup>122</sup>  | <b>37</b>              |
| <b>III. NON-TECHNICAL ACCOUNT</b>  |                             |                           |                        |
| <b>1. Balance on the technical account for Non-Life business (item I.9)</b>  | 27 41 <sup>75</sup>         | 29 <sup>123</sup>         | 84                     |
| <b>2. Balance on the technical account for Life business (item II.11)</b>  | 28 52 <sup>76</sup>         | 12 <sup>124</sup>         | 37                     |
| <b>3. Investment income</b>  |                             |                           |                        |
| a) Income from investments   | 29 266 <sup>77</sup>        | 303 <sup>125</sup>        | 540                    |
| b) Value re-adjustments on investments   | 30 15 <sup>78</sup>         | 7 <sup>126</sup>          | 3                      |
| c) Realized gains on investments   | 31 108 <sup>79</sup>        | 36 <sup>127</sup>         | 96                     |
| Total  | 32 <b>389</b> <sup>80</sup> | <b>346</b> <sup>128</sup> | <b>639</b>             |
| <b>4. Investment charges</b>   |                             |                           |                        |
| a) Investment management charges, including interest payable   | 33 28 <sup>81</sup>         | 37 <sup>129</sup>         | 67                     |
| b) Value adjustments on investments  | 34 28 <sup>82</sup>         | 116 <sup>130</sup>        | 153                    |
| c) Realized losses on investments  | 35 43 <sup>83</sup>         | 6 <sup>131</sup>          | 32                     |
| Total  | 36 <b>99</b> <sup>84</sup>  | <b>159</b> <sup>132</sup> | <b>252</b>             |
| <b>5. (-) Allocated investment returns transferred to Life assurance technical account (item II. 2)</b>  | 37 224 <sup>85</sup>        | 112 <sup>133</sup>        | 269                    |
| <b>6. Other income</b>   | 38 30 <sup>86</sup>         | 27 <sup>134</sup>         | 65                     |
| <b>7. Other charges</b>  | 39 58 <sup>87</sup>         | 62 <sup>135</sup>         | 111                    |
| <b>8. Balance on ordinary activities</b>   | 40 <b>132</b> <sup>88</sup> | <b>80</b> <sup>136</sup>  | <b>192</b>             |
| <b>9. Extraordinary income</b>   | 41 21 <sup>89</sup>         | 12 <sup>137</sup>         | 50                     |
| <b>10. Extraordinary charges</b>   | 42 8 <sup>90</sup>          | 2 <sup>138</sup>          | 14                     |
| <b>11. Balance on extraordinary activities</b>   | 43 <b>13</b> <sup>91</sup>  | <b>10</b> <sup>139</sup>  | <b>36</b>              |
| <b>12. Profit before taxation</b>  | 44 <b>144</b> <sup>92</sup> | <b>90</b> <sup>140</sup>  | <b>229</b>             |
| <b>13. Tax on profit</b>   | 45 64 <sup>93</sup>         | 39 <sup>141</sup>         | 108                    |
| <b>14. Consolidated profit (loss)</b>  | 46 <b>80</b> <sup>94</sup>  | <b>51</b> <sup>142</sup>  | <b>121</b>             |
| <b>15. Profit (loss) for the period - minority interests</b>   | 47 13 <sup>95</sup>         | 4 <sup>143</sup>          | 19                     |
| <b>16. Profit (loss) for the period - Group</b>  | 48 <b>67</b> <sup>96</sup>  | <b>47</b> <sup>144</sup>  | <b>102</b>             |

