

PRESS RELEASE

**Unipol Assicurazioni S.p.A. and Unipol Group consolidated results
examined by the Board of Directors**

Unipol Group

Consolidated premium income reached €5,103m (an increase of 22% compared with €4,193m in the first half of 2003), €3,124m of which was for Life business (+5%) and €1,978m for Non-Life business (+63%).

The combined ratio for direct business showed a further improvement, being 94.2% compared with 94.8% in the first half of 2003.

Investments and liquid assets rose to €28,545m, an increase of 8% compared with €26,385m as at 31 December 2003 and an increase of 49% compared with €19,098m as at 30 June 2003.

Consolidated net profit for the first half of 2004 rose to €100m, an increase of 25% compared with €80m in the first half of 2003. The result is net of depreciation of goodwill and other consolidation adjustments of €121m (€80m of which relates to dividends offset within the Group) compared with €63m in the first half of 2003 (+92%).

Unipol Assicurazioni S.p.A.

Premium income for the Parent Company Unipol Assicurazioni S.p.A. rose to €1,517m (an increase of 14% compared with €1,328m in the first half of 2003), €807m of which was for Life business (+23%) and €710m for Non-Life business (+5%).

The combined ratio for direct business showed a further improvement, being 94.0% compared with 94.7% in the first half of 2003.

Investments and liquid assets rose to €9,570m, an increase of 8% compared with €8,866m as at 31 December 2003 and an increase of 36% compared with €7,045m as at 30 June 2003.

Net profit for the first half of 2004 rose to €117m, an increase of 29% compared with €90m for the first half of 2003.

At its meeting held in Bologna today chaired by Giovanni Consorte the Board of Directors of Unipol Assicurazioni S.p.A. approved the **consolidated half-yearly report** and the **Parent Company's half-yearly report** as at **30 June 2004**.

Consolidated half-yearly results for the Unipol Group (insurance business and banking business)

In **insurance business premium income** totalled €5,103m, an increase of 22% compared with €4,193m for the first half of 2003. Part of the increase was due to consolidation of premium income from the companies in the Winterthur Italia Group acquired in 2003. (On the same basis of consolidation the increase would have exceeded 2%). In particular Unipol Assicurazioni had premium income of €1,517m, Aurora Assicurazioni (including Winterthur Vita, which was in the process of being merged) €1,711m and the other companies in the Group €1,875m. Overall the proportion of premium income relating to the 'composite' and 'specialized' companies rose to 66% (51% as at June 2003) compared with 34% for 'bancassurance' (49% as at June 2003).

Gross premiums for Life business were €3,124m, an increase of 5% compared with €2,977m in the first half of 2003. Of particular note in this type of business was the launch of the sale of Aurora Assicurazioni life products by the branches of the banks controlled by Reti Bancarie Holding (Bipielle Group), which had premium income of €125m. Non-Life premiums amounted to €1,978m (+63% compared with €1,217m in the first half of 2003), in line with expectations.

The **technical result for core insurance business** showed a positive balance of €105m (€93m in the first half of 2003, +13%) thanks in particular to the contribution made by Non-Life business. The aggregate combined ratio for direct business showed a further improvement, being 94.2% (94.8% as at 30 June 2003). The total amount of gross technical provisions came to €27,735m (+8% compared with 31 December 2003), €6,691m of which related to Non-Life business, whilst investments and liquid assets reached €28,545m (+8% compared with €26,385m as at 31 December 2003 and +49% compared with €19,098m as at 30 June 2003). Net capital gains and investment income for the period and net gains from disposals and trading amounted to €450m (€325m in the first half of 2003), whilst net value adjustments rose from €13m (in the first half of 2003) to €72m, mainly as a result of the fall in prices of debt securities linked to the fluctuations in medium- and long-term interest rates. Investments relating to benefits linked to investment funds, market indices and pension funds (class D) achieved a positive net result of €121m (compared with €259m as at 30 June 2003).

The total aggregate net half-yearly profits achieved by the insurance companies amounted to €12m, to which Unipol Assicurazioni contributed €17m, Aurora Assicurazioni (including Winterthur Vita) €7m and the other insurance companies €9m.

