

# Compagnia Assicuratrice Unipol

Stock Company

*Registered offices - Via Stalingrado 45 – 40128 Bologna - Share Capital ITL 451,220,805,000 fully paid-up  
Company Register No. 14602/BO - R.E.A. No. 160304 – Authorized to provide insurance services by M.D.  
28.12.62 (O.J. 18.1.63 No. 15) and M.D. 29.4.81 (O.J. 19.5.81 No. 135)*

## **2000 Financial Year Reports and Annual Accounts**

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**Ordinary and Extraordinary General Shareholders' Meetings held on  
27 April 2001**

**Translation from the original Italian text.**

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*The Company highlights, the reclassified balance sheet and the reclassified profit and loss account are also expressed in Euros.*

# Directors, Statutory Auditors and Principal Officials on the date of the Shareholders' Meeting

HONORARY CHAIRMAN

Enea Mazzoli

## BOARD OF DIRECTORS (\*)

CHAIRMAN AND  
MANAGING DIRECTOR

Giovanni Consorte

VICE CHAIRMAN AND  
MANAGING DIRECTOR

Ivano Sacchetti

BOARD MEMBERS

Roger Belot / Francesco Boccetti / Rocco Carannante  
Claudio Casini / Piero Collina / Jacques Forest  
Giulia Franciosi / Vanes Galanti / Fabrizio Gillone  
Franco Giuliani / Claudio Levorato / Ermanno Lorenzani  
Enrico Migliavacca / Mario Petroni / Piero Rossi  
Leone Sibani / Jean Simonnet / Aldo Soldi  
Giuseppe Solinas / Graziano Trere'  
Marco Giuseppe Venturi / Mario Zucchelli

## BOARD OF STATUTORY AUDITORS

Umberto Melloni, Chairman  
Omer Caffagni / Lorenzo Roffinella (Members)  
Diego Bassini / Giorgio Raggi (Alternate Members)

## MANAGEMENT

GENERAL MANAGERS

Maria Bettazzoni, *Administration, Accounts and Auditing*  
Valter Cacciari, *Information Technology*  
Franco Migliorini, *Personnel, Organisation and External Relations*

JOINT GENERAL MANAGERS

Carmelo De Marco, *Insurance Business*  
Giancarlo Berti, *Associated and Directly Managed Agencies*

CENTRAL MANAGERS

Giancarlo Brunello / Riccardo Laurora  
Salvatore Petrillo

# Directors, Statutory Auditors and Principal Officials after the Shareholders' Meeting

HONORARY CHAIRMAN

Enea Mazzoli

## BOARD OF DIRECTORS (\*)

CHAIRMAN AND  
MANAGING DIRECTOR

Giovanni Consorte

VICE CHAIRMAN AND  
MANAGING DIRECTOR

Ivano Sacchetti

BOARD MEMBERS

Antonio Silvano Andriani / Roger Belot / Francesco Boccetti  
Rocco Carannante / Claudio Casini / Piero Collina  
Pier Luigi Fabrizi / Giulia Franciosi / Vanes Galanti  
Fabrizio Gillone / Emilio Gnutti / Claudio Levorato  
Ermanno Lorenzani / Enrico Migliavacca  
Gian Carlo Sangalli / Leone Sibani / Jean Simonnet  
Aldo Soldi / Giuseppe Solinas / Pierluigi Stefanini  
Graziano Trere' / Marco Giuseppe Venturi / Mario Zucchelli

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CENTRAL MANAGERS

Giancarlo Brunello / Riccardo Laurora  
Salvatore Petrillo

(\*) According to Article 14 of the Company's rules, the Chairman is the legal representative of the Company. The Vice-Chairman becomes the Company's legal representative only in the event of the absence or impediment of the Chairman.

*The Board of Directors, according to Article 13 of the Company's rules and as provided for by the Code of Self-Discipline of listed companies, has conferred on each of the Managing Directors powers, with disjoint signatures, for the management of the Company's business – in particular for the implementation of the decisions taken by the Board of Directors and the Shareholders' Meeting as well as for the co-ordination of activities aimed at the achievement of the Company's goals.*

*At the meeting of 27 April 2001, the Board confirmed the delegation of powers to the Managing Directors, encompassing among other things, the power, with joint signatures, to buy and sell shareholdings up to a maximum of ITL10bn for each transaction, to incorporate or take part in the incorporation of companies, consortiums and EEIGs up to a maximum of ITL10bn for each transaction and to enter into contracts to buy and sell and lease real estate up to a maximum of ITL25bn for each transaction.*

*However, the Managing Directors shall submit to the Board of Directors for approval all transactions having economic and financial relevance and shall provide the Directors and Statutory Auditors with adequate information on atypical and unusual transactions, or involving related parties, entered into within the limits of the powers conferred on them.*

# UNIPOL ASSICURAZIONI

Compagnia Assicuratrice Unipol S.p.A.  
Share capital ITL 451,216,845,000 – Companies' Register No. 14602 - REA No. 160304  
Registered offices: Via Stalingrado, 45 - 40128 Bologna

## NOTICE CONVENING THE ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS' MEETINGS

Shareholders are invited to attend a General Meeting at the company's registered offices (Via Stalingrado, 45 - Bologna), on 26 April 2001 at 9.30 a.m. in first call and, if required, in second call on 27 April 2001 at the same time and place to decide on the following

### AGENDA

#### *ordinary meeting*

- 1. Accounts as at 31 December 2000, Board of Directors' Report, Board of Statutory Auditors' Report, related resolutions,**
- 2. Appoint the Board of Directors for the three year period 2001 – 2002 – 2003, subject to determining the number of members and related remuneration,**
- 3. Remuneration for the Board of Statutory Auditors,**
- 4. Insurance coverage for members of the Corporate Bodies,**
- 5. Resolutions within the meaning of Articles 2357, 2357 ter and 2359 bis of the Civil Code.**

#### *extraordinary meeting*

- 1. Proposed merger by incorporation within Compagnia Assicuratrice Unipol S.p.A., of the company "Pioquartosei S.r.l.", a wholly owned subsidiary,**
- 2. Redenomination of the Share Capital into Euros with an increase in the nominal value of shares to 1 Euro, resulting amendments to Articles 5 (Capital) and 19 (Corporate Profits) of the Company's rules,**
- 3. Amendments to Article 17 (Statutory Auditors) of the Company's rules.**

All holders of ordinary and preference shares may attend the General Meeting provided they have the proper certification as laid down by Art. 34 of Consob Resolution no. 11768 of 23/12/1998, issued, in accordance with the law, by a Broker who is a member of the Monte Titoli S.p.A. centralised management system.

Copies of the Board Report on the proposal to acquire and dispose of company's own shares, the documentation on the proposed merger, the Directors' Report on the proposed amendments to the Company's rules and on the proposals relating to other matters on the agenda, are available to the public at the Italian Stock Exchange S.p.A. and at the Company's Shareholders' Department (*Ufficio Soci*, Via Stalingrado, 45 - Bologna), as laid down by Consob Resolution no. 11971 of 14 May 1999. A copy of the documentation available will be sent to any Shareholders who request it.

The draft accounts for the period and the consolidated accounts as at 31 December 2000, approved by the Board of Directors, shall be made available by 31 March 2001 at the registered offices - Via Stalingrado, 45 - Bologna and at the registered offices of the Italian Stock Exchange S.p.A.

Bologna, 26 March 2001

*For the Board of Directors  
The Chairman  
(Giovanni Consorte)*

## COMPANY HIGHLIGHTS

	(ITLbn)				(EUROm)			
	2000	1999	1998	1997	2000	1999	1998	1997
<b>Gross premiums</b>	3,053.6	2,752.3	2,582.4	2,311.9	1,577.1	1,421.5	1,333.7	1,194.0
<i>% increase</i>	10.9	6.6	11.7		10.9	6.6	11.7	
<b>Technical provisions</b>	8,443.8	7,635.8	6,905.3	6,134.2	4,360.9	3,943.6	3,566.3	3,168.1
<i>% increase</i>	10.6	10.6	12.6		10.6	10.6	12.6	
<b>Technical provisions-to-premiums ratio</b>	276.5	277.4	267.4	265.3	276.5	277.4	267.4	265.3
<b>Investments, cash and cash equivalents</b>	10,207.7	8,199.7	7,311.8	6,489.2	5,271.8	4,234.8	3,776.2	3,351.4
<i>% increase</i>	24.5	12.1	12.7		24.5	12.1	12.7	
<b>Net investment income and capital gains</b>	547.6	422.8	476.8	457.0	282.8	218.3	246.2	236.0
<i>% increase</i>	29.5	-11.3	4.3		29.5	-11.3	4.3	
<b>Payments (claims, amounts due out of maturity, surrender, annuity)</b>	1,925.7	1,805.4	1,700.9	1,523.2	994.5	932.4	878.5	786.7
<i>% increase</i>	6.7	6.1	11.7		6.7	6.1	11.7	
<b>Loss ratio - Non-Life business</b>	80.0	83.3	85.2	82.4	80.0	83.3	85.2	82.4
<b>Operating expenses</b>	539.6	502.5	495.7		278.7	259.5	256.0	248.6
<i>% increase</i>	7.4	1.4	3.0		7.4	1.4	3.0	
<b>Expense ratio</b>	17.7	18.3	19.2	19.2	17.7	18.3	19.2	19.2
<b>Capital and reserves</b>	2,179.7	1,293.7	1,168.1	1,146.1	1,125.7	668.1	603.3	591.9
<i>% increase</i>	68.5	10.7	1.9		68.5	10.7	1.9	
<b>Profit before taxation</b>	202.4	130.6	110.8	105.7	104.5	67.4	57.2	54.6
<i>% increase</i>	55.0	17.9	4.8		55.0	17.9	4.8	
<b>Net profit</b>	115.4	76.0	58.5	53.5	59.6	39.3	30.2	27.6
<i>% increase</i>	51.8	30.0	9.4		51.8	30.0	9.4	
<b>Net profit-to-premiums ratio</b>	3.8	2.8	2.3	2.3	3.8	2.8	2.3	2.3
<b>Total dividends</b>	74.0	46.2	39.7	37.1	38.2	23.9	20.5	19.2
<i>% increase</i>	60.2	16.4	7.0		60.2	16.4	7.0	
<b>Dividend per ordinary share (ITL/EURO)</b>	160	160	150	140	0.08	0.08	0.08	0.07
<b>Dividend per preference share (ITL/EURO)</b>	170	170	160	150	0.09	0.09	0.08	0.08
<b>No. agents as at 31.12</b>	766	768	764	758				
<b>No. sub-agents as at 31.12</b>	1,107	1,094	1,065	1,070				
<b>No. staff as at 31.12 (excluding salespersons)</b>	1,288	1,305	1,371	1,352				
<b>No. Salespersons on permanent staff</b>	24	29	31	36				

# Board Report

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Dear Shareholders,

During 2000, the Company's 38<sup>th</sup> year of business since its foundation, Unipol Assicurazioni made important acquisitions in the insurance sector, thus giving a significant boost to the Group's growth, while at the same time achieving extremely positive management results in its core areas of business.

In particular, the Group's premium income (ITL6,265bn at Group level, and ITL8,309bn taking into account the recent acquisition of BNL Vita) means that it climbed a number of places up the list of leading insurance Groups operating in Italy, to reach what we assume to be fourth place overall (compared with eighth place at the end of 1999).

The Company's net profits for 2000 amounted to ITL115.4bn, compared with ITL76bn in 1999 (+ 51.8%).

During the course of 2000, the Italian economy saw an increase in GDP of 2.9% (the highest increase in the last five years, and not far off that of the other EU countries): results for the second half of the year were better than expected, due to the positive trend in both consumption and investment.

The country's public debt did not mirror this positive performance, however, and remained at 1.5%, despite forecasts of 1.3%. Nevertheless, the overall public debt/GDP ratio fell (to 110%), as did fiscal pressure (to 42.4%).

Industrial output ended the year 2000 3.2% up on the beginning of the year, the highest increase since 1997 (in 1999 output rose by just 0.1%).

The rate of inflation rose sharply, from 1.7% in 1999 to close to 2.5% in 2000. This increase was heavily influenced by the rises in the price of oil products, which in turn were aggravated by the weakness of the Euro against the dollar.

During the course of the business year, new jobs were created and employment in Italy rose. The end-of-year rate of unemployment is expected to have dropped to about 10.7%, against 11.5% in 1999.

As far as the financial markets are concerned, 2000 saw a general upward trend in rates of interest on short-term securities, whereas the yield on medium and long-term securities was more stable.

The European Central Bank implemented a number of measures to bring the principal refinancing rate of interest up from 3% at the beginning of 2000 to 4.75% at the end of the year. The last measures introduced during 2000 (August/October) came at a time when the Euro was particularly weak, although the exchange rate against the dollar saw a significant upswing at the very end of the year.

The major international stock markets mostly experienced a negative year, with the exception of the Milan Stock Exchange, +4.6% on the previous year.