## CONSOLIDATED BALANCE SHEET - SUMMARY

(€ million)

|   | 30 June 2003    | 30 June 2002    | 31 December<br>2002 |
|---|-----------------|-----------------|---------------------|
| <b>ASSETS</b>   |                 |                 |                     |
| <b>Subscribed share capital unpaid</b>  |                 |                 |                     |
| <b>Intangible assets</b>  | 469,9           | 494,2           | 479,4               |
| <b>Investments</b>  |                 |                 |                     |
| Land and buildings  | 490,9           | 627,6           | 521,0               |
| Investments in Group undertakings and other participating interests   | 1.199,3         | 882,2           | 953,9               |
| Other financial investments   | 11.736,7        | 9.495,7         | 10.204,5            |
| Deposits with ceding undertakings   | 28,2            | 25,1            | 27,4                |
| <b>Total investments</b>  | <b>13.455,0</b> | <b>11.030,5</b> | <b>11.706,8</b>     |
| <b>Investments for the benefit of Life assurance policyholders who bear the risk thereof and investments arising out of pension fund management</b> | <b>5.096,6</b>  | <b>4.537,2</b>  | <b>5.161,7</b>      |
| <b>Technical provisions - reinsurers' share</b>   |                 |                 |                     |
| Non-Life insurance business   | 429,8           | 441,7           | 451,6               |
| Life assurance business   | 293,1           | 410,4           | 309,8               |
| <b>Total technical provisions - reinsurers' share</b>   | <b>722,8</b>    | <b>852,1</b>    | <b>761,4</b>        |
| <b>Debtors</b>  | 1.004,4         | 889,9           | 900,1               |
| <b>Other assets</b>   | 619,7           | 482,6           | 882,7               |
| <b>Prepayments and accrued income</b>   | 130,4           | 130,9           | 120,9               |
| <b>TOTAL ASSETS</b>   | <b>21.498,7</b> | <b>18.417,4</b> | <b>20.013,0</b>     |
| <b>LIABILITIES</b>  |                 |                 |                     |
| <b>Capital and Reserves</b>   |                 |                 |                     |
| Share capital   | 508,8           | 503,6           | 505,7               |
| Free reserves   | 829,6           | 773,0           | 777,7               |
| Consolidation reserve   | (48,4)          | (46,5)          | (46,4)              |
| Reserve for valuation differences on unconsolidated shareholdings   | 0,8             | (0,5)           | (0,5)               |
| Profit (loss) for the financial year  | 66,7            | 47,0            | 102,1               |
| Capital and reserves - minority interests   | 153,3           | 147,4           | 163,3               |
| <b>Total capital and reserves</b>   | <b>1.510,8</b>  | <b>1.424,0</b>  | <b>1.501,8</b>      |
| <b>Subordinated liabilities</b>   | 332,0           | 300,0           | 337,0               |
| <b>Technical provisions</b>   |                 |                 |                     |
| Non-Life insurance business   | 3.983,5         | 3.768,9         | 3.855,9             |
| Life assurance business   | 9.695,6         | 7.529,0         | 8.337,4             |
| <b>Total technical provisions</b>   | <b>13.679,2</b> | <b>11.297,9</b> | <b>12.193,3</b>     |
| <b>Technical provisions where investment risk is borne by policyholders and provisions arising out of pension fund management</b>                   | <b>5.087,7</b>  | <b>4.539,3</b>  | <b>5.159,8</b>      |
| <b>Provisions for other risks and charges</b>   | 43,7            | 47,4            | 42,0                |
| <b>Deposits received from reinsurers</b>  | 313,6           | 328,9           | 342,5               |
| <b>Creditors and other liabilities</b>  | 509,8           | 452,7           | 400,1               |
| <b>Accruals and deferred income</b>   | 21,9            | 27,1            | 36,6                |
| <b>TOTAL LIABILITIES</b>  | <b>21.498,7</b> | <b>18.417,4</b> | <b>20.013,0</b>     |

*Figures as at 30 June 2003 shall be certified by our independent Auditors and checked by the Company's Board of Statutory Auditors.*