In **banking business** Unipol Banca closed the half year with an operating profit of €7.7m (compared with €1.4m in the first half of 2003) and a net profit of €3.2m after depreciation, sums set aside and taxes amounting to €6.5m had been taken into account. Customer deposits amounted to €3,371m (+84% compared with the first half of 2003) and customer funds to €13,410m (+45% compared with the same period of 2003), €1,260m of which was in managed savings, whilst investments reached €2,251m (+39%), the increase being mainly due to mortgage loans granted (€22m). Income from Unipol Assicurazioni life policies generated premiums for approximately €220m (€67m as at 30 June 2003). As at 30 June 2004 the sales network was made up of 192 bank branches, 49 finance shops and 451 financial advisers.

To sum up, the aggregate net result for the companies in the Group – excluding the Parent Company Unipol Assicurazioni – was **€110m** (+89% compared with the first half of 2003), €15m of which

was from banking business and the other financial companies. The **gross consolidated result** for the half year was €184m (an increase of 27% compared with the first half of 2003). The **net consolidated result** for the half year amounted to €100m, compared with €80m in the first half of 2003 (+25%), whilst net profit **relating to the Group** amounted to €80m (an increase of 20% compared with €67m in the first half of 2003). The result is net of depreciation of goodwill and other consolidation adjustments of €21m (€80 of which was from offsetting dividends within the Group) compared with €63m in the first half of 2003 (+92%).

Half-yearly results for the Parent Company Unipol Assicurazioni

The Parent Company's **premium income** rose to €1,517m (+14% compared with €1,328m in the first half of 2003), €807m of which was for Life business (+23%) and €710m for Non-Life business (+5%).

The **technical result for core insurance business** amounted to €67m (€5m as at 30 June 2003, but, like the other results mentioned below, these amounts are not directly comparable because of the different way dividends were treated for tax purposes and because of the abolition of the tax credit introduced by Legislative Decree 344/2003). The combined ratio for direct business showed a further improvement, being 94.0%, down compared with 94.7% in the first half of 2003.

Investments and liquid assets rose to €9,570m, an increase of 8% compared with €8,866m as at 31 December 2003 and an increase of 36% compared with €7,045m as at 30 June 2003.

Net capital gains and investment income for the period amounted to €164m (-1%, or +25% excluding tax credits on dividends for the first half of 2003), whilst net gains from disposals and trading were of €28m (€35m in the first half of 2003) and net value adjustments of -€27m (-€6m in the first half of 2003). Investments for the benefit of policyholders who bear the risk and deriving from pension fund management (class D) recorded a net positive result of €12m (€18m in the first half of 2003).

The half-yearly result for ordinary business amounted to €115m (€142m in the first half of 2003), pre-tax profits were €136m (€147m in the first half of 2003) and **net profit** for the half year amounted to €117m (+29% compared with €90m in the first half of 2003). The net result is particularly affected by a lower tax rate than in the same period of the previous year, mainly because of the different way in which dividends are treated for tax purposes, as mentioned above.

Events occurring after 30 June 2004 and business outlook

As has already been announced, the General Shareholders' Meetings of Aurora Assicurazioni, Winterthur Vita, Centro Servizi Missori and Immobiliare San Vigilio held on 28 July 2004 approved the merger of Winterthur Vita, Centro Servizi Missori and Immobiliare San Vigilio into Aurora Assicurazioni.

This operation represents the final stage in the plan to reorganize Meieaurora and the companies in the Winterthur Italia Group, which has led to the creation of Aurora Assicurazioni, the largest insurance company in the Group.

Financial and property management and claims-handling have already been centralized in the Parent Company and the transfer of the IT systems of the companies based in Milan to those of Unipol Assicurazioni is currently being finalized.

The Winterthur Italia Group, acquired at the end of 2003, will be fully integrated during 2004. This ambitious objective will create the conditions under which significant economies of costs and investments can be made, the effects of which will become fully apparent over the next few years.

On 27 July 2004 BNL Vita signed the preliminary agreement to sell to RB Vita (a company in the RAS Group) the class of business consisting of the Life portfolio placed by the financial advisers of

the former BNL Investimenti bank, which involves transferring technical provisions of approximately €1bn.

