

**PRESS RELEASE**

**Unipol Group: Half-yearly results up.**

*Consolidated premium income came to €2,923 million (+23%), of which €1,782 million from Life business (+37%). Consolidated net profits were €47 million as at 30/06/2002, with a rate of growth of 113% on June 2001.*

*Premium income for Unipol Assicurazioni, the Parent Company, was €919 million (+7.7%) and half-yearly net profits were €53 million (+23%).*

*The underwriting result for Non-life business and the balance on ordinary activities showed further improvements.*

In a meeting held today in Bologna and chaired by Giovanni Consorte, the Board of Directors of Unipol Assicurazioni approved the Parent Company's half-yearly report and the consolidated half-yearly report as at 30 June 2002.

**Unipol Assicurazioni**

The Parent Company showed premium income of €918.8 million (+7.7%), of which €626.2 million from Non-life business (+8.1%) and €292.6 million from Life business (+6.6%). Premium income from direct business came to €868.2 million (+8.5%).

The balance on the technical account continued to improve, showing a profit of €65.5 million, compared with €47.1 million as at 30 June 2001. This improvement was brought about by the reduction in the loss ratio for Non-life business and by keeping operating expenses low, which together went down to 94.6% of premiums (combined ratio).

In Motor TPL business, where, despite a reduction in claims frequency, there was a steady rise in related average costs, Unipol implemented cautious, restrained price policies.

The half-yearly balance on ordinary activities, after net value adjustments on investments worth €46.5 million (€24.9 million as at 30/06/2001) were deducted, rose to €74 million (+17.2%). The overall gross result came to €84.3 million (+19.8%) and **net profits for the period came to €53.1 million (+23.1%).**

**Consolidated half-yearly results**

In the **insurance sector**, premium income came to €2,923 million, indicating a rate of growth of 23% (+23.6% for direct business) with respect to the first half of 2001, of which €1,782 million from Life business (+37%).

The companies operating through the bancassurance channel (BNL Vita, Noricum Vita and Quadrifoglio Vita) ended the six-month period with premium income of €1,378 million, recording an increase of 48.7%. In Non-life business, premium income was €1,141 million (+6%). The specialist companies Linear, Unisalute and Navale recorded a higher average rise (+25.6%).

In the **banking sector**, the first half of the year saw Unipol Banca consolidate its own business, with a network which numbered 102 branches (95 at the end of 2001) and with the development of business initiatives and services which made use of the synergy with the Group's insurance sector. Direct fund-raising came to €1,050 million (+84.5% on 30/06/2001) and indirect fund-raising came to €6,820 million (+57% on 30/06/2001).

The balance on the technical account (up by €41 million) improved significantly compared with last year (€8 million) as a result of loss ratio for Non-life business of 76.7% (78.9% as at 30/06/2001) and a lower operating expenses to premiums ratio (9.5% overall and 20.2% for Non-life business, compared to 11.4% and 20.8% respectively as at 30/06/2001).

The amount of technical provisions came to €15,837 million (+8.3% on 31/12/2001).

The amount of investments and liquid assets rose to €15,976 million, with an increase of €1,157 million on 31/12/2001.

Net ordinary and extraordinary income (excluding class D income/expenses) came to €305 million (€293 million as at 30 June 2001) and net value adjustments on investments, despite the particularly negative performance of the financial markets, were essentially in line with those for the 1<sup>st</sup> half of 2001 (€109 million as at 30/06/2002 compared to €99 million as at 30/06/2001).

The balance on ordinary activities for the period came to €80.4 million (+105%), after having deducted goodwill amortisation of €14.2 million, and the consolidated before tax profit came to €90.4 million (€61 million as at 30/06/2001). After taxes, the **Group's profit was €47 million**, compared to €22 million as at 30/06/2001 **(+113.2%)**.

After the close of the six-month period, the Group's activities continued to develop in both the insurance and banking sectors.

Income prospects for this year appear to be good and satisfactory due to core business performing well and cautious management of financial assets. If there are no extraordinary or abnormal events and provided that the financial markets do not continue to fall substantially, results are predicted to be up significantly on 2001.

Bologna, 13 September 2002

Compagnia Assicuratrice Unipol S.p.A.