**CONSOLIDATED PROFIT AND LOSS ACCOUNT - SUMMARY**

(€ million)

|  | 30 June 2003 |                           |              | 30 June 2002 |                           |             | 31 December 2002 |                           |              |
|--|--------------|---------------------------|--------------|--------------|---------------------------|-------------|------------------|---------------------------|--------------|
|  | Life         | Non-Life                  | Total        | Life         | Non-Life                  | Total       | Life             | Non-Life                  | Total        |
| <b>TECHNICAL ACCOUNT</b>   |              |                           |              |              |                           |             |                  |                           |              |
| <b>net of reinsurance</b>  |              |                           |              |              |                           |             |                  |                           |              |
| Life written premiums and Non-Life earned premiums   | 2.950,7      | 1.057,7                   | 4.008,4      | 1.761,4      | 994,5                     | 2.755,9     | 3.678,6          | 2.037,8                   | 5.716,4      |
| Claims and sums paid and changes in Life mathematical provisions and Non-Life provision for outstanding claims | (3.312,0)    | (794,0)                   | (4.106,0)    | (1.682,4)    | (763,2)                   | (2.445,6)   | (3.722,0)        | (1.542,1)                 | (5.264,1)    |
| Operating expenses   | (81,6)       | (219,0)                   | (300,6)      | (59,4)       | (201,1)                   | (260,5)     | (135,1)          | (407,0)                   | (542,1)      |
| Other technical income and charges   | 11,7         | (4,0)                     | 7,7          | 7,2          | (1,2)                     | 6,1         | 20,1             | (4,9)                     | 15,2         |
| Net income (charges) from Class D investments (1)  | 259,3        |                           | 259,3        | (126,9)      |                           | (126,9)     | (73,8)           |                           | (73,8)       |
| Net investment income allocated to the technical account of Life business                                      | 224,3        |                           | 224,3        | 111,9        |                           | 111,9       | 269,0            |                           | 269,0        |
| <b>Balance on the technical account</b>  | <b>52,4</b>  | <b>40,7<sup>(2)</sup></b> | <b>93,1</b>  | <b>11,8</b>  | <b>29,0<sup>(2)</sup></b> | <b>40,8</b> | <b>36,8</b>      | <b>83,8<sup>(2)</sup></b> | <b>120,6</b> |
| <b>NON-TECHNICAL ACCOUNT</b>   |              |                           |              |              |                           |             |                  |                           |              |
| Net investment income (3)  |              |                           | 78,8         |              |                           | 184,2       |                  |                           | 266,9        |
| Balance on other income/other charges  |              |                           | (27,2)       |              |                           | (35,6)      |                  |                           | (45,5)       |
| Net value adjustments  |              |                           | (13,0)       |              |                           | (109,0)     |                  |                           | (149,6)      |
| <b>Balance on ordinary activities</b>  |              |                           | <b>131,6</b> |              |                           | <b>80,4</b> |                  |                           | <b>192,4</b> |
| Extraordinary income   |              |                           | 20,9         |              |                           | 12,2        |                  |                           | 50,3         |
| Extraordinary charges  |              |                           | (8,2)        |              |                           | (2,3)       |                  |                           | (14,1)       |
| <b>Profit before taxation</b>  |              |                           | <b>144,3</b> |              |                           | <b>90,4</b> |                  |                           | <b>228,6</b> |
| Tax on profit  |              |                           | (64,3)       |              |                           | (39,2)      |                  |                           | (107,6)      |
| Profit (loss) for the year - minority interests  |              |                           | 13,2         |              |                           | 4,2         |                  |                           | 18,9         |
| <b>PROFIT (LOSS) FOR THE YEAR - GROUP</b>  |              |                           | <b>66,7</b>  |              |                           | <b>47,0</b> |                  |                           | <b>102,1</b> |

(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, no allocation of investment returns from the non-technical account is made in the consolidated profit and loss account.

(3) Net of investment returns allocated to the Life assurance technical account.

*Figures as at 30 June 2003 shall be certified by our independent Auditors and checked by the Company's Board of Statutory Auditors.*