As regards banking business, in July the due diligence relating to the possible merger of Unipol Banca and Meliorbanca was completed. Advisers have been appointed and are currently carrying out a valuation of the two companies, the final results of which will be examined by the Boards of Directors at their forthcoming meetings. With a view to strengthening its sales network Unipol Banca has combined with the Banca Popolare Vicentina to take part in the bidding for the acquisition of 50 banking outlets in Sicily, 20 of which are of interest to Unipol Banca.

The Group's business activities have proceeded normally since the end of the half year. Premium income has continued to rise in line with the half-yearly trends and on the whole the technical trend has continued to be positive, as it was in first part of the year. The trend in operating costs has been normal, although the reorganization taking place in Aurora has led to some extraordinary expenses being incurred in the short term and these will also affect the figures for the second half of 2004 when the work that used to be carried out by Meieaurora and Winterthur is transferred to the new offices in San Donato Milanese. Property and financial management have shown a trend that has been positive and in line with expectations.

Provided there are no unusual or exceptional events Group income for the current year is expected to be higher than it was last year and in line with the forecast.

Other resolutions passed by the Board of Directors

In accordance with Art. 2505, para. 2 of the Civil Code the Board of Directors of Unipol Assicurazioni also approved the merger by incorporation of the wholly-owned company Winterthur Italia Holding.

Bologna, 10 September 2004

Compagnia Assicuratrice Unipol S.p.A.

(www.Unipol.it)

The consolidated Balance Sheet and Profit and Loss Account and summaries are attached, with amounts shown in millions of Euro.

CONSOLIDATED BALANCE SHEET - SUMMARY

(Amounts in € million)

	30 June 2004	30 June 2003	31 December 2003
ASSETS			
Subscribed share capital unpaid			
Intangible assets	1,201.2	469.9	1,213.2
Investments			
Land and buildings	878.7	490.9	647.6
Investments in group undertakings and other participating interests	1,340.7	1,199.3	1,422.4
Other financial investments	19,732.1	11,736.7	18,049.4
Deposits with ceding undertakings	26.8	28.2	26.1
Total investments	21,978.3	13,455.0	20,145.5
Investments for the benefit of life-assurance policyholders who bear the risk thereof and investments arising out of pension fund management	5,909.2	5,096.6	5,561.7
Technical provisions - reinsurers' share			
Non-Life insurance business	550.4	429.8	503.3
Life assurance business	366.2	293.1	385.5
Total technical provisions - reinsurers' share	916.6	722.8	888.8
Debtors	1,324.0	1,004.4	1,344.9
Other assets	746.2	619.7	800.5
Prepayments and accrued income	202.1	130.4	212.1
TOTAL ASSETS	32,277.6	21,498.7	30,166.6
LIABILITIES			
Capital and Reserves			
Share capital	911.6	508.8	906.2
Free reserves	1,520.3	829.6	1,487.7
Consolidation reserve	(57.2)	(48.4)	(48.3)
Reserve for valuation differences on unconsolidated shareholdings	10.9	0.8	0.8
Profit (loss) for the financial year	80.2	66.7	147.5
Capital and reserves - minority interests	248.6	153.3	229.9
Total capital and reserves	2,714.5	1,510.8	2,723.7
Subordinated liabilities	666.0	332.0	666.0
Technical provisions			
Non-Life insurance business	6,691.2	3,983.5	6,440.1
Life assurance business	15,137.1	9,695.6	13,667.7
Total technical provisions	21,828.3	13,679.2	20,107.8
Technical provisions where investment risk is borne by policyholders and provisions arising out of pension fund management	5,906.4	5,087.7	5,561.2
Provisions for other risks and charges	34.5	43.7	46.8
Deposits received from reinsurers	397.9	313.6	405.2
Creditors and other liabilities	690.5	509.8	618.1
Accruals and deferred income	39.5	21.9	37.9
TOTAL LIABILITIES	32,277.6	21,498.7	30,166.6

Figures as at 30 June 2004 shall be, as usual, checked by the Company's Board of Statutory Auditors and certified by our independent Auditors (KPMG S.p.A.)