The property market saw a growth in investment and the recovery of prices.

Growth in the insurance market should have reached approximately 13% by the end of 2000. Non-Life premium income is expected to have grown by about 5%: while an increase of 20% is forecast in life business. For a great deal of the year, the market saw a considerable slowing of income from the bancassurance sector, although this is expected to have recovered considerably during the final months of 2000. Income from agencies also benefited from an increase in annual and regular premium contracts, the result of the option given of continuing to apply the old tax-exemption regulations to those contracts stipulated by 31/12/2000.

Closed-end pension funds started the year slowly, due to the failure to solve the problem

of what to do with staff leaving indemnity. Results also fell short of expectations in the case of open-end funds, with a strong tendency for income to be collected via banks (85% of the total amount).

From a structural point of view, the insurance sector saw the continuation of previous trends, with a further concentration of market shares and a growth in size of insurance companies, as well as a process of integration /overlapping of the banking and financial sectors (insurbanking). The aim is to win customer loyalty, with financial products as well, by creating sales outlets which act as both insurance agencies and financial shops, and where there is a synergetic relationship between insurance agent and financial advisor.

The insurance world has cautiously begun to entertain the idea of selling its products through the Internet. Motor T.P.L. insurance has led the way, although a wider range of insurance packages are forecast to be sold in this manner in the near future. As in previous years, the year 2000 saw very little expansion in volumes via this particular channel.

2000 was marked by some important developments in the insurance sector, in particular the insurance tariff freeze and the huge fine imposed by the Antitrust authorities.

On 24 May 2000, the well-known "anti-inflation" decree (No. 70 of 20 March 2000) was made law: this decree included the Motor T.P.L. tariff freeze. Despite the European Commission's submission of an appeal before the European Court of Justice against this measure, which it considers contrary to the principle of free competition, the freeze is to remain in force until 31 March 2001, and will continue to have effects during the months to follow as a result of those instalments of annual premiums which are payable after that date.

The new provisions concerning compensation for biological damage, contained in Law No.57 of 5 March 2001, "Provisions concerning the opening and regulations of markets", was passed after significant changes had been made

to the original bill: these changes have largely defeated the previously-agreed objectives of reducing the cost of, and the contentious jurisdiction regarding, personal injuries .

Small-scale permanent invalidity claims will be paid on the basis of a series of parameters: however, the judge is to have marginal powers of discretion, whereby he may grant higher damages than those provided for in the tables, on the basis of the yet-to-be-defined "subjectivity" of the injured party, while the daily allowance for temporary invalidity has been raised by 40%, resulting in a noticeable increase in the cost of this item compared with the present situation.

On 31 July 2000, the Antitrust Authority threatened to impose heavy fines on several insurance companies for an alleged cartel deliberately created in order to raise the price of Motor T.P.L. policies. The fined companies appealed to the Regional Administrative Court against this measure. On 26 October 2000, however, the said Court failed to reach a decision concerning the request to suspend the fines, and established March 2001 as the term for an examination of the merits of the ruling.

Finally, as far as Life insurance business is concerned, together with the circular letter ISVAP No. 403/D of 16 March 2000 regarding the "quality of the service offered to the insured by life insurance companies", the most important event was the issuing of Legislative Decree 47/2000 (which came into force on 1 January 2001). This decree introduces important changes to the taxation of pension-oriented and life assurance contracts: it subdivides life assurance products into three categories: pension-oriented insurance, pure-risk insurance and financial-risk insurance.

Furthermore, the Decree abolishes the 2.5% tax on premiums for those new contracts underwritten from 01/01/2001 onwards.

Following the introduction of new legal provisions, on 11 October 2000, the COVIP (supervisory authority on pension funds) produced a new regulatory framework for set-contribution open-end pension funds, while on

15 December 2000 the Consob (supervisory authority on the Stock Exchange) issued a temporary additional scheme for the updating of informational statements.

Finally, continuing in chronological order, on 22 December 2000 the Ministry of Finance issued a Decree clarifying the requisites which long-term care insurance policies must have to ensure that 19% of premiums are income tax-deductible.

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On 4 December 2000, at the 2000 Financial Communications and Annual Accounts Awards ceremony, Unipol was awarded the Insurance Companies category Oscar for its 1999 Annual Accounts, in recognition of both the accuracy and formal clarity of the document, as well as the effort taken to circulate financial information to others.

We sincerely thank all Company divisions, and all those who duly carried out their duties, for their invaluable commitment and effort.

# Business performance during the financial year

During the course of 2000, Unipol Assicurazioni and the Unipol Group both witnessed a significant growth in size, and operating results confirmed the considerable progress made by the company during the course of the year.

## The acquisition of new shareholdings in insurance companies

Midway through the year, Unipol acquired a controlling interest in the following insurance companies: Meie Assicurazioni, Meie Vita, Aurora Assicurazioni, Navale Assicurazioni. Then on 28 December 2000, Unipol acquired a controlling interest in BNL Vita. These acquisitions also involved a controlling interest (100%) in the Duomo Group and in Le Mans Vita Italia, which were subsequently sold.

The structure of the Group was extended from the insurance sector, in which Unipol continues to operate via both traditional companies and specialised companies, to the bancassurance, banking and managed savings sectors, where Unipol Banca operates.

Take-over operations, which cost the company a total of ITL1,430bn, were financed by an increase in capital through the issue of shares and capital-content bonds, described later on, and through the use of the company's own funds.

These operations were carried out with a view to encouraging the rapid growth in size of the Unipol Group, while at the same time achieving important synergies of costs, investment, technology and development

## Business performance during the financial year

The main business features in 2000, which

ended the year showing net profits of ITL115.4bn against the ITL76bn for the previous year, were as follows:

- An increase in premium income from direct business of 9.7% (+10.9% the overall increase in premiums), driven by the growth in Life assurance business, which amounted to 30.2% of all premiums;
- A significant improvement in the technical result of Non-Life business ;
- A further reduction in operating expenses over premium income (17.7% against 18.3% in 1999);
- The positive growth of both investment (+24.5%) and associated net income (+29.5% prior to value adjustments), which also benefited from significant capital gains (shareholdings and trading);
- Balances on ordinary and extraordinary activities both increased sharply compared with the previous year (+49.5% and +63.6% respectively);
- An operating profit of ITL115.4bn (+51.8%).

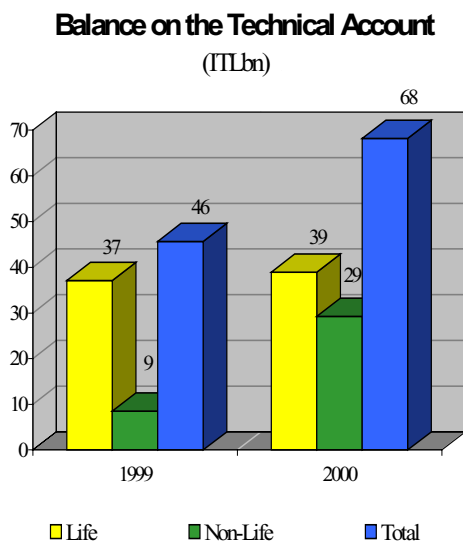
The most significant figures show that premium income reached a total of ITL3,053.6bn at the end of 2000, ITL2,870.4 of which came from direct business. Non-Life direct business grew by 4.3%, while Life direct business grew by 24.7%.

Premiums (ITLbn)	Non-Life	Life	Total	Var. %
Direct business	2,003.1	867.3	2,870.4	+9,7
Indir. business	171.1	12.1	183.2	+34,4
	<b>2,174.2</b>	<b>879.4</b>	<b>3,053.6</b>	<b>+10,9</b>
% composition	71.2	28.8	100.0	

At the Group level, direct premiums amounted to ITL6,165bn(+75,8%), while overall income totalled ITL6,265bn (+74,8%). If we include the premium income of BNL Vita, a company acquired at the end of the business year, and thus not consolidated for the purposes of the

profit and loss account, then total premium income amounts to ITL8,309bn.

The result of technical insurance business, including operating expenses and pertinent allocation of investment income (according to the methods established by the special ISVAP instruction), was a positive balance of ITL38.9bn in Life business, and ITL29.3bn in Non-Life business. Overall, the said result rose to a balance of ITL68.2bn (compared with ITL45.6bn in 1999), and this reflects the improvement achieved in the Non-Life business loss ratio.



The net retention of written premiums amounted to 93.5% (compared with 92.6% in 1999).

Payments made for losses, maturity, surrenders and annuities, including claims handling costs, amounted to ITL1,925.7bn (+6.7%).

The technical provisions set aside for Life and Non-Life business reached a total of ITL8,443.8bn by the end of 2000 (+10.6%), and a total of ITL7,997.2bn (+11.4%) if considered net of the reinsurers' share. The technical provisions/premiums ratio rose from 145.3% to 149.4% in Non-Life business, and decreased from 658.6% to 590.9% in Life business.

Operating expenses, which include acquisition and renewal commissions, as well as other acquisition and administration expenses, amount to a total of ITL539.6bn (+7.4%). The percentage of operating expenses incurred on premiums dropped to 17.7% (from 18.3% in 1999). Net of commissions received from reinsurers, the total amounts to ITL 472.7bn.

Investment income, net of investment charges, amounted to ITL335.2bn (compared with ITL298.3bn in 1999). This increase was mainly due to increased income from the bond portfolio and from invested liquidity. Net capital gains for the year, on both long-term and short-term investment, amounted to ITL212.3bn (compared with ITL124.5bn in 1999).

Thus net investment income and net profits on disposals, prior to value adjustments by ITL83.9bn (ITL35.1bn in 1999), amounted to a total of ITL547.6bn (+29.5%), and to a total of ITL463.6bn (+19.6%) after adjustments.

Investments and liquid assets, including deposits with ceding undertakings and net of value adjustments, amounted to ITL10,207.7bn, an increase of ITL2,007.9bn (+24.5%) compared with the situation at 31/12/99.

58.2% of investments was accounted for by investment in bonds and other fixed-income securities, units and shares in investment funds, and other financial investments (which had accounted for 69.1% in 1999). Investments in companies within the Group and in other undertakings in which Unipol has a participating interest rose from 15.7% to 26.9%, while investment in directly-owned property fell from 8.8% to 6.8%. Investments related to benefits linked to investment funds and market indices and arising out of pension fund management rose to 4.8% (from 2.5% in 1999).

Total taxation, comprising IRAP and IRPEG on revenue (ITL202.3bn), amounted to ITL87bn (compared with ITL54.6bn in 1999).

Capital and reserves, including the profit for the financial year, amounted to ITL2,179.7bn. The solvency margin is much greater than that

required by law, with a year-end excess of ITL1,501.7bn.

## **Increase of capital**

On 12 May 2000, the Board of Directors, using the powers granted by the Extraordinary Shareholders' Meeting of 28 April 2000, decided to increase capital by ITL169,037,100,000 through the issue of 102,489,918 ordinary shares and 66,547,182 preference shares, each with a face value of ITL1,000 and regular entitlement, to be offered as an option to shareholders on the basis of 6 ordinary shares and/or preference shares for each 10 shares of the same kind already owned, at the price of ITL6,200 for an ordinary share and ITL2,700 for a preference share.

Each ordinary share was accompanied by a "UNIPOL 2000.2005 ordinary share warrant" and each preference share was accompanied by a "UNIPOL 2000.2005 preference share warrant".

At the same meeting, the Board decided on the issue of two debenture loans:

- an issue entitled "UNIPOL 2.25% 2000-2005", consisting of 51,244,949 bonds with an individual face-value of ITL6,200 to be offered at par as an option to ordinary shareholders on the basis of 3 ordinary bonds for every 10 ordinary shares owned;
- a second issue entitled "UNIPOL 3.75% 2000-2005", consisting of 33,273,591 bonds with an individual face-value of ITL2,700 to be offered at par as an option to preference shareholders on the basis of 3 preference bonds for every 10 preference shares owned.

Each ordinary bond is accompanied by 5 ordinary warrants, while each preference bond is accompanied by 5 preference warrants.

Finally, the Board decided on a further capital increase of ITL118,325,969,000 through the issue, in instalments if necessary, of a maximum of 71,742,942 ordinary shares and a maximum of 46,583,027 preference shares to be reserved, respectively, for the exercise of the ordinary

warrants and the preference warrants offered with shares and bonds respectively.

The capital increase operation ended in July 2000, with all ordinary shares, preference shares and bonds being underwritten.

Total income amounted to ITL1,222.7bn, ITL815.1bn of which coming from shares cum warrants, and ITL407.6bn from the issue of bonds cum warrants.

July 2000 marked the beginning of the right of warrant holders to underwrite new ordinary and preference shares, and they may exercise this right up until 20 June 2005.

During the course of the second half of 2000, as a result of the above-mentioned underwriting of shares, capital increased by a further ITL382m, and at 31 December 2000 amounted to ITL451,147,226,000, fully paid-up.

