

**PRESS RELEASE**

**The Unipol Group's consolidated results  
as at 30 September 2004 examined by the Board of Directors**

*Consolidated premium income reaches €6,782m  
(an increase of 22% compared with the first nine months of 2003),  
€4,026m of which was for Life business (+4%) and €2,756m for Non-Life  
business (+61%).*

*The combined ratio for direct business showed a further improvement, reaching  
94.9% compared with 96.1% in the first nine months of 2003.*

*Investments and liquid assets rose to €29,282m,  
an increase of 14% compared with 30 September 2003.*

*Consolidated net profit for the first nine months of 2004 rose to €172m, an  
increase of 69% compared with the first nine months of 2003.  
The result is net of consolidation adjustments of €135m compared with €75m in  
the first nine months of 2003 (+80%).*

At its meeting held today in Bologna under the chairmanship of Giovanni Consorte the Board of Directors of Unipol Assicurazioni S.p.A. approved the **consolidated quarterly report as at 30 September 2004**.

**Unipol Group results as at 30 September 2004**

In **insurance business premium income** totalled €6,782m, an increase of 22% compared with €5,578m for the first nine months of 2003. Part of the increase was due to consolidation of premium income achieved by the companies in the Winterthur Italia Group acquired in 2003. (However, on the same basis of consolidation growth would have been 2%). In particular, Unipol Assicurazioni had direct premium income of €1,881m, Aurora Assicurazioni of €2,324m and the other companies in the Group had €2,548m. Overall the proportion of premium income relating to the 'composite' and 'specialized' companies rose to 65% (51% as at September 2003) compared with 35% for 'bancassurance' (49% as at September 2003).

Gross Life premium income amounted to €4,026m, an increase of 4% compared with the first nine months of 2003. Mention must be made of the significant increase in business done by the traditional companies (+45%), which more than compensated for the slowdown in bancassurance (-14% compared with the first nine months of 2003, which included the premium income of Noricum Vita, subsequently sold). In particular, the premium income achieved by Unipol Banca and Reti Bancarie Holding (Bipielle Group) of €379m was higher than that of Noricum Vita for the same period of 2003 (€321m). Gross Non-Life premium income amounted to €2,756m, an increase of 61% compared with the same period of 2003.

The **technical result of core insurance business** was positive to the tune of €204m (€146m in the first nine months of 2003, +39%), €144m of which related to Non-Life business (+57%) and €60m to Life business (+10%). Once again there was an improvement in the aggregate combined ratio of direct business, which was 94.9% compared with 96.1% as at 30 September 2003, thanks to a drop in the loss ratio (71.9% compared with 74.4% as at 30/9/2003) partly owing to the consolidation of the Winterthur Italia Group. The total amount of net technical provisions was €27,311m (+13% compared with 30/9/2003), €6,142m of which related to Non-Life business, whilst **investments and available cash** totalled €29,282m (+14% compared with the figure as at 30/9/2003). Net **capital gains and investment income** for the period and net gains from disposals and trading amounted to €633m (€481m in the first nine months of 2003) whilst net value adjustments on investments were €40.2m (€70m in the first nine months of 2003), an improvement compared with €72m in the first half of 2004 partly owing to the rise in prices of debt securities.

The **overall net aggregate profit** achieved by the insurance companies in the first nine months of 2004 was €95m, €144m of which was made by Unipol Assicurazioni, €12m by Aurora Assicurazioni and €39m by the other insurance companies.

In **banking business** **Unipol Banca** achieved significant growth in customer deposits, which as at 30 September 2004 reached €3,494m (+75% compared with 30/9/2003), and in customer funds, which reached €14,444m (+39% compared with 30/9/2003), €1,400m of which was assets under management (+27%). Loans to clients, net of securitization of €808m (carried out in the last three-year period), rose to €2,620m (+44%). The gross operating income rose to €124m (+29%), ordinary operating profit to €17m (compared with €3.4m in the first nine months of 2003) and net profit to €7.7m (+49%) after account was taken of €26.6m for depreciation, allocations and taxes. The sales network as at 30 September 2004 was made up of 192 branches (currently 194), 100 of which were combined with insurance agencies, 49 finance shops and 456 financial advisers. The subsidiary **UNIPOL Merchant – Banca per le Imprese** is gradually developing the financing side of its business, which as at 30 September 2004 reached a level of €10.4m. The subsidiary **Unipol Fondi** had a portfolio of assets under management of more than €82m, an increase of 12% compared with 31 December 2003.