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

*Consolidated Balance Sheet and consolidated Profit and Loss Account statements shown in EUR million are appended hereto.*

## SUMMARY OF CONSOLIDATED BALANCE SHEET

(Amounts in EURO million)

	30 June 2002	30 June 2001	31 December 2001
<b>ASSETS</b>			
<b>Subscribed share capital unpaid</b>			
<b>Intangible assets</b>	494	538	507
<b>Investments</b>			
Land and buildings	628	606	629
Investments in group undertakings and other participating interests	882	663	841
Other financial investments	9,496	8,839	8,805
Deposits with ceding undertakings	25	28	27
<b>Total investments</b>	<b>11,031</b>	<b>10,135</b>	<b>10,303</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>4,537</b>	<b>3,225</b>	<b>3,973</b>
<b>Technical provisions - reinsurers' share</b>			
Non-Life insurance business	442	401	442
Life assurance business	410	418	413
<b>Total technical provisions - reinsurers' share</b>	<b>852</b>	<b>819</b>	<b>855</b>
<b>Debtors</b>	890	815	826
<b>Other assets</b>	483	392	610
<b>Prepayments and accrued income</b>	131	138	122
<b>TOTAL ASSETS</b>	<b>18,417</b>	<b>16,061</b>	<b>17,196</b>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	504	451	451
Free reserves	773	635	635
Consolidation reserve	(46)	(24)	(24)
Reserve for valuation differences on unconsolidated shareholdings	(1)	(2)	(2)
Profit (loss) for the financial year	47	22	62
Capital and reserves - minority interests	147	143	149
<b>Total capital and reserves</b>	<b>1,424</b>	<b>1,225</b>	<b>1,272</b>
<b>Subordinated liabilities</b>	300	300	300
<b>Technical provisions</b>			
Non-Life insurance business	3,769	3,483	3,644
Life assurance business	7,529	6,814	7,012
<b>Total technical provisions</b>	<b>11,298</b>	<b>10,297</b>	<b>10,657</b>
<b>Technical provisions where investment risk is borne by policyholders and provisions arising out of pension fund management</b>	<b>4,539</b>	<b>3,214</b>	<b>3,970</b>
<b>Provisions for other risks and charges</b>	47	29	33
<b>Deposits received from reinsurers</b>	329	315	323
<b>Creditors and other liabilities</b>	453	660	601
<b>Accruals and deferred income</b>	27	21	41
<b>TOTAL LIABILITIES</b>	<b>18,417</b>	<b>16,061</b>	<b>17,196</b>

Figures as at 30 June 2002 shall be certified by our independent Auditors and checked by the Company's Board of Statutory Auditors.

## SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Amounts in EURO million)

	30 June 2002			30 June 2001			31 December 2001		
	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	1,761.4	994.5	2,755.9	1,283.2	942.4	2,225.6	2,743.6	1,879.0	4,622.6
Claims and sums paid and changes in Life mathematical provisions and Non-Life provision for outstanding claims	(1,682.4)	(763.2)	(2,445.6)	(1,274.2)	(743.3)	(2,017.5)	(2,754.6)	(1,471.1)	(4,225.6)
Operating expenses	(59.4)	(201.1)	(260.5)	(57.8)	(195.7)	(253.5)	(112.5)	(391.9)	(504.3)
Other technical income and charges	7.2	(1.2)	6.1	1.3	(8.9)	(7.6)	6.9	(11.1)	(4.3)
Net income (charges) from Class D investments	(126.9)		(126.9)	(61.5)		(61.5)	(125.1)		(125.1)
Net income from investments allocated to the technical account of Life business	111.9		111.9	122.7		122.7	271.9		271.9
<b>Balance on the technical account (1)</b>	<b>11.8</b>	<b>29.0 <sup>(1)</sup></b>	<b>40.8</b>	<b>13.9</b>	<b>(5.6) <sup>(1)</sup></b>	<b>8.2</b>	<b>30.2</b>	<b>4.9 <sup>(1)</sup></b>	<b>35.1</b>
<b>NON-TECHNICAL ACCOUNT</b>									
Net income from investments (2)			184.2			137.6			214.5
Net value adjustments			(109.0)			(98.8)			(148.2)
Balance on other income/other charges			(35.6)			(7.8)			(46.6)
<b>Balance on ordinary activities</b>			<b>80.4</b>			<b>39.2</b>			<b>54.8</b>
Extraordinary income			12.2			25.1			124.4
Extraordinary charges			(2.3)			(3.3)			(41.1)
<b>Profit before taxation</b>			<b>90.4</b>			<b>61.0</b>			<b>138.1</b>
Income tax for the year			(39.2)			(35.5)			(65.6)
Profit (loss) for the year - minority interests			4.2			3.4			10.1
<b>PROFIT (LOSS) FOR THE YEAR - GROUP</b>			<b>47.0</b>			<b>22.1</b>			<b>62.3</b>

(1) As regards Non-Life business, no allocation of investment income from the non-technical account is made in the consolidated profit and loss account.

(2) Net of share allocated to the Life business technical account

Figures as at 30 June 2002 shall be certified by our independent Auditors and checked by the Company's Board of Statutory Auditors.