During the course of the first two months of 2001, capital increased by a further ITL63m; as at 28 February 2001, 358,611,468 "UNIPOL 2000-2005 ordinary share warrant" options remained to be exercised, together with 230,762,177 "UNIPOL 2000-2005 preference share warrant" options.

Stock exchange capitalisation of Unipol shares amounted to ITL2,435.8bn (EUR1,258m) as at 29 December 2000, and to ITL2,428bn (EUR1,254m) as at 28 February 2001.

## Insurance activities

### Premiums

Written premiums at 31 December 2000 amounted to a total of ITL3,053.6bn, an increase of 10.9%.

The breakdown of premiums by class of

business, their percentage composition and variations compared with 1999, are given in the table below, which conforms to the classification of risks provided for at Point A of the table attached to Legislative Decree No. 175 of 17/3/95 on Non-Life Business, and to the similar table attached to Legislative Decree No. 174 of 17/3/95 on Life Business.

BREAKDOWN OF WRITTEN PREMIUMS PER CLASS OF BUSINESS							
<i>(Net of tax on premiums - Amounts in ITL million)</i>							
No.		Financial yr	comp.	Financial yr	comp.	2000/1999 variation	
		2000	%	1999	%	in absolute terms	in %
<b>DIRECT ITALIAN INSURANCE BUSINESS</b>							
<b>Non-life insurance business</b>							
1	Accident	182,874	6.4	181,201	6.9	1,673	0.9
2	Health	77,712	2.7	66,939	2.6	10,772	16.1
3	Land vehicles - Own damage or loss	186,554	6.5	182,647	7.0	3,907	2.1
4	Railway rolling stock	631	0.0	510	0.0	121	23.7
5	Aircraft- Hull	51	0.0	1	0.0	50	3956.2
6	Marine - Hull	1,291	0.0	1,783	0.1	-492	-27.6
7	Goods in transit	12,503	0.4	12,717	0.5	-214	-1.7
8	Fire and natural forces	82,824	2.9	82,973	3.2	-149	-0.2
9	Other damage to property	118,008	4.1	116,431	4.5	1,578	1.4
10	Land vehicles -T.P.L.	1,043,137	36.3	997,746	38.1	45,392	4.5
11	Aircraft- T.P.L.	21	0.0	2	0.0	19	1178.2
12	Marine- T.P.L.	1,055	0.0	999	0.0	56	5.6
13	General T.P.L.	212,480	7.4	191,626	7.3	20,854	10.9
14	Credit	266	0.0	469	0.0	-203	-43.2
15	Bonds	36,944	1.3	38,846	1.5	-1,902	-4.9
16	Pecuniary losses	23,947	0.8	23,858	0.9	89	0.4
17	Legal protection	13,432	0.5	12,440	0.5	992	8.0
18	Assistance	9,381	0.3	9,242	0.4	139	1.5
<b>Total non-life insurance business</b>		<b>2,003,111</b>	<b>69.8</b>	<b>1,920,431</b>	<b>73.4</b>	<b>82,680</b>	<b>4.3</b>
<b>Life assurance business</b>							
I	Life assurance	527,096	18.4	539,685	20.6	-12,589	-2.3
III	Assurance linked to mutual funds/market indices	276,982	9.6	89,845	3.4	187,137	208.3
V	Capital redemption operations	39,932	1.4	60,264	2.3	-20,333	-33.7
VI	Pension funds	23,255	0.8	5,787	0.2	17,467	301.8
<b>Total life assurance business</b>		<b>867,264</b>	<b>30.2</b>	<b>695,581</b>	<b>26.6</b>	<b>171,683</b>	<b>24.7</b>
<b>Total direct insurance business</b>		<b>2,870,376</b>	<b>100.0</b>	<b>2,616,013</b>	<b>100.0</b>	<b>254,363</b>	<b>9.7</b>
<b>INWARD REINSURANCE</b>							
Non.life business		171,140	93.4	123,505	90.6	47,635	38.6
Life assurance business		12,107	6.6	12,815	9.4	-708	-5.5
<b>Total inward reinsurance</b>		<b>183,247</b>	<b>100.0</b>	<b>136,320</b>	<b>100.0</b>	<b>46,927</b>	<b>34.4</b>
<b>TOTAL PREMIUM INCOME</b>		<b>3,053,622</b>		<b>2,752,333</b>		<b>301,290</b>	<b>10.9</b>

*In the year 2000 tax on premiums (due by policyholders) amounting to ITL275,749m was also collected (+5.5%), as well as contributions payable to the NHS amounting to ITL108,433m.*

In real terms, there was a 7% growth in direct premiums.

## Products and sales

### ***Non-Life Business***

Non-Life business was characterised in particular by the launch of a new product – the “1036/Personal multi-guarantee policy” - a modular insurance plan including guarantees designed to produce a made-to-measure insurance package. The issue of contracts, in fact, goes beyond the pre-printed form approach and, instead, requires policies to be printed directly on blank paper, thus reducing agencies' paperwork.

Its layout, consisting of a general section followed by various attached sections, enables the agent to personalise the product in terms of the sums insured and the guarantees offered.

One example is “Favola”, the so-called Fable Policy for Housewives. On the one hand, with this policy the insured housewife can supplement the coverage provided by INAIL, while on the other she can benefit from a multi-business package of guarantees covering household risks, accidents and illness.

This product was subsequently personalised in order to provide special insurance cover for the Professional Person and his/her family: once again, this modular insurance package can be adapted to the diverse requirements of the insured party.

### ***Life Business***

The following new products appeared in the life insurance sector:

- “Tariff 303 - Uninvest”: this tariff replaced the previous “Tariff 302 Uninvest” from 17 April 2000, and concerns the range of products otherwise known as Unit-Linked policies.

Premium income was mainly directed towards the Fund entitled AzioniPiù, one of the first in Italy, which has radically changed the offer of Unit-Linked products through the exclusive investment of its assets in a French investment fund; their performance is linked to the performance of the stocks of ten leading European undertakings operating within the fields of energy, industry, services, finance and telecommunications.

The French investment fund also provides a guarantee covering the value of the units at a set date.

The initial minimum payment is ITL2,500,000; there is then a minimum contribution of ITL1m for any additional payments.

- “Tariff 337 – Special Single Premium Endowment Assurance at a set write-up rate and with a Terminal Bonus”: this tariff is characterised by a standard rate of 6%, a duration of 6 years and a minimum premium of ITL10mn.

There is also a Terminal Bonus, which consists in an increase in the guaranteed return at the end of the contractual term.

- “Tariff 304 - Uninvest”: another development of the Unit-Linked policies, Tariff 304 makes use of eight Funds, the last four of which were introduced during 2000. As well as the above-mentioned “Fondo AzioniPiù”, three other funds have been introduced:

- Uninvest Performance Europe: this fund features investment in stocks and shares representing the venture capital of exclusively European undertakings. The stocks and shares representative of this venture capital may account for as much as 100% of the total fund, and never less than 50%. This is a high-risk fund whose target is considerable growth in the long-term.

- Uninvest Flexible: this fund features investment in stocks and shares representing the venture capital of undertakings with considerable growth potential. Depending on financial market developments, the presence of stocks and shares representing venture capital may range from 0 to 100%. This is a high risk Fund with a high-growth target in the medium and long term.

- Uninvest Mach 7: this features investment in stocks and shares representing the venture capital of European undertakings. Depending on stock market developments, these venture share capitals and shares may account for from

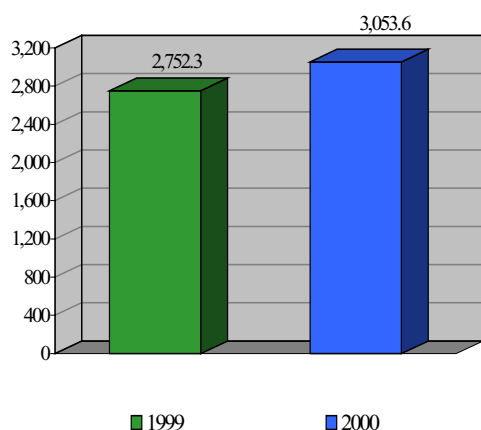


10 to 100% of the total value of the Fund. The Fund is covered by a guarantee which on a given date establishes the value of the share as no lower than the greater of two other set amounts (the initial unit value and 80% of the maximum unit value during the eight years of the guarantee).

This financial year saw the introduction of innovative, company-designed software which provides a natural support to customer advisory services, allowing several investment positions to be managed using a single Unit-Linked policy, which means that the allocation of assets can be switched from one fund to another. Prior to the introduction of this software, such operations required the cancellation of the existing policy followed by the stipulation of a new contract.

### Total Premium Income

(in IIL billion)



### **Sales network**

With regard to the company's sales network, at the end of 2000 there were 766 Agents (compared with 768 at the end of 1999), as well as 1,107 full-time sub-agents.

In 2000 the company continued to consolidate its sales network, in terms of both the number of sales outlets and the inclusion of professionals capable of valorising the newly-enlarged range of products, also with the involvement of other companies within the

Unipol Group.

During the course of the year there were presentations of the main products being launched, together with the respective training programmes. Special mention should be made of the support provided for the launching in April of "AzioniPiù", the first Unit-Linked insurance product with guaranteed benefits.

Moreover, a presentation was organised involving all agents and their staff. This event, co-ordinated by the external sales structures together with a number of specialists from the head office, was designed to provide an overall picture of the specific competitive situation and to illustrate the advantages offered by the product over more traditional forms of investment. The entire action was supported by a marketing programme using illustrative material which proved to be highly appreciated by customers. The results of this campaign were extremely positive.

In December 2000, after approximately two months of negotiations, supplementary agreements for associated agencies and privately-owned agencies for the period 2001-2003 were signed.

These new agreements contained significant modifications to the incentive system, as well as introducing a new formula for insurance advisors, involving an initial degree of investment-sharing on the part of the Company.

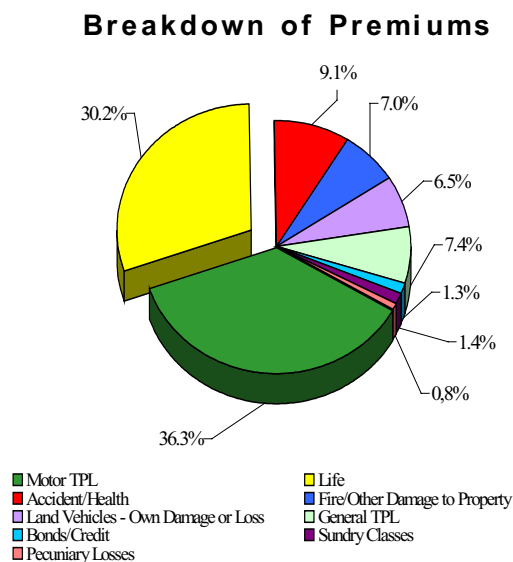
A new procedure was introduced for privately-owned agencies, specifically for the drawing up and launching of budgets, which is to comply with a series of objective and subjective parameters at both regional and agency levels.

The centralised telecommunication service Sertel (call centre) helped reduce the time taken to assess and settle an increasing number of claims.

### **Results by class of business**

We are now going to illustrate performance in the main classes of business during the course of 2000. The respective figures are illustrated in

detail, together with the relative technical results, in the specific Annexes to the Notes to the Accounts.



### ***LIFE and Pension Funds***

2000 proved to be a particularly interesting year, characterised by higher profits in all classes of business except for that of group policies, although this was compensated for by growth in the Pension Fund (both open-end and closed-end) sector.

Besides considerable growth in traditional annual premium policies, the year also saw significant growth in premiums from the most modern forms of savings, as can be seen from the growth in Unit-Linked policies. This is a clear sign of the continuous professional growth of the Company's sales network. In fact, while the growth of traditional annual premium policies with re-assessable benefits was particularly stimulated by the imminent changes in Life insurance tax legislation, the significant growth in Unit-Linked policies, with their higher average premiums, can be mainly attributed to the sales network's offers and to the innovative nature of the products made available by the same network.

Sales structures are thus present and active in marketing the entire range of products, both

traditional and new.

Particular emphasis should be placed on the consequences of 2000 new business, which enabled the Company to achieve consistent results and proceed with the modernisation of its product range through advanced savings lines.

As far as innovation is concerned, as well as the increase in the number of funds connected to the Unit-Linked policies, from four to eight, special mention should also be made of the two new funds with guarantees. Customer interest in these new funds is clear from the significant amount of premiums written.

Direct premiums written during the year amounted to ITL867.3bn, an increase of 24.7% over the previous year.

Direct premiums from individual policies amounted to ITL706.5bn (+41.3%), of which ITL406.2bn (+0.5%) is ascribable to Class I (life assurance), ITL277bn (+208.3%) to Class III (insurance linked to investment funds or market indices), and ITL23.3bn (up from ITL5.8bn in 1999) to Class IV (pension funds).

Direct premiums from group policies amounted to ITL120.9bn (-10.7%), all ascribable to Class I.