CONSOLIDATED PROFIT AND LOSS ACCOUNT - SUMMARY

(Amounts in € million)

	30 June 2004			30 June 2003			31 December 2003		
	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total
TECHNICAL ACCOUNT									
net of reinsurance									
Life written premiums and Non-life earned premiums	3,097.8	1,718.2	4,816.0	2,950.7	1,057.7	4,008.4	4,601.8	2,480.0	7,081.8
Claims and sums paid and changes in Life mathematical provisions and Non-Life provision for outstanding claims	(3,364.0)	(1,289.3)	(4,653.3)	(3,312.0)	(794.0)	(4,106.0)	(5,143.9)	(1,809.5)	(6,953.4)
Operating expenses	(96.9)	(379.8)	(476.7)	(81.6)	(219.0)	(300.6)	(159.3)	(536.0)	(695.4)
Other technical income and charges	9.7	23.6	33.4	11.7	(4.0)	7.7	22.3	1.9	24.2
Net income (charges) from Class D investments ⁽¹⁾	120.9		120.9	259.3		259.3	314.3		314.3
Net investment income allocated to the technical account of Life business	264.5		264.5	224.3		224.3	398.6		398.6
Balance on the technical account	32.0	72.8 ⁽²⁾	104.8	52.4	40.7 ⁽²⁾	93.1	33.6	136.3 ⁽²⁾	170.0
NON-TECHNICAL ACCOUNT									
Net investment income ⁽³⁾			163.6			78.8			239.1
Balance on other income/other charges			(36.3)			(27.2)			(54.8)
Operating result			232.1			144.6			354.3
Net value adjustments			(71.7)			(13.0)			(101.8)
Balance on ordinary activities			160.4			131.6			252.5
Extraordinary income			31.3			20.9			72.2
Extraordinary charges			(7.9)			(8.2)			(21.4)
Profit before taxation			183.8			144.3			303.3
Tax on profit			(84.1)			(64.3)			(125.9)
Profit (loss) for the year - minority interests			19.6			13.2			29.9
PROFIT (LOSS) FOR THE YEAR - GROUP			80.2			66.7			147.5

(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 2004 shall be, as usual, checked by the Company's Board of Statutory Auditors and certified by our independent Auditors (KPMG S.p.A.)

ASSETS	As at 30 June 2004	As at 30 June 2003	As at 31 December 2003
A. Subscribed share capital unpaid	0	0	0
B. Intangible assets			
1. Deferred acquisition costs	74	67	77
2. Other assets	90	22	66
3. Differences arising from consolidation	1,036	380	1,070
Total	1,201	470	1,213
C. Investments			
I - Land and buildings	879	491	648
II - Investments in Group undertakings and other participating interests			
1. Shares and participating interests	1,290	1,167	1,373
2. Debt securities	51	33	49
3. Corporate financing	0	0	0
Total	1,341	1,199	1,422
III - Other financial investments			
1. Shares and participating interests	882	409	470
2. Units and shares in investment funds	127	122	115
3. Bonds and other fixed-income securities	17,235	10,771	16,787
4. Loans	87	72	87
5. Other financial investments	1,401	362	590
Total	19,732	11,737	18,049
IV - Deposits with ceding undertakings	27	28	26
Total	21,978	13,455	20,145
D. Investments for the benefit of Life-assurance policyholders who bear the risk thereof and investments arising out of pension fund management	5,909	5,097	5,562
D. bis Technical provisions - reinsurers' share			
I - Technical provisions - Non-Life business	550	430	503
II - Technical provisions - Life business (except those at item III)	366	293	386
III - Technical provisions for Life business where investment risk is borne by policyholders and arising out of pension fund management	0	0	0
Total	917	723	889
E. Debtors			
I - Debtors arising out of direct insurance operations	760	502	865
II - Debtors arising out of reinsurance operations	166	129	182
III - Other debtors	397	373	298
Total	1,324	1,004	1,345
F. Other assets			
I - Tangible assets and stocks	29	22	29
II - Cash at bank and in hand	657	546	678
III - Own shares	0	0	0
IV - Other assets	59	51	94
Total	746	620	800
G. Prepayments and accrued income	202	130	212
TOTAL ASSETS	32,278	21,499	30,167