To sum up, the **net aggregate result** for the companies in the Group reached €12m (+71% compared with the first nine months of 2003), €144m of which related to Unipol Assicurazioni (+36%) and €169m to the other companies in the Group (+119%). The **consolidated gross result** rose to €17m (+68%), the **consolidated net profit** to €72m (+69%) and the **net profit for the Group** to €39m (+67%). The result is net of consolidation adjustments of €135m (+80% compared with €75m in the first nine months of 2003).

### **Events occurring after 30 September 2004 and business outlook**

Some of the important events were:

- on 1 October Unipol Banca finalized the acquisition of two branches (Milan and Cagliari) from the Antonveneta group. Another 18 branches were due to open once authorization had been obtained from the Banca d'Italia. The acquisition of further branches was being negotiated;
- the merger by incorporation of Winterthur Vita into Aurora Assicurazioni took place on 19 October and came into effect on 1 November 2004. This was the final stage in the process of integrating the companies in the former Winterthur Italia Group and the former Meieaurora Assicurazioni;

- on 26 October BNL Vita finalized with RB Vita (RAS Group) the contract to sell the business relating to the Life portfolio of the former financial advisers of BNL Investimenti (now RasBank), and this came into effect on 1 November 2004. This sale, for a price of €49.4m, involved the transfer of approximately €1bn of technical provisions. The goodwill for the business was valued at a total of €34m. It is expected that the drop in income resulting from the sale of this part of the business will be compensated for by the current activities of BNL's sales network;
- on 11 November Navale Assicurazioni signed the contract to acquire MMI Danni S.p.A., MMI Assicurazioni S.p.A. and MMI Vita S.p.A. from the French group Mutuelle du Mans Assurances. The operation will be finalized after the necessary legal authorization has been obtained;
- in November Cometa (the pension fund for employees in the metal and mechanical industries) resolved to grant to Unipol Assicurazioni the mandate to manage one of the four sections of its investment fund, namely 'mixed bonds with minimum guaranteed yield'. Cometa, with more than 324,000 members and with assets of approximately €2bn, is today the largest Italian pension fund and is expected to become one of the largest in Europe if the effects of the pension reform are as expected. By obtaining this business from Cometa Unipol has strengthened its position as one of the major pension fund managers in Italy, with a market share expected to be around 10% in 2005.

The business activities of the companies in the Group proceeded normally and in line with expectations.

Provided there are no unusual or exceptional events Group results for the current year are expected to be considerably higher than they were last year and higher than the forecast.

### **Calendar of company activities for 2005**

Below is the calendar of company activities for 2005, approved today by the Board of Directors:

- Friday 28 January – meeting of the Board of Directors to examine the figures for 2004 and the targets for 2005;
- Friday 25 March – meeting of the Board of Directors to examine the draft accounts for 2004 and the consolidated accounts as at 31 December 2004;
- Friday 29 April – meeting of shareholders to approve the accounts for 2004;
- Friday 13 May – meeting of the Board of Directors to examine the consolidated quarterly report as at 31 March 2005;
- Friday 22 July – meeting of the Board of Directors to examine the preliminary figures for the first half of 2005;
- Friday 9 September – meeting of the Board of Directors to examine Unipol Assicurazioni's and the consolidated half-yearly reports as at 30 June 2005;
- Friday 11 November – meeting of the Board of Directors to examine the consolidated quarterly report as at 30 September 2005.

Any variations in the dates shown above will be notified in due course.

The Company will avail itself of the right not to publish a report on the fourth quarter of 2004 and a report on the second quarter of 2005 but will publish the draft annual accounts and the consolidated



accounts for 2004 within ninety days of the end of the financial year and the half-yearly report for 2005 within seventy-five days of the end of the half year.

Bologna, 12 November 2004

Compagnia Assicuratrice UNIPOL S.p.A.