Direct premiums from capital redemption operations, Class V, amounted to ITL39.9bn (-33.7%).

First-year direct premiums amounted to ITL71.1bn, of which ITL70.1bn is ascribable to Class I (compared with ITL59.4bn in 1999), while single premiums amounted to ITL486.6bn (compared with ITL351.2bn in 1999), of which ITL147.5bn is ascribable to Class I, ITL275.9bn to Class III, ITL39.9bn to Class V, and ITL23.3bn to Class VI.

Including inward reinsurance, premium income totalled ITL879.4bn (+24.1%).

Operating expenses, including acquisition and renewal commissions, other acquisition and administrative expenses, totalled ITL80.2bn (ITL77.9bn net of the commissions received

from reinsurers): the corresponding impact of these expenses on premiums was 9.1% (compared with 10.1% the previous year).

The increase in the sums paid was 30.7% (compared with 22.2% the previous year), with the corresponding sum amounting to ITL480.4bn, sub-divided as follows:

	<b>2000</b>	<b>% variation compared with 1999</b>
Class I	420.0	23.7
Class III	13.2	39.8
Class V	47.0	152.5
Class VI	0.2	-
<b>Total</b>	<b>480.4</b>	<b>+30.7</b>

Insured sums at the end of 2000 amounted to ITL12,068bn (+3.2%); technical provisions of both direct and indirect portfolio amounted to ITL5,196.3bn, an increase of 11,4% over the previous year.

The Vitattiva and Vitattiva 90 segregated accounts produced an average return of 6.11% and 6.61% respectively, enabling the insured parties to benefit from a minimum annual write-up of 4.88% in the case of Vitattiva, and of 5.94% in the case of Vitattiva 90, including the technical interest rate.

### ***Pension Funds***

As regards closed occupational pension funds business, the Company's activity, in joint venture with the Citibank Group, focused on the one hand on managing pension funds previously acquired, and on the other hand on participating in the new tendering processes which, however, were announced much later than forecast by the Funds themselves.

Year-end assets managed totalled ITL141.5bn, consisting of shares of the assets of "Fonchim" and "Bayer Italia" pension funds.

In December, these funds were supplemented by a share of the assets of Banca Agricola Mantovana's Employees' Pension Fund, amounting to ITL13.4bn. Given that sums invested in this pension fund are covered by guarantee, with transfer of assets to the

Company, they were included in Class D.II of the accounts.

During the course of the year, Unipol was also successful in obtaining the management of shares of assets belonging to "Solidarietà Veneto" and "Cooperlavoro" pension funds, whose resources will come under Unipol's management during the course of 2001.

During the initial part of the new year, new tenders were launched for the selection of a number of financial managers. Unipol, together with Citibank, continues to participate in these selection processes in the hope of being included among the managers of the main closed-end pension funds.

As regards the open-end pension funds "Unipol Previdenza" and "Unipol Futuro", during 2000 placement continued through the network of partner banks, Unipol agencies and directly managed salespoints.

At 31/12/2000 the combined assets of the two funds came to ITL19.4bn (+ITL12.4bn compared with the position at 31/12/99) representing a total of 3,206 members.

Overall performance was in line with the respective benchmarks.

Income growth continued at a rather circumscribed pace, in line with the market trend; a significant contribution was made by the bank networks, especially as regards individual subscriptions.

Placement activity for the open-end funds has continued in the first few months of 2001 at a faster rate than during the corresponding period last year.

### ***NON-LIFE Business***

At 31 December 2000, premium income from direct business amounted to ITL2003.1bn, an increase of ITL82.7bn (+4.3%) over the previous year.

Including indirect business (inward reinsurance), premiums written during the financial year amounted to ITL2,174.3bn (+6.4%).

As regards insurance business under freedom

to provide services, during the course of 2000 premiums totalled ITL1,554m, mostly accounted for by income from third-party countries, an increase of 16.3% compared with 1999.

Operating expenses, including acquisition and renewal commissions and other acquisition and administration expenses, amounted to ITL459.4bn (ITL394.8bn net of commissions received from reinsurers), compared with ITL431.2bn in 1999. The incidence on premiums remained the same as that of the previous year (21.1%).

Growth has suffered in part from the negative effects of the freeze on Motor T.P.L. premiums imposed by the Government in March 2000. However these effects have been offset by renewed growth in other insurance classes, in particular by the positive results achieved in health cover business and in various types of professional business, despite the tough competition that tends to squeeze tariff rates applied.

The positive trend shown by the claims frequency, encouraged by the underwriting policies adopted by the Company to safeguard the quality of income and the clearance of technically weak segments, led to a considerable improvement in the technical balance.

During the course of 2000, 369,615 claims were reported, a reduction of 4.06% compared with 1999.

Claims paid, arising in 2000 or in previous years, involved the disbursement of ITL1,445.3bn, which amounted to ITL7.6bn more than was paid out in 1999 (+0.5%).

During 2000, the Sertel call centre dealt with approximately 196,000 claims, and directly settled about 56,000 claims.

At the end of the year, the provisions for unearned premiums and claims outstanding totalled ITL3,247.5bn (+ITL276.9bn compared with 31/12/99), equal to 149.4% of premiums written (145.3% at 31/12/99).

The average loss ratio for all Non-Life Business

classes, including claims handling expenses, was 78% (compared with 81.3% in 1999).

The balance on the technical account shows a profit of ITL29.3bn (compared with ITL8.5bn at the end of the previous year).

### ***Accident***

*Direct premiums ITL182.9bn (+0.9%);  
number of claims reported 46,469 (-4.5%);  
claims paid ITL104.1bn (+0.1%).*

The year-end growth rate showed a positive turnaround compared with the negative trend that characterised the first half of the year, although growth difficulties within this class remain confirmed.

The slowing of growth in this class, which is characteristic of the entire market, was accentuated by other factors that slowed premium income. In particular, certain reforms of large-scale group contracts, which saw a clear reduction in our involvement in economically negative risks, bore heavily on both portfolio production and maintenance.

Those measures specifically designed to re-launch growth had only a partial effect on the current financial year, given that they were implemented during the last few months of the year.

“Favola”, the new accident policy designed to supplement INAIL coverage for housewives, launched during the course of 2000, should demonstrate its considerable potential following the legal provision demanding such INAIL coverage, which is to come into force from March 2001 onwards.

One positive result is the significant fall in the number of claims reported, due to both the lower claims frequency on large-scale group contracts, and to the effects of the revision of contractual terms regarding certain top products, which reduced the incidence of minor damage.

This claims trend, combined with an effective policy of economic re-balancing, in particular in relation to those contracts whose leaders are other insurance companies, has led to an improvement in the overall technical trend

compared with the previous year.

### **Health**

*Direct premiums ITL77.7bn (+16.1%);  
number of claims reported 19,654 (+43.5%);  
claims paid ITL43.3bn (-7.3%).*

As recorded during the first half-year, the significant growth of the Health class was confirmed at year-end. This is mainly the result of the reconfirmed propensity towards health coverage within the framework of trade labour agreements or of specially designed conventions for large groups. A second factor that contributed towards this result was the positive reception given to the new range of products, on sale from 1 January, designed to provide individual and family risk coverage: these products were supported by special marketing programmes targeting local areas and customer groups.

The growth recorded during the course of the year was also influenced by a number of nationwide group contracts, acquired through tender or through direct negotiations with trade associations.

The increase in the number of claims reported was mainly due to the acquisition of important new group contracts that produce a considerable number of claims for reimbursement but at a limited average cost.

The above is confirmed by a strong reduction in the cost of claims, partly due to the continuous monitoring of the portfolio, both directly managed and managed by other companies, which as well as highlighting the more critical situations, has also led to the Company pulling out of certain risks characterised by a negative technical trend.

The combined action of the described factors has led to an improvement in the technical result of this class of business.

### **Land Vehicles – own damage or loss**

*Direct premiums ITL186.6bn (+2.1%);  
number of claims reported 33,472 (-0.9%);  
claims paid ITL94.4bn (+3.9%).*

The limited growth of this class showed signs of accelerating during the second half of the

year, during which the effects of the Motor T.P.L. tariff freeze were felt more heavily.

The final result, which consolidated a good level of profitability, was determined by a significant reduction in claims pertaining to total or partial theft of vehicles, which constitute the most costly of claims. This made it possible to absorb the heavy cost of the guarantee providing for reimbursement of bad weather effects, which hit the country during the second half of the year.

### **Fire**

*Direct premiums ITL82.8bn (-0.2%);  
number of claims reported 4,128 (+7.9%);  
claims paid ITL42.1bn (+3.9%).*

The trend in written premiums was conditioned by the failure to renew an important contract. Premium income also continued to be affected by the highly competitive nature of the market, which led to further cuts in the average rates, especially in the public body and industrial risk classes.

On the other hand, the Company's favourite sectors, such as the family, craft industry and agriculture, with their special multi-guarantee products on offer, performed well.

The loss ratio was significantly affected by natural calamities, and in particular by several seismic events and the bad flooding in the Valle D'Aosta and Piedmont regions. Natural disasters have for some time been increasing in size and frequency; as a result, the Company is working towards changing policy terms as well as the relative rates.

Targeted activities designed to improve results continued, such as the reform of multi-claims contracts, and action in the case of those agencies that have for some time shown a negative balance in given sectors.

Moreover, with a view to customer service certain specific measures were introduced to reform the portfolio and update insured sums.

With regard to high-risk activities, the Company continued to work on providing a quality advisory and prevention service, aimed at the implementation of safety measures.

The technical result was a positive one, albeit down on the figure for 1999.

### ***Other damage to property***

*Direct premiums ITL118.0bn (+1.4%);  
number of claims reported 28,527 (-5.9%);  
claims paid ITL66.1bn (-5.1%).*

Other Damage to Property includes insurance against Theft, Hail and Technological Risks, as well as supplementary guarantees within the Fire class.

#### **Theft**

*Direct premiums ITL40.6bn (-0.6%);  
number of claims reported 4,220 (-24.1%);  
paid claims ITL22.8bn (-14.4%).*

Growth is conditioned by the adoption of policies involving the careful preventative selection of risks, aimed at preserving the economic result, in a highly competitive market which tends to push for a substantial reduction of tariffs, including those applied to good customers who go to renew their contracts. The loss ratio is positive within this class.

#### **Hail**

*Direct premiums ITL13.2bn (-11.7%);  
number of claims reported 4,099 (-16.8%);  
claims paid ITL13.1bn (-5.8%).*

A fall in premium income due to the wish to reduce insured sums, in a class whose rates struggle to reach a level able to guarantee a technical balance. The uncertainties linked to climate change, together with the pressure exercised by the Defence Consortia, make it difficult to implement an appropriate tariff policy.

A positive loss ratio during the first half of the year was unfortunately frustrated by the disastrous weather, which struck the Trentino and Umbria regions in particular, at the end of the summer. The technical trend remained negative, although representing a significant improvement on the previous year.

#### **Technological risks**

*Direct premiums ITL19.5bn (+8.1%);  
number of claims reported 2,029 (+6.9%);  
claims paid ITL10.1bn (+46.3%).*

Premium growth was particularly significant in

the construction sector as a result both of tax relief on renovation work, which in turn led to the opening of a considerable number of sites, and of the passing of the Merloni Law, which obliges the building contractor to stipulate an insurance policy for each contract. Furthermore, demand for leasing policies by small and medium-sized manufacturing enterprises remained positive. Premium growth was partly the result of the contracts signed for the High Speed Train construction sites.

The rise in the number of claims is in line with portfolio growth. The cost of claims increased considerably as a result of certain rather significant claims which are, however, strongly protected by reinsurance.

Furthermore, there was a rise in the loss ratio in the leasing sector, as a result of the theft guarantee.

Efforts to improve the result continued throughout the year: measures included the reform of multi-claim policies and of policies covering construction site machinery.

Finally, a programme was set up to deal with the insurance obligations provided for by the Merloni Law: this programme will simplify the issuing of contracts by agencies.

#### **Additional guarantees in the Fire class**

*Direct premiums ITL42.2bn (+5.0%);  
number of claims reported 17,520 (+2%);  
claims paid ITL19.7bn (+5.3%).*

The guarantees are included in the Fire class. The measures taken and the results achieved were similar to those of the Fire class itself.

#### ***Land Vehicles - Motor T.P.L.***

*Direct premiums 1,043.1bn (+4.5%);  
number of claims reported 174,447 (-6.85%);  
claims paid ITL729.6bn (-3.1%).*

Premium income from this class also includes premiums for the liability of the carrier coming from Goods in Transit (ITL3.7bn).

The tariff freeze introduced by the government during the first quarter led to a gradual fall in the rates of premium growth during the course of the year. The substantial freeze on competition implicit in the adopted measure

produced a certain immobility of the market, given that policyholders who had not reported claims benefited from a guaranteed frozen price, and thus had no interest in changing insurers.

Within the context of this rather stagnant situation, the Company continued to focus on the principle of the careful management and renewal of the portfolio, and on that of the control of growth and results, especially in the more critical areas of the country.