BALANCE SHEET

(Amounts in ₹n)

LIABILITIES	As at 30 June 2004	As at 30 June 2003	As at 31 December 2003
A. Capital and reserves			
I - Capital and reserves - Group			
1. Subscribed share capital or equivalent funds	35 912	111 509	187 906
2. Free reserves	36 1,520	112 830	188 1,488
3. Consolidation reserve	37 -57	113 -48	189 -48
4. Reserve for valuation differences on unconsolidated participating interests	38 11	114 1	190 1
5. Exchange risk reserve	39 0	115 0	191 0
6. Reserve for own shares and holding company's shares	40 0	116 0	192 0
7. Profit (loss) for the period	41 80	117 67	193 147
Total - Group	42 2,466	118 1,357	194 2,494
II - Capital and reserves - minority interests			
1. Capital and reserves - minority interests	43 229	119 140	195 200
2. Profit (loss) for the period - minority interests	44 20	120 13	196 30
Total - minority interests	45 249	121 153	197 230
Grand total	46 2,714	122 1,511	198 2,724
B. Subordinated liabilities	47 666	123 332	199 666
C. Technical provisions			
I - Non-Life insurance business			
1. Provision for unearned premiums	48 1,509	124 891	200 1,456
2. Provision for outstanding claims	49 5,170	125 3,083	201 4,973
3. Equalization provisions	50 6	126 8	202 6
4. Other technical provisions	51 6	127 1	203 5
Total - Non-Life insurance business	52 6,691	128 3,984	204 6,440
II - Life assurance business			
1. Mathematical provisions	53 14,769	129 9,400	205 13,329
2. Provision for amounts payable	54 155	130 120	206 130
3. Other technical provisions	55 213	131 176	207 209
Total - Life assurance business	56 15,137	132 9,696	208 13,668
Grand total	57 21,828	133 13,679	209 20,108
D. Technical provisions where investment risk is borne by policyholders and arising out of pension fund management	58 5,906	134 5,088	210 5,561
E. Provisions for other risks and charges	59 35	135 44	211 47
F. Deposits received from reinsurers	60 398	136 314	212 405
G. Creditors and other liabilities			
I - Creditors arising out of direct insurance operations	61 77	137 42	213 66
II - Creditors arising out of reinsurance operations	62 96	138 55	214 66
III - Debenture loans	63 0	139 0	215 0
IV - Amounts owed to credit institutions	64 0	140 0	216 0
V - Sundry borrowings and creditors	65 265	141 197	217 224
VI - Staff leaving indemnity	66 64	142 41	218 64
VII - Other liabilities	67 189	143 175	219 198
Total	68 691	144 510	220 618
H. Accruals and deferred income	69 40	145 22	221 38
TOTAL LIABILITIES	70 32,278	146 21,499	222 30,167

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

I - Guarantees issued by the Company	71 52	147 1,004	223 34
II - Guarantees received or issued by third parties in favour of consolidated	72 165	148 1,436	224 222
III - Commitments	73 5,760	149 5,834	225 2,488
IV - Pension fund assets managed on behalf of third parties	74 283	150 214	226 238
V - Other memorandum accounts	75 29,785	151 18,288	227 27,063
TOTAL MEMORANDUM ACCOUNTS	76 36,045	152 26,776	228 30,045

Figures as at 30 June 2004 shall be, as usual, checked by the Company's Board of Statutory Auditors and certified by our independent Auditors (KPMG S.p.A.)