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

*A summary of the consolidated profit and loss account with figures in €m is attached.*



**SUMMARY OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT**

*(€million)*

	FIGURES AS AT									FIGURES OF					
	30 September 2004			30 September 2003			31 December 2003			3rd Quarter 2004			3rd Quarter 2003		
	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total
<b>TECHNICAL ACCOUNT</b>															
Gross premiums written	4,025.7	2,756.5	6,782.1	3,869.0	1,708.9	5,578.0	4,653.5	2,838.8	7,492.3	901.2	778.3	1,679.5	892.5	492.2	1,384.8
Outward reinsurance premiums	(37.7)	(309.3)	(347.0)	(34.9)	(178.8)	(213.6)	(51.7)	(263.7)	(315.4)	(11.0)	(94.0)	(105.1)	(9.1)	(54.5)	(63.6)
Net change in the provision for unearned premiums		124.6	124.6		53.5	53.5		(95.1)	(95.1)		169.2	169.2		88.3	88.3
Total Life written premiums and Non-Life earned premiums	3,987.9	2,571.7	6,559.7	3,834.1	1,583.7	5,417.8	4,601.8	2,480.0	7,081.8	890.2	853.5	1,743.7	883.4	526.0	1,409.4
Charges for claims and benefits paid, variations in Life technical provisions and Non-Life provisions for outstanding claims	(4,405.5)	(1,876.0)	(6,281.4)	(4,276.2)	(1,175.7)	(5,451.9)	(5,143.9)	(1,809.5)	(6,953.4)	(1,041.5)	(586.7)	(1,628.1)	(964.2)	(381.7)	(1,345.9)
Operating expenses	(126.1)	(544.3)	(670.4)	(109.0)	(311.7)	(420.7)	(159.3)	(536.0)	(695.4)	(29.3)	(164.5)	(193.8)	(27.4)	(92.7)	(120.1)
Other technical income and charges	15.8	(7.7)	8.1	17.2	(4.6)	12.6	22.3	1.9	24.2	6.1	(31.4)	(25.3)	5.5	(0.6)	4.9
Net income (charges) from Class D investments (1)	166.0		166.0	274.1		274.1	314.3		314.3	45.1		45.1	14.8		14.8
Net investment income allocated to the technical account of Life business	422.0		422.0	314.3		314.3	398.6		398.6	157.5		157.5	89.9		89.9
<b>Balance on the technical account (2)</b>	<b>60.2</b>	<b>143.7</b>	<b>203.9</b>	<b>54.5</b>	<b>91.7</b>	<b>146.2</b>	<b>33.6</b>	<b>136.3</b>	<b>170.0</b>	<b>28.1</b>	<b>71.0</b>	<b>99.1</b>	<b>2.1</b>	<b>51.0</b>	<b>53.1</b>
<b>NON-TECHNICAL ACCOUNT</b>															
Net investment income (3)			181.1			144.1			239.1			17.5			65.4
Net value adjustments			(40.2)			(69.7)			(101.8)			31.5			(56.7)
Amortisation of 'differences arising from consolidation'			(35.5)			(19.6)			(34.9)			(11.8)			(6.6)
Balance on other income/charges			(29.9)			(26.3)			(19.9)			(17.3)			(12.0)
<b>Balance on ordinary activities</b>			<b>279.4</b>			<b>174.7</b>			<b>252.5</b>			<b>119.0</b>			<b>43.1</b>
Extraordinary income			48.4			24.0			72.2			17.1			3.2
Extraordinary charges			(11.0)			(9.8)			(21.4)			(3.1)			(1.6)
<b>Profit before taxation</b>			<b>316.8</b>			<b>188.9</b>			<b>303.3</b>			<b>133.0</b>			<b>44.6</b>
Tax on profit			(144.3)			(86.5)			(125.9)			(60.2)			(22.2)
<b>Consolidated profit</b>			<b>172.5</b>			<b>102.4</b>			<b>177.4</b>			<b>72.7</b>			<b>22.4</b>
Profit (loss) - minority interests			33.5			19.1			29.9			13.9			5.8
<b>PROFIT (LOSS) - GROUP</b>			<b>139.0</b>			<b>83.3</b>			<b>147.5</b>			<b>58.8</b>			<b>16.6</b>

(1) Income from investments the risk of which is borne by policyholders. It is matched by a corresponding variation in technical provisions and therefore does not affect the profit for the period.

(2) Drafting of the consolidated profit and loss account does not require the allocation of investment returns to the Non-Life insurance technical account.

(3) Net of investment returns allocated to the Life assurance technical account and of amortisation of goodwill for companies valued by the equity method ( €2.7m).