At the same time, it continued to fight fraud, together with the competent associations.

The loss ratio was contained to a large extent, while there was a halt to the tendency towards growth of the incidence of personal injuries.

The final result, although improving, remained negative. Moreover, the effects of the tariff freeze will continue to be felt into 2001.

The new regulations governing the payment of damages for minor personal injuries, which will come into force on 4 April 2001, mean that economic benefits in terms of the claims cost are not envisaged.

#### **General T.P.L.**

*Direct premiums ITL212.5bn (+10.9%);  
number of claims reported 34,141(-8.2%);  
claims paid ITL131.9 (+7.8%).*

Premium income remained at a good level, with a rise of approximately 11% over the previous year, thus confirming market interest both for this type of insurance coverage, and for the quality products the Company has to offer.

This result is even more significant if we bear in mind that over the past year, renewal of the class has led to the divestment of certain contracts with considerable premiums.

On the other hand, the revision of premiums applied on particular risk categories, together with the reforms introduced, had a positive influence on the growth of premium income.

Positive results were shown by the professional persons and construction industry products, which performed well in terms of both new business and the renewal of existing products.

In the health sector in general (health companies and professional persons), as well as the revision of tariffs, a special clause was

introduced providing for the validity of a guarantee only for those claims reported while the policy is in force.

As a result of renewal, the number of claims reported is falling (-8.2%).

However, the average claim cost is increasing, especially where claims relate to physical injuries to persons (death and personal injuries), which are strongly influenced by the health sector, as a result of the increase in damage claimed by injured parties, and of the lack of clear damage criteria.

Overall, this class's considerably negative result was largely influenced by the necessary provisions set aside to cover the rising cost of claims yet to be settled.

#### **Credits and Bonds**

*Direct premiums ITL37.2bn (-5.4%);  
number of claims reported 526 (-3.3%);  
claims paid ITL4.0bn (-34.5%).*

Premium income in the Bonds class fell in keeping with the market trend, due to the introduction of tax compensation which led to a reduced demand for guarantees on VAT reimbursement, and to the incomplete application of the Merloni Law regarding public tenders.

Claims for the financial year were in line with previous years' figures. There was a significant reduction in total claims paid, the result of both lower payments and rising recoveries.

The final result was particularly encouraging due to the positive settlement of disputes.

Premium income in the Credit class was almost exclusively made up of Commercial Credit.

#### **Sundry pecuniary losses**

*Direct premiums ITL23.9bn (+0.4%);  
number of claims reported 14,007(-4.4%);  
claims paid ITL7.0 (+1.7%).*

This class mainly covers risks linked to motor vehicles, and feels the specific effects felt by the other supplementary guarantees. The technical result for 2000 remained extremely positive.

### **Legal protection**

*Direct premiums ITL13.4bn (+8.0%);  
number of claims reported 2,115 (-1.6%);  
claims paid ITL2.5bn (+27.8%).*

Figures for the year confirm a positive performance in terms of both production and result.

### **Assistance**

*Direct premiums ITL9.4bn (+1.5%);  
number of claims reported 11,280 (-9.0%);  
claims paid ITL2.6bn (-7.9%).*

From 1/7/2000, all contracts anticipate the use of the Europ Assistance call centre for the provision of assistance services, thus replacing Ima Assistance. To this end, special marketing projects have been used to propose the new guarantees also to those policyholders who did not have them before.

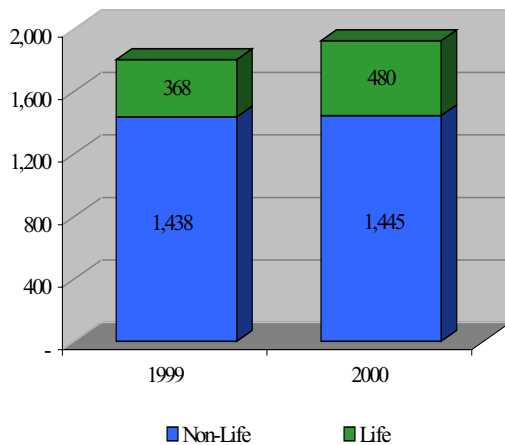
Costs are falling as a result of the reduction in claims frequency and of their lower average value, especially in the case of “towing” and “courtesy car” guarantees.

### **Marine, aircraft and goods in transit**

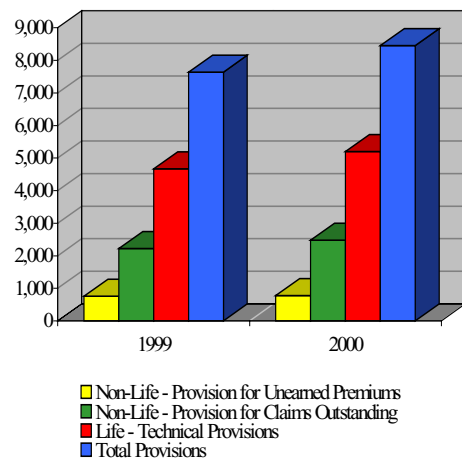
*Direct premiums ITL15.6bn (-2.9%);  
number of claims reported 849 (+10.7%);  
claims paid ITL7.9bn (+1.6%).*

As well as the old transport and aviation classes, this category now also covers risks pertaining to Railway Vehicles and Third-Party Liability for Sea Vessels (formerly Shipping). Premium income was affected by both the measures taken to renew the portfolio related to insurance of sea vessels, and those policies which aim to restrict the acquisition of business through Brokers, which has been characterised by a particularly negative trend in recent years. The overall result, nevertheless, was again extremely satisfactory.

**Claims Paid (ITLbn)**



**Technical Provisions (ITLbn)**





## Re-insurance

### Inward reinsurance

At the end of 2000, premium income from inward reinsurance amounted to ITL183.2bn, an increase of ITL46.9bn (+34.4%) over 1999.

Total Non-Life premiums amounted to ITL171.1bn, a rise of ITL47.6bn (+38.6%) compared with 1999.

This rise was due to both the significant increase in premiums coming from reinsurance transactions with subsidiaries, including premiums ceded by Aurora Assicurazioni and Agricoltura s.m. (mutual insurance company), companies taken over during the course of the year, and to the greater volume of premiums from reinsurance business with other undertakings.

Total Non-Life premiums from the subsidiary Linear amounted to ITL51.1bn, an increase of ITL17.8bn (+53.4%) over the previous year; while total Non-Life premiums from the subsidiary Unisalute amounted to ITL29.4bn, 31.8% up on the previous year's figures.

Total Non-Life premiums from the subsidiaries Aurora Assicurazioni and Agricoltura, amounted to ITL15.6bn and ITL557m respectively.

The overall result of Non-Life business, net of retrocessions, was slightly down on the previous year's figure. This was chiefly due to the catastrophic consequences of the Lothar and Martin storms that severely affected the South of France in December 1999.

Total Life premiums amounted to ITL12.1bn, ITL3bn of which from Noricum Vita, a fall of ITL0.7bn (-5.5%) compared with the previous year, mainly due to the lower volume of premiums coming from certain Companies who increased their own levels of retention.

The overall result of Life business, including interest received on deposits, remained positive, albeit to a lesser degree than that of the previous year.

### Outward reinsurance

Once again in 2000, reinsurance cessions followed a reinsurance scheme organised according to the main forms of cession, with a proportional type of coverage for nearly all classes, together with a non-proportional type of coverage protecting exposure resulting from both portfolios and retention within the following classes: Motor T.P.L., General T.P.L., Land Vehicles – own damage or loss, Fire, Accident and Goods in Transit, as well as in the Other Damage to Property class with regard to hail risks.

With regard to Life assurance, the reinsurance scheme was once again structured so as to provide coverage mainly of the proportional type, together with non-proportional coverage to protect the accumulated exposure of the Company's retention.

The total volume of Non-Life and Life premiums ceded, including retrocessions, amounted to ITL199.3bn, which represented a fall of ITL5.1bn (-2.5%) compared with the previous year.

In Non-Life business, direct premiums ceded amounted to ITL151.5bn, a fall of 2.6% compared with the figure of ITL155.6bn in 1999.

The overall result of direct Non-Life cessions was a positive one for our reinsurers, albeit to a lesser degree than the result from the previous year.

The 2000 result was negatively influenced by Fire cessions, following the loss ratio due to natural forces, as well as to allocations to the provision for claims outstanding relating to T.P.L. damage. It was positively influenced by the good result achieved in the Bonds class, which was characterised by the positive development of provisions for claims outstanding relating to previous years, due to the positive settlement of a number of disputed claims.

Within Life business, direct premiums to the

value of ITL11.4bn were ceded, an increase of 5.9% over the previous year's figure of ITL10.8bn.

As regards the obligations to be debited to Consap, resulting from former compulsory cessions, it should be pointed out that the yield rates adopted, as provided for by Article 3 (110) of Law 662, are those established by the ministerial decrees for the financial years up to 1998, whereas the rates for 1999 and 2000 have been conservatively estimated.

The retention ratio in Non-Life business rose from 91.9% in 1999 to 92.4% in 2000; the retention ratio in Life business rose from 98.4% in 1999 to 98.7% in 2000.

The overall retention ratio (Non-Life + Life) thus rose from 93.6% to 94.3%, a total increase of 0.7 basis points.

## **Litigation**

In the claims settlement sector, the main objective remains that of limiting as far as possible any litigation: firstly, because in this way customers and users are provided with a rapid service as regards the payment of damages, and secondly, in order to limit the expense of Court cases.

This approach was further strengthened by the coming into force, in 1999, of the reform of the Code of Civil Procedure.

Thus once again in 2000, any pending contentious jurisdiction was re-examined, and compromise solutions were sought where possible: moreover, the Company chose new suits carefully so as to limit the cost of court appearances.

Re. criminal law, the Company worked together with the ANIA in order to strengthen fraud prevention, including the filing of numerous complaints with the judicial authorities.

The already-mentioned case before the Antitrust Authority against the fine of ITL33bn inflicted on Unipol (and on another 37 companies within the insurance sector) for its part in an alleged cartel designed to raise the price of Motor T.P.L. insurance policies, is

currently underway.

Whilst awaiting the ruling of the Regional Administrative Court due at the end of March, regarding the request submitted by the insurance companies to annul the said fine, and although confirming that Unipol had nothing to do with the alleged violations, in observance of the principle of prudence underlying the drawing up of the Annual Accounts, a provision of ITL20bn has been made in the said Accounts based on a different calculation of the fine.

As regards the other case before the Antitrust Authority, concerning an alleged agreement between Unipol and other major insurance companies pertaining to insurance contracts with public bodies in the Emilia Romagna region, there have been no developments of any note.

A similar case brought by the Antitrust Authority against Unipol and another 4 insurance companies concerning an alleged agreement designed to limit competition, to the detriment of Milan City Council, saw the appeal submitted on that occasion by the Antitrust Authority rejected by the Italian State Council from 12 January 2001.

With regard to the former compulsory cessions, legal proceedings brought in 1994 against INA and CONSAP before the Rome Court are still underway: these proceedings are designed to obtain the complete restitution of matured technical provisions and the relevant interest, on the basis of what has in fact been allocated to the insured parties.

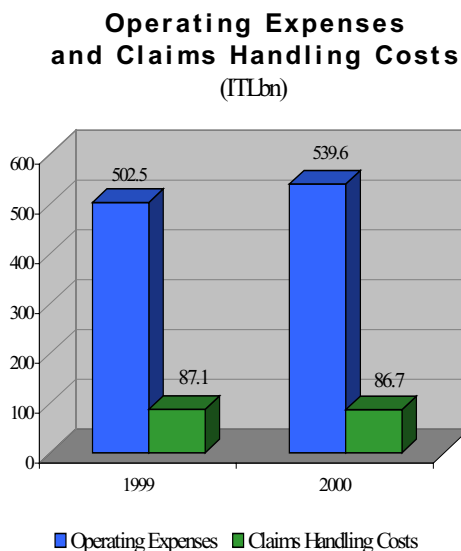
## **Operating expenses**

Operating expenses include acquisition and renewal commissions and other acquisition and administrative expenses. The total amount at the end of 2000 stood at ITL539.6bn, compared with ITL502.5bn in 1999 (ITL472.7bn and ITL431.5bn, respectively, net of commissions received from reinsurers).

The said expenses rose by 7.4%; the relative incidence on premium income, however, fell

further, from 18.3% in 1999 to 17.7% in 2000.

These expenses do not include claims handling expenses, which amounted to ITL86.7bn, compared with ITL87.1bn in 1999 (-0.5%).



Acquisition and renewal commissions, together with other acquisition expenses, amounted to a total of ITL449.1bn (+9.4%), while other administrative expenses amounted to ITL96.1bn (+3.1%), with an incidence on premiums of 14.7% and 3.1% respectively (compared with 14.9% and 3.4% in 1999).

## Staff

As at 31 December 2000, the Company had 1,312 employees, including 24 salespersons, 22 fewer employees than at 31 December 1999.

