

PRESS RELEASE

Unipol Group – analysis of performance in 2002

Group premium income rose to approximately €6,000m (+22%), of which 62% from Life business (+33%). Group and Parent Company results are up on the previous year.

Based on initial provisional data, in the year just ended the Group achieved:

- a substantial rise in premium income, particularly from Life business,
- further improvement in the quality of the portfolio and in the Non-Life technical account,
- considerable expansion in the banking and merchant banking sector,
- a significant rise in the results for all Group undertakings and in Consolidated profit.

Moreover, Group technological and organisational integration continued.

As for premium income, Group premiums reached approximately €6,000m (+22%), of which €3,700m from Life business (+33%) and €2,300m from Non-Life business (+8%).

In the Life sector, the growth rate benefited from an increase of approximately 9% from the agency network and a rise above expectations of 40% from the bancassurance sector.

In the Non-Life sector, underwriting results continued to improve. In particular, the combined ratio (which includes both the loss ratio and the ratio of operating expenses to premiums) showed a further reduction on the performance recorded on 31/12/2001 (99%).

The rationalisation of processes and structures meant a further reduction in operating expenses against premiums.

Investment income was in line with that of 2001, despite the economic climate being worse and the financial markets performing adversely.

As for the banking and managed savings sector, Unipol Banca continued to implement its own development plan. At the end of the year, with the acquisition of 60 branches from the Capitalia Group, Unipol Banca's network numbered 173 outlets (95 at the end of 2001), 58 financial sales points and over 400 financial advisers. Direct customer deposits (approximately €2,300m) more than doubled compared with 2001 and customer funds were €7,500m (€6,275m at the end of 2001).

Based on initial assessments for the end of 2002, the results achieved by all Group undertakings are positive and up on 2001 and the Consolidated profit and Parent Company profit seem to be in line with expectations, barring any particularly significant extraordinary events.

The overall results for 2002, both the Parent Company annual accounts and the Group consolidated accounts, are due to be examined at the Board meeting on 28 March 2003.

For 2003, our growth objectives are to improve the Group's competitiveness and results, further consolidating its position as one of Italy's top 5 insurance groups, to continue to strengthen commercial and management synergies between companies, by implementing new shared services in particular (Group claims settlement structures), and to boost growth in banking activities, helped particularly by the potential achieved by the distribution network.

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(www.unipol.it)

Compagnia Assicuratrice Unipol