CONSOLIDATED

	As at 30 June 2004	As at 30 June 2003	As at 31 December 2003
I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS			
1. Earned premiums, net of reinsurance	1 1,718 ⁴⁹	1,058 ⁹⁷	2,480
2. Other technical income, net of reinsurance	2 38 ⁵⁰	2 ⁹⁸	7
3. Claims incurred, net of sums recoverable and reinsurance	3 1,289 ⁵¹	794 ⁹⁹	1,809
4. Changes in other technical provisions, net of reinsurance	4 2 ⁵²	0 ¹⁰⁰	0
5. Bonuses and rebates, net of reinsurance	5 0 ⁵³	0 ¹⁰¹	2
6. Operating expenses:			
a) Acquisition costs, net of reinsurance commissions and profit sharing	6 225 ⁵⁴	150 ¹⁰²	362
b) Administrative expenses	7 155 ⁵⁵	69 ¹⁰³	174
Total	8 380 ⁵⁶	219 ¹⁰⁴	536
7. Other technical charges, net of reinsurance	9 12 ⁵⁷	6 ¹⁰⁵	9
8. Change in the equalization provisions	10 0 ⁵⁸	0 ¹⁰⁶	-5
9. Balance on the technical account for Non-Life insurance business	11 73 ⁵⁹	41 ¹⁰⁷	136
II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS			
1. Written premiums, net of reinsurance	12 3,098 ⁶⁰	2,951 ¹⁰⁸	4,602
2. (+) Allocated investment returns transferred from the non-technical account (item III.5)	13 264 ⁶¹	224 ¹⁰⁹	399
3. Investment income and unrealized gains on investments for Life assurance policies where investment risk is borne by policyholders and arising out of pension fund management	14 161 ⁶²	292 ¹¹⁰	359
4. Other technical income, net of reinsurance	15 20 ⁶³	21 ¹¹¹	36
5. Claims incurred, net of reinsurance	16 1,618 ⁶⁴	838 ¹¹²	1,759
6. Change in mathematical provisions and other technical provisions, net of reinsurance			
a) Mathematical provisions, supplementary risks-provision for unearned premiums and other technical provisions	17 1,401 ⁶⁵	1,959 ¹¹³	2,743
b) Technical provisions where investment risk is borne by policyholders and arising out of pension fund management	18 345 ⁶⁶	515 ¹¹⁴	642
Total	19 1,746 ⁶⁷	2,474 ¹¹⁵	3,385
7. Bonuses and rebates, net of reinsurance	20 3 ⁶⁸	1 ¹¹⁶	1
8. Operating expenses:			
a) Acquisition costs, net of reinsurance commissions and profit sharing	21 65 ⁶⁹	62 ¹¹⁷	114
b) Administrative expenses	22 32 ⁷⁰	19 ¹¹⁸	45
Total	23 97 ⁷¹	82 ¹¹⁹	159

PROFIT AND LOSS ACCOUNT

(Amounts in €m)

	As at 30 June 2004	As at 30 June 2003	As at 31 December 2003
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	24 40	72 33	120 45
10. Other technical charges, net of reinsurance	25 8	73 8	121 13
11. Balance on the technical account - Life assurance business	26 32	74 52	122 34
III. NON-TECHNICAL ACCOUNT			
1. Balance on the technical account - Non-Life insurance business (item II.10)	27 73	75 41	123 136
2. Balance on the technical account - Life assurance business (item II.11)	28 32	76 52	124 34
3. Investment income			
a) Income from investments	29 372	77 266	125 550
b) Value re-adjustments on investments	30 16	78 15	126 24
c) Capital gains on investments	31 109	79 108	127 239
Total	32 498	80 389	128 813
4. Investment charges			
a) Investment management charges, including interest payable	33 37	81 28	129 64
b) Value adjustments on investments	34 88	82 28	130 126
c) Capital losses on investments	35 17	83 43	131 87
Total	36 141	84 99	132 277
5. (-) Allocated investment returns transferred to the Life assurance technical account (item II. 2)	37 264	85 224	133 399
6. Other income	38 60	86 30	134 67
7. Other charges	39 96	87 58	135 122
8. Balance on ordinary activities	40 160	88 132	136 252
9. Extraordinary income	41 31	89 21	137 72
10. Extraordinary charges	42 8	90 8	138 21
11. Balance on extraordinary activities	43 23	91 13	139 51
12. Profit before taxation	44 184	92 144	140 303
13. Tax on profit	45 84	93 64	141 126
14. Consolidated profit (loss)	46 100	94 80	142 177
15. Profit (loss) for the period - minority interests	47 20	95 13	143 30
16. Profit (loss) for the period - Group	48 80	96 67	144 147

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