While 56 employees stopped working for the company in 2000, including 5 salespersons, 34 new employees were taken on. A good percentage of these were taken on to work in the IT Department, in view of the heavy work schedules envisaged for 2001, including the completion of procedures for the introduction of the Euro.

Staff costs, gross of recoveries from subsidiaries and other companies (ITL3.2bn), amounted to ITL111.3bn, including salaries, social security contributions and staff leaving

indemnity, and to ITL124.9bn if we include travel expenses, training costs and all other costs. This was 3.9% up on the figure for 1999. The incidence of total staff costs on premiums written was 4.1% (4% net of recoveries). The incidence of the said costs in 1999 was 4.4%. The direct premium-employees ratio (excluding salespersons) rose to ITL2,229m per employee (against ITL2,005m in 1999).

Training programmes developed during the course of 2000 involved above all the sales network – i.e. agents, sales managers, agency staff, sub-agents and salespersons, and were specifically designed to increase their advisory skills and improve the customer service they provide, as well as their technical and organisational skills. Within this framework, sales staff training continued to be held on sales methods and customer approach, the role of the agent as a consultant in insurance and financial services, and on the technical and commercial aspects of the Company’s finance-oriented insurance products. At the end of a three year period, 2000 saw the conclusion of the “Mini-Masters” programme designed to improve the entrepreneurial capacities of agents. At the same time, sub-agents also received training to increase their ability to commercially plan and develop their sub-agencies.

With regard to basic financial training, with the support of Unipol Banca, the specialised training of the sales network in the promotion and sale of financial products was further developed.

As well as the above-mentioned activities, the associated agencies were also targeted for specific intervention: actions included the “100 resources” programme aimed at strengthening the sales network through the introduction of new salespersons, together with a programme aimed specifically at staff employed in the “major customers” channel, designed to consolidate and update knowledge and industrial marketing instruments.

During the course of 2000, nearly 1,200 people from associated or privately-owned agencies took part in sales network training programmes

consisting of more than 200 days of classroom training.

As regards clerical staff, the year 2000 saw the implementation of a long-term training course designed to prepare a new group of advisors for the Sertel Call Centre. This course is designed to deal with the gradual extension of the computerised claims settlement process across the country. In more general terms, more intense efforts were made to train personnel in the use of computers and computer software, while the first-Euro training courses also got underway. Approximately 500 employees were involved in training programmes during 2000.

### **Euro**

Training specifically designed to facilitate the change over to the Euro, due to occur on 1 January 2002, continued throughout 2000 and into 2001.

The modification of computer software and of procedures to bring it into line with the new currency has already been accomplished, as can be seen from the fact that sums in policies are expressed in Euros as well as ITL.

### **Internet**

2000 saw the continued growth of Unipol Assicurazioni's presence on the Internet. The Company currently has the following websites:

- [www.unipol.it](http://www.unipol.it), the official Company site, which covers all institutional and customer information. This is a dynamic, continuously evolving, constantly updated site;
- [www.agenziaunipol.com](http://www.agenziaunipol.com), the Agencies' site.

## Property and Financial Management

### Investments and liquid assets

During the course of 2000, investments and liquid assets, net of property depreciation and taking account of value adjustments, rose from ITL8,199.7bn to ITL10,207.7bn, an increase of 2,007.9bn (+24.5%) compared with 1999.

This increase, which mainly involved investments in shareholdings following the already-mentioned take-overs made during the course of the year, is closely linked to the increase in technical provisions (mathematical

provisions and other technical provisions in Life assurance business, provisions for unearned premiums and outstanding claims in Non-Life insurance business), which grew from ITL7,635.8bn to 8,443.8bn (+ITL808bn); to the growth in capital and reserves (+ITL886bn); and to the liquid assets acquired through the issue of two debenture loans (ITL407.6bn).

The investment structure and the variations over the previous year are shown in the following table.

INVESTMENTS AND LIQUID ASSETS						
<i>(Amounts in ITLm)</i>						
	31.12.00	comp.	31.12.99	comp.	2000/1999 variation	
		%		%	in absolute terms	in %
<b>Land and buildings</b>	<b>692,966</b>	<b>6.8</b>	<b>722,837</b>	<b>8.8</b>	<b>-29,871</b>	<b>-4.1</b>
<b>Investments in group undertakings and other participating interests</b>						
-Stocks and shares	2,740,742	26.8	1,261,861	15.4	1,478,881	117.2
-Debt securities	960	0.0	960	0.0	0	0.0
-Corporate financing	7,209	0.1	22,320	0.3	-15,111	-67.7
<b>Total</b>	<b>2,748,911</b>	<b>26.9</b>	<b>1,285,141</b>	<b>15.7</b>	<b>1,463,770</b>	<b>113.9</b>
<b>Other financial investments</b>						
-Stocks and shares	334,823	3.3	70,434	0.9	264,389	375.4
-Units and shares in investment funds	282,707	2.8	107,859	1.3	174,848	162.1
-Bonds and other fixed-income securities	4,888,080	47.9	4,498,768	54.9	389,313	8.7
-Financing	92,535	0.9	74,197	0.9	18,338	24.7
-Sundry financial investments (1)	339,538	3.3	915,174	11.2	-575,635	-62.9
<b>Total</b>	<b>5,937,684</b>	<b>58.2</b>	<b>5,666,432</b>	<b>69.1</b>	<b>271,252</b>	<b>4.8</b>
<b>Deposits with ceding undertakings</b>	<b>75,914</b>	<b>0.7</b>	<b>72,961</b>	<b>0.9</b>	<b>2,953</b>	<b>4.0</b>
<b>Investments for the benefit of life assurance policyholders who bear the risk thereof and arising out of pension fund management</b>						
-Investment funds and market indexes	460,114	4.5	198,170	2.4	261,945	132.2
-Pension funds	32,754	0.3	7,030	0.1	25,723	365.9
<b>Total</b>	<b>492,868</b>	<b>4.8</b>	<b>205,200</b>	<b>2.5</b>	<b>287,668</b>	<b>140.2</b>
<b>Other assets</b>						
-Bank and postal deposits, cash	252,086	2.5	234,115	2.9	17,971	7.7
-Company's own shares	7,226	0.1	13,025	0.2	-5,800	-44.5
<b>Total</b>	<b>259,311</b>	<b>2.5</b>	<b>247,140</b>	<b>3.0</b>	<b>12,171</b>	<b>4.9</b>
<b>TOTAL INVESTMENTS AND LIQUID ASSETS</b>	<b>10,207,654</b>	<b>100.0</b>	<b>8,199,710</b>	<b>100.0</b>	<b>2,007,944</b>	<b>24.5</b>

(1) Including repo securities and premiums for derivative operations.

### Land and buildings

At 31/12/2000 the company owned property assets to the value of ITL693bn (against ITL722.8bn at 31/12/99).

The financial year was characterised by intense

sales activity; in fact, the process of selling off residential buildings was almost completed, and the building in Via dei Polacchi, Rome, which had recently been renovated, was sold off.

Likewise, the sale of a number of occupied building complexes in the cities of Bologna and

Varese produced good results for the tenants themselves and in market terms (for those properties that had been left empty in the meantime).

Through the sale of small scattered units, the Company took another step towards the rationalisation of its non-residential properties, while the sale of other supermarkets and certain medium/large-scale office properties, provided the Company with funds needed for the future renewal of its property investments.

### **Investments in companies within the Group**

As regards investments in companies within the Group and in other participating interests, as well as in its own shares, which at 31/12/2000 amounted to ITL2,748.9bn and ITL7.2bn respectively, see the account given in a later section of the Report.

### **Other financial investments**

The item "other financial investments" at the end of 2000 amounted to ITL5,937.7bn (compared with ITL5,666.4bn at the end of 1999).

The increase over the previous year of ITL271.3bn (+4.8%) was mainly the result of the increase in investments in stocks and shares (+ITL439.2bn), the increase in bonds and other fixed-income securities (+ITL389.3bn), and the reduction in sundry financial investments (-ITL575.6bn).

In particular, there was a fall in investment in securities-repo contracts, the value of which amounted to ITL320.4bn at the end of 2000, compared with ITL902bn at the end of 1999 (-ITL581.6bn).

During the course of the year, nevertheless, cash at bank and in hand remained high, using both securities-repo contracts and very short-term money investments, in order to grasp the opportunities deriving from expectations of an increase in the short-term rates.

The value of the shares rose from ITL70.4bn to ITL334.8bn. This rise was mainly due to the investment in Monte dei Paschi ordinary shares

(attributed to Life business segregated accounts), which increased from 10,000 at the beginning of the year, to 22,354,000 at the end of the year, for a total value of ITL217.1bn.

This investment was recorded among fixed assets, and is characterised by a book capital loss, compared with the market value, of ITL19bn.

The increase in investment in units and shares of investment funds, which rose from ITL107.9bn to ITL282.7bn (+ITL174.8bn), was due to the purchase of open-end equity investment funds designed to help diversify high-quality investments.

The overall amount invested in diversified assets at the end of 2000 totalled ITL653.2bn (compared with ITL258.7bn at the end of 1999), of which ITL153.2bn attributed to Non-Life business, and ITL500bn to Life business, and includes, as well as the types of investment already present in past financial years (collateralized bond obligation, collateralized loan obligation, reverse convertible, Stock Exchange Index tied bonds, and fund funds), ITL361bn of subordinated debt securities, which are described in detail in the Notes to the Accounts.

As regards the composition of the bond portfolio, which at the end of 2000 amounted to ITL4,888bn (compared with ITL4,499bn at 31/12/99), the fixed-rate securities account for 64.9%, while the remaining 35.1% is accounted for by variable coupon securities. In view of operations with financial derivatives, by means of which the performance profile of certain securities was modified (from fixed rate to variable rate, and vice-versa), the composition of the securities portfolio is as follows: 65.5% fixed coupon and 34.5% variable coupon (compared with 67% and 33% respectively at 31/12/99).

Moving on to the split between Government bonds and debt securities, the incidence of debt securities continues to rise, as already seen during the previous financial year. From 69% in 1999, this incidence rose to 75% in 2000, while

that of Government bonds fell from 31% to 25%.

As regards the risk pertaining to the issuing bodies, the Company worked only with bonds issued by Sovereign States, supranational Bodies (EIB, World Bank) and by Banks, all with at least AA rating, except for the “Istituti Bancari Italiani” for whom a lower rating was accepted.

Within the framework of the breakdown of the securities portfolio among the various foreign currencies, securities from the Euro area account for 90.5% of the entire portfolio, while non-Euro securities (dollars and Swedish krone) account for the remaining 9.5%.

Where a bond investment is expressed in a non-Euro area currency, the foreign exchange risk is generally hedged.

The duration for 2000 on the fixed rate portfolio was 8.6 years (compared with 8.8 years at 31/12/99). Overall duration (on both fixed rate and variable rate portfolios) was 5.9 years (against 6.1 years in 1999).

Overall duration on the bond portfolio allocated to Life business segregated accounts (with the exception of those bonds whose yield is tied to Stock Exchange indices or individual stock indices, securities tied to the return from investment funds and CBO/CLOs) came to 6.9 years, while that allocated to Non-Life insurance business and other Life assurance business comes to 5.6 years, which in turn comes down to 3.4 years if account is also taken of securities-repo contracts and cash at bank and in hand.

The average duration of the portfolio fell from 13.3 years in 1999 to 12.6 years in 2000.

At the end of 2000, the bond portfolio showed a negative balance between unrealised capital gains and losses of ITL163bn, compared with a negative balance of ITL194bn at the end of 1999: this was mainly due to long-term securities, as during the year returns from long-term securities fell, as can be seen from the table below. Furthermore, during the course of the year capital gains of ITL26.2bn were made on the portfolio.

Yield	10-year government bonds	30-year government bonds
December 1999	5.579	6.145
December 2000	5.260	5.128
Difference	0.319	1.017

The balance of ITL163bn, most of which pertained to Life business segregated accounts, includes ITL11.7bn of capital loss on financial derivatives, and is net of ITL2.2bn of tax withheld for non-possession.

The portfolio allocated to Life business segregated assets (including fixed-rate securities, securities-repo contract operations, short-term shares and cash) amounted to ITL4,157.5bn (against ITL3,774.9bn in 1999).

#### **Investments for the benefit of policyholders who bear the risk and deriving from pension fund management**

Investments for the benefit of policyholders who bear the risk consist of investments covering Life assurance and capitalisation with performance directly linked to investment funds or market indices. Such investments are assessed at their market value, in strict correlation with the assessment of respective commitments (technical provisions).

At the end of 2000, these investments amounted to ITL460.1bn, of which ITL120.8bn constituted by assets covering Index-Linked policies (bonds to the value of ITL96.4bn and cash at bank and in hand of ITL24.3bn), and ITL339.3bn constituted by assets covering Unit-Linked policies (investment funds amounting to ITL337.4bn and cash at bank and in hand, net of items to be settled, amounting to ITL1.9bn).

Investments arising out of pension fund management refer to investments against subscription to open-end pension funds promoted by Unipol, and against closed-end pension funds with guarantee managed by the Company.

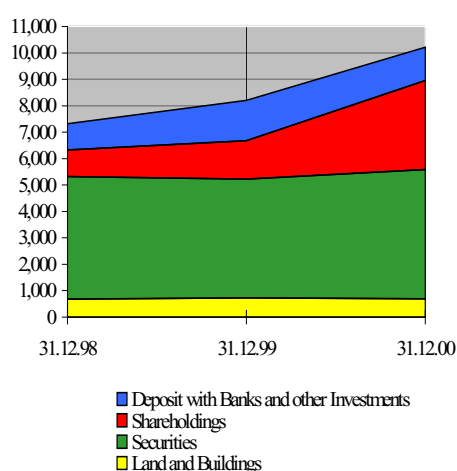
At 31/12/2000, these investments amounted to ITL32.8bn, of which ITL4.1bn of shares,

ITL22.4bn of bonds, ITL6.6bn of cash at bank and in hand, and various net items amounting to - ITL0,3bn.

### Liquid assets

Bank deposits and cash in hand at the end of the year constituted liquid assets to the value of ITL252.1bn, an increase of ITL18bn (+7.7%) on the balance at 31/12/99.

**Investments** (ITLbn)



### Current investment income, capital gains and losses from trading

Details of current investment income and of capital gains and losses from trading are given in the table below.

At 31 December 2000, net investment income amounted to ITL547.6bn (compared with ITL422.8bn at 31/12/99).

The net rate of return on assets invested averaged 6% (5.7% in 1999). This increase was due, on the one hand, to the gradual rise in interest rates, and on the other hand, to the contribution made by capital gains resulting from the disposal of the shareholding in the Duomo Group and in Le Mans Vita Italia (amounting to ITL84.4bn), and from the

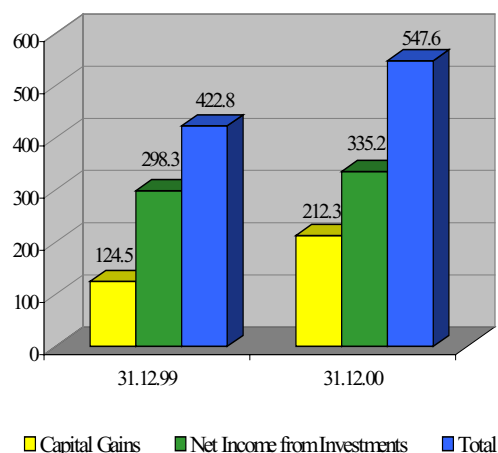
disposal of Olivetti shares (ITL66.8bn, mostly pertaining to Life business segregated accounts). Net of these capital gains, the rate of return would be 4.3% (compared with 4.03% in 1999).

Net capital gains realised amounted to a total of ITL212.3bn (against ITL124.5bn at the end of 1999); ITL111.6bn of this total was accounted for by short-term investments, and ITL100.7bn by long-term investments. Shareholdings, stocks and shares accounted for ITL167.1bn.

Investment charges amounted to ITL111.3bn (against ITL95.4bn in 1999); value adjustments on investments (including depreciation) rose from ITL35.1bn in 1999 to ITL83.9bn in 2000.

Overall, net ordinary and extraordinary income, including value adjustments on investments, totalled ITL463.6bn, compared with ITL387.7bn in 1999 (+19.6%).

**Investment Income** (ITLbn)





**CURRENT INVESTMENT INCOME**  
**CAPITAL GAINS AND LOSSES FROM TRADING**  
*(Amounts in ITLm)*

	financial Year 2000	comp. %	financial Year 1999	comp. %	2000/1999 variation in absolute terms	
						in %
<b>INVESTMENT INCOME</b>						
Land and buildings	32,284	7.2	35,234	8.9	-2,950	-8.4
Stocks and shares	17,730	4.0	11,834	3.0	5,896	49.8
Debt securities	303,802	68.0	280,298	71.2	23,504	8.4
Units and shares in investment funds	2,506	0.6	0	0.0	2,506	
Financing	5,273	1.2	5,917	1.5	-644	-10.9
Deposits with credit institutions (1)	0	0.0	6,266	1.6	-6,266	-100.0
Bank and postal deposits	25,057	5.6	10,109	2.6	14,948	147.9
Sundry financial investments	34,427	7.7	32,359	8.2	2,068	6.4
Deposits with ceding undertakings	3,833	0.9	4,343	1.1	-511	-11.8
Investment income for the benefit of policyholders who bear the risk:						
-Mutual funds and market indices	20,429	4.6	6,953	1.8	13,476	193.8
-Pension funds	1,192	0.3	429	0.1	763	178.0
<b>Total (a)</b>	<b>446,533</b>	<b>100.0</b>	<b>393,742</b>	<b>100.0</b>	<b>52,790</b>	<b>13.4</b>
<b>INVESTMENT CHARGES</b>						
Land and buildings	16,333	14.7	14,845	15.6	1,488	10.0
Stocks and shares	1,071	1.0	784	0.8	288	36.7
Debt securities	11,196	10.1	2,206	2.3	8,990	407.5
Sundry financial investments	63,918	57.4	59,935	62.8	3,983	6.6
Deposits received from reinsurers	7,971	7.2	10,779	11.3	-2,809	-26.1
Interest on debenture loan	5,464	4.9	0	0.0	5,464	
Charges on investment for the benefit of policyholders who bear the risk:						
-Mutual funds and market indices	4,364	3.9	6,735	7.1	-2,371	-35.2
-Pension funds	1,003	0.9	148	0.2	855	577.7
<b>Total (b)</b>	<b>111,319</b>	<b>100.0</b>	<b>95,432</b>	<b>100.0</b>	<b>15,887</b>	<b>16.6</b>
<b>Total (a-b)</b>	<b>335,214</b>		<b>298,310</b>		<b>36,903</b>	<b>12.4</b>
<b>Capital gains (losses) on short-term investments</b>						
Land and buildings	607	0.5	2,901	3.6	-2,294	-79.1
Stocks and shares	87,464	78.4	17,096	21.0	70,369	411.6
Debt securities	19,738	17.7	57,640	70.7	-37,902	-65.8
Sundry financial investments	3,803	3.4	3,868	4.7	-65	-1.7
<b>Total (c1)</b>	<b>111,612</b>	<b>100.0</b>	<b>81,504</b>	<b>100.0</b>	<b>30,108</b>	<b>36.9</b>
<b>Capital gains (losses) on long-term investments</b>						
Land and buildings	14,486	14.4	17,744	41.3	-3,259	-18.4
Stocks and shares	79,645	79.1	91	0.2	79,554	87601.8
Debt securities	6,453	6.4	25,065	58.3	-18,612	-74.3
Sundry financial investments	145	0.1	65	0.2	80	121.7
<b>Total (c2)</b>	<b>100,728</b>	<b>100.0</b>	<b>42,966</b>	<b>100.0</b>	<b>57,763</b>	<b>134.4</b>
<b>TOTAL (a-b+c1+c2)</b>	<b>547,554</b>		<b>422,780</b>		<b>124,774</b>	<b>29.5</b>
<b>Value adjustments on investments (3)</b>						
Land and buildings	-7,701	9.2	-7,372	21.0	-330	4.5
Stocks and shares	-43,946	52.4	-22,955	65.4	-20,991	91.4
Debt securities	-12,074	14.4	-5,282	15.0	-6,793	128.6
Other financial investments	-20,195	24.1	502	-1.4	-20,697	-4119.6
<b>Total (d)</b>	<b>-83,917</b>	<b>100.0</b>	<b>-35,106</b>	<b>100.0</b>	<b>-48,811</b>	<b>139.0</b>
<b>TOTAL (a-b+c1+c2+d)</b>	<b>463,637</b>		<b>387,674</b>		<b>75,963</b>	<b>19.6</b>
<i>(1) Including interest on deposits subject to access restrictions of over 15 days</i>						
<i>(2) Listed in the accounts under extraordinary income (charges)</i>						
<i>(3) Net of value re-adjustments</i>						

## Investments in Group companies and other participating interests

At the end of 2000, the resources invested in Group companies and in other participating interests, excluding financing and bonds, totalled ITL2,740.7bn, of which ITL2,114.9bn in subsidiary, affiliated and associated companies. Details are given in the next statement ("List of shareholdings as at 31 December 2000").

The split of shareholdings by business sector, and the variations on the previous year, net of book capital losses, are as follows (in millions of ITL):

	2000	Var. on 1999
Insurance (including holdings)	1,600,207	1,428,032
Property	213,058	(65,079)
Banks and financial services	556,538	116,091
Associated agencies	16,121	517
Other shareholdings	329,373	(7,418)
Shares in holding company	25,445	6,738
	<b>2,740,742</b>	<b>1,478,881</b>

During the course of 2000, Unipol Assicurazioni made several important acquisitions in the insurance field, which led to a significant evolution and expansion of the Group. The main shareholdings acquired were as follows:

- 118,297,249 shares in Meie Assicurazioni S.p.A. to the value of ITL500bn, the equivalent of 51.36% of share capital;
- 1,250,000 shares in Meie Vita S.p.A. to the value of ITL173bn, the equivalent of 51.02% of share capital;
- 90,493,760 shares in Aurora Assicurazioni S.p.A. to the value of ITL388bn, the equivalent of 99.99% of share capital;
- 10,308,042 shares in Navale Assicurazioni Spa to the value of ITL92bn, the equivalent of 98.17% of share capital;
- 11,220,000 shares in BNL Vita S.p.A., to the value of ITL277bn, the equivalent of 51% of share capital.

June 2000 also saw the Group purchase 100% of shares in the Duomo Group and in Le Mans Vita Italia S.p.A., to a total value of ITL345.5bn. These shares were subsequently sold, realising capital gains of ITL84.4bn.

Furthermore, during the course of the financial year, the capital increase of the subsidiary Unipol Banca S.p.A. was subscribed to, from ITL155.2bn to ITL250.1bn, as decided on 20 April 2000: this increase was designed to fund the opening of new bank outlets and finance shops, as well as investment in computer technology for the purposes of telematic banking and Internet banking. 133,076,399 shares were underwritten to the value of ITL76.5bn.

Subsequently, a further 17,400,000 shares were purchased, to the value of ITL14.8bn. At the end of this operation, Unipol's shareholding had risen to 81.03%.

The other investments made in 2000 included:

### *new shareholdings*

- 40% of Ar.Co Assicurazioni S.p.A. (an associated agency based in Modena) for an outlay of ITL194m;
- 0.5% of Engineering Spa, a listed company operating in the field of computer advisory services, professional services and outsourcing, for a net outlay of ITL4bn.

### *capital increases*

- in insurance companies for ITL1.9bn;
- in financial services companies for ITL8.6bn;
- in other companies for ITL60.2bn of which ITL55.4bn concerns the capital increase of the participating interest Bell s.a..

### *increases in shares in participating interests*

- in subsidiary property companies for ITL1bn;
- in finance companies for ITL19.5bn;
- in other companies for a total of ITL17.2bn, of which ITL6.7bn related to the holding company Finsoe S.p.A.

As regards divestments, mention should be made of the sale of the entire shareholding in the following companies: Compagnie Foncière de la Macif and Delta Immo (based in France), Acteldirect (based in Belgium), Cooperbanca S.p.A and Unicard S.p.A.. These sales are part of the programme of rationalisation of the Company's shareholdings.

Finally, we would like to mention the fact that the subsidiary property company Sofircoop Srl went into liquidation on 19 December 2000, and that on 29 December it made its first reimbursement of share capital to the sum of ITL32bn.

### **Own shares and shares in the holding company**

The Company's own shares were sold and purchased, and those of the holding company purchased, in the manner and within the limits established by the General Shareholders' Meeting.

### **Shareholdings held by Directors and Statutory Auditors**

*(CONSOB ruling 14/5/1999 No. 11971, Article 79)*

The following table shows the Company shares held by directors and statutory auditors, either directly or indirectly (through subsidiaries or persons acting as intermediaries), during the course of the financial year 2000, according to

At 31/12/2000, the shares owned were as follows:

	No.	Face value (in ITL)	% on capital
Finsoe shares	22,566,600	16,927,406,450	1.99
Own shares:			
- ordinary	1,092,000	1,092,000,000	0.24

The following purchases and sales were carried out during the course of the year:

	No.	Face value (ITLm.)	% on capital	Sum (in ITL)
Own shares:				
-ordinary shares				
purchased	1,861,000	1,861	0.41	12,568,366,830
-ordinary				
shares sold	2,597,000	2,597	0.58	19,366,877,515
Finsoe shares:				
-purchased	5,850,600	4,388	0.52	6,737,770,000

When own shares on the market were undervalued, they were purchased and subsequently sold when the market had improved.

Person - Surname and first name	Shareholding in company	Type of share	Shares owned at 31/12/1999	Purchased in 2000	Sold in 2000	Shares owned at 31/12/2000
CAFFAGNI Omer	Unipol Assicurazioni	Ord.	3,200	-	-	3,200
LORENZANI Ermanno	Unipol Assicurazioni	Ord	4,600	2,760	-	7,360
		Priv	10,000	6,800	2,000	14,800
MAZZOLI Enea	Unipol Assicurazioni	Ord	992	594	-	1,586
PETRONI Mario	Unipol Assicurazioni	Ord.	4,000	-	-	4,000

the shareholders' register, to information received and other information acquired from the directors and statutory auditors themselves. No shareholdings in subsidiaries are owned by these persons.

**LIST OF SHAREHOLDINGS AS AT 31 DECEMBER 2000 (\*)**

Company	Type of business	Share capital	% holding direct	indirect	Book value
<b>HOLDING COMPANY</b>					
Finsoe S.p.A.	2-Finance company	850,646	1.99		<b>25,445</b>
<b>ITALIAN SUBSIDIARIES</b>					
Agricoltura Assicurazioni, mutual ins. co.	1-Insurance and Reinsurance	1,500		100.00	
Aurora Assicurazioni S.p.A.	1-Insurance and Reinsurance	90,500	99.99		388,272
BNL Vita S.p.A.	1-Insurance and Reinsurance	220,000	51.00		277,196
Linear Assicurazioni S.p.A.	1-Insurance and Reinsurance	24,000	60.00		18,000
Meie Assicurazioni S.p.A.	1-Insurance and Reinsurance	46,064	51.36		500,108
Meie Assistenza S.p.A.	1-Insurance and Reinsurance	1,500		87.14	
Meie Vita S.p.A.	1-Insurance and Reinsurance	24,500	51.02	48.98	172,942
Navale Assicurazioni S.p.A.	1-Insurance and Reinsurance	21,000	98.17		92,064
Noricum Vita S.p.A.	1-Insurance and Reinsurance	32,000	51.00		20,888
Quadrifoglio Vita S.p.A.	1-Insurance and Reinsurance	45,000	50.00		25,190
Unisalute S.p.A.	1-Insurance and Reinsurance	35,000	77.54		41,752
Unipol Banca S.p.A.	3- Bank	250,125	81.03		237,995
Unipol SGR S.p.A.	2-Financial intermediary	Euro 10,320	100.00		20,662
Unintesa S.p.A. - in liquidation	2-Finance company	3,917	97.43		1,098
Immobiliare Pietramellara S.r.l.	4-Property	1,000		100.00	
Midi S.r.l.	4-Property	50,000	99.00		48,266
Pioquartosei S.r.l.	4-Property	50,000	99.00		77,757
Sofircoop S.r.l. - in liquidation	4-Property	5,000	100.00		3,908
Unifimm S.r.l.	4-Property	85,000	99.00		76,295
Lavoro e Previdenza Service S.p.A.	9-Pension fund administration	20,000	55.10		9,143
Meie Servizi S.r.l.	9-Pension fund administration	100		100.00	
Promoass S.r.l.	9-Insurance Agency	20		100.00	
Unieuropa S.r.l.	9-Market analysis/research	1,000	98.00		784
Uniservice S.p.A.	9-Data transmission services	200	99.00		495
<b>TOTAL ITALIAN SUBSIDIARIES</b>					<b>2,012,814</b>
<b>FOREIGN SUBSIDIARIES</b>					
Unipol Fondi Ltd	6-Unit trust management	250	100.00		<b>250</b>
<b>ITALIAN ASSOCIATED UNDERTAKINGS</b>					
Ctamar Viaggi S.r.l.	9-Travel agency	200	10.00		22
Hotel Villaggio Città del Mare S.p.A.	9-Tourism/Hotels	3,383	49.00		1,707
<b>TOTAL ASSOCIATED UNDERTAKINGS</b>					<b>1,729</b>
<b>ITALIAN AFFILIATED UNDERTAKINGS</b>					
A.P.A. S.p.A.	9-Insurance Agency	1,000	49.00		490
AR.CO. Assicurazioni S.p.A.	9-Insurance Agency	Euro 250	40.00		194
Assicoop Ferrara S.p.A.	9-Insurance Agency	600	46.73		280
Assicoop Genova S.p.A. - in liquidation	9-Insurance Agency	500	49.00		119
Assicoop Imola S.p.A.	9-Insurance Agency	Euro 520	47.34		317
Assicoop Modena S.p.A.	9-Insurance Agency	4,000	47.00		1,881
Assicoop Ravenna S.p.A.	9-Insurance Agency	7,000	49.00		3,430
Assicoop Sicura S.r.l.	9-Insurance Agency	390	40.00		8,024
Assicoop Siena S.p.A.	9-Insurance Agency	1,400	49.00		686
Assicura S.p.A.	9-Insurance Agency	2,000	35.00		700
Commerfin S.c.p.a.	2-Finance company	1,141	20.00		275
Finec Merchant S.p.A.	2-Finance company	200,000	39.27		78,595
Sofimer S.p.A. - in liquidation	2-Finance company	10,000	20.00		1,035
<b>TOTAL ITALIAN AFFILIATED UNDERTAKINGS</b>					<b>96,026</b>

Company	Type of business	Share capital	% holding direct	indirect	Book value
<b>FOREIGN AFFILIATED UNDERTAKINGS</b>					
Euresa Holding s.a.	2-Holding company	Euro 14,374	21.01		4,040
<b>TOTAL FOREIGN AFFILIATED UNDERTAKINGS</b>					<b>4,040</b>
<b>OTHER SHAREHOLDINGS</b>					
Italiana Assicurazioni S.p.A.	1-Insurance and Reinsurance	78,369	1.84		15,980
Olivetti S.p.A.	2-Holding company	Euro 6,922,107	0.41		201,426
Hopa S.p.A.	2-Holding company	Euro 414,495	1.31		24,901
Bell s.a.	2-Holding company	38,959	2.81		110,255
P & V Holding s.a.	2-Holding company	Fr.B. 13,918,488	4.51		30,120
Cardine Banca S.p.A.	3-Bank holding company	2,721,281	1.82		178,262
Fincooper soc.coop a r.l.	7-Financial consortium	31,087	23.04	0.69	7,163
Other Italian shareholdings					18,568
Other foreign shareholdings					13,763
<b>TOTAL OTHER SHAREHOLDINGS</b>					<b>600,438</b>
<b>GRAND TOTAL</b>					<b>2,740,742</b>

(\*) The amounts under "share capital" are expressed in millions of Italian lire or in thousands of Euros or foreign currency.

The amounts under "book value" are expressed in millions of Italian lire.

Business codes are illustrated in Annexe 6 of the Notes to the Accounts.

## Subsidiaries and affiliated companies

We shall briefly describe the business carried out during the course of the year by our main subsidiaries and affiliated companies:

### Aurora Assicurazioni S.p.A.- Naples

*Share capital: ITL90,500m.*

*Shareholding: 99.99%*

Aurora Assicurazioni, in its present form, is the result of the incorporation of SIAD S.p.A. into Aurora Assicurazioni in 1998. The company is authorised to carry out both Non-Life and Life business, and is the sole financing partner of Agricoltura Assicurazioni, a mutual insurance company operating in the Hail business.

Total premium income from direct business amounted to ITL752.9bn (+8% compared with the previous year), ITL613.8bn of which came from Non-Life business (+5.9% compared with 1999) – ITL423.4bn from Motor T.P.L. and ITL190.4bn from other Non-Life business – and ITL139.1bn from Life business (+18.6% compared with 1999).

Income was affected by various factors, including the policy of rationalising the agencies in Italy (down from 388 in 1999 to 346 at the end of 2000), the price freeze that affected Motor T.P.L. business, and in the case of Life

business, the loss of the banking channel.

Investments and liquid assets at the end of the year amounted to a total of ITL1,614.8bn (compared with 1,330.2bn at 31/12/99), an increase of 21.4%.

Investment income, net of charges and value adjustments, amounted to ITL99bn (compared with ITL81.7bn at 31/12/99). The Company closed its 2000 financial year with a loss of ITL12.1bn (against a loss of ITL21.8bn in 1999), resulting from a profit of ITL12.1bn in Life business (against ITL7.7bn in 1999), and a loss of ITL24.2bn in Non-Life business (compared with ITL29.5bn in 1999), partly to be imputed to allocations made to the provisions for claims outstanding.

Moreover, on 13/3/2001 the Company's Board of Directors decided to submit a proposal to the General Shareholders' Meeting for the incorporation of Aurora Assicurazioni S.p.A. into Meie Assicurazioni S.p.A..

### BNL Vita – Milan

*Share capital: ITL220,000m*

*Shareholding: 51%*

This company sells its own products through the 675 branches of BNL, the financial advisers of BNL Investimenti Sim and Artigiancassa.

Premium income in 2000 amounted to ITL

2,144.4bn, a slight decrease of 5.2% compared with 1999, whilst new business premiums amounted to ITL 1,781.5bn (-6%). This decrease is linked to the loss of the sales outlets represented by the branches of the Banco di Napoli.

Premium income for Class III amounted to ITL1,435.3bn and represents 67% of the total.

Investments and liquid assets rose from ITL6,695.2bn to ITL8,057.1bn (+23.2%).

Net profit for the financial year amounted to ITL39.5bn, compared with ITL26.4bn in 1999.

### **Compagnia Assicuratrice Linear S.p.A. - Bologna**

*Share capital: ITL24,000m*

*Shareholding: 60%*

This company operates in the area of direct insurance sales (especially Motor business), mainly by telesales and the Internet.

The level of service offered, which is one of the company's priorities, was given special recognition in 2000: in fact, Linear received the BICSI - Databank prize for being the motor-vehicle insurance company that achieved the highest level of customer satisfaction in 2000.

Direct sales of Motor insurance products via the telephone and the Internet grew during the course of the year, enabling companies operating in this sector to achieve an overall market share currently estimated at about 2%. Linear maintained an estimated market share of about 13.5% of such direct sales insurers.

In 2000 premium income reached ITL75.9bn, an increase of 76.6% over the previous year's figure of ITL42.9bn, partly due to the rapid growth of Internet sales, which at more than ITL11bn accounted for about 15% of total premium income.

The overall loss ratio at 31/12/2000 stood at 79.8%, a significant improvement owing to a considerable reduction in claims frequency.

At 31/12/2000, investments and liquid assets amounted to ITL83bn (compared with ITL55bn in 1999).

The financial year in question closed with a net profit of ITL1,031m (against ITL113m in 1999).

### **Meie Assicurazioni S.p.A.**

*Share capital: ITL46,064m*

*Shareholding: 51.36%*

Meie Assicurazioni was founded in 1920 as a mutual insurance company. Later, in 1998, it was transformed into a stock company and also merged with Meie Rischi Diversi with the object of creating a Non-Life insurance company that would be more balanced and have a sounder financial base.

Premium income for direct business was ITL924.4bn (compared with ITL909.7bn in 1999), an increase of 1.6%. Direct premiums from Motor business amounted to ITL676.7bn (+0.5%), while from non-Motor business amounted to ITL246.9bn (+4.9%).

This result is a consequence of rationalising the agencies in Italy, which were reduced in number by 31 (there were 372 at 31/12/2000), and of a more careful and more selective underwriting policy, which has resulted in a reduction in the motor-vehicle portfolio of more than 50,000 policies.

Moreover, premium income also felt the effects of the "price freeze" introduced at the end of the first quarter, which has affected Motor T.P.L. business.

Year-end investments and liquid assets amounted to ITL1,386.3bn (compared with ITL1,328.4bn at 31/12/1999), an increase of 4.4%.

Investment income, net of charges and value adjustments, amounted to ITL65.2bn (against 77.5bn at 31/12/99); the average return on the securities portfolio was 5.02% (against 7.07% in 1999).

The accounts for the 2000 financial year close with a loss of ITL19.7bn (against a profit of ITL19bn at 31/12/1999), mainly due to allocations made to the provisions for claims outstanding and to the extraordinary allocation of ITL 6.5 billion to meet the fine imposed on the Company by the Antitrust authority for an alleged cartel involving various companies within the sector.

Furthermore, in January 2001 Unipol's shareholding rose to 74.36% following the closure of the take-over bid launched the previous November; and on 13/3/2001 the

company's Board of Directors decided to submit a proposal to the General Shareholders' Meeting for the incorporation of Aurora Assicurazioni into Meie Assicurazioni.

### **Meie Vita S.p.A. - Milan**

*Share capital: ITL24,500m*

*Direct shareholding 51.02% - indirect shareholding 48.98%*

At 31 December 2000 premium income was ITL333.3bn (compared with ITL274.1bn at 31/12/99), an increase of 21.6%.

Various factors contributed to this result, including confirmation of the income from single premiums (mainly Index- and Unit-Linked), the significant increase in new annual-premium policy business stimulated by the imminent changes to the tax regime and the increase in group policies.

Investments and liquid assets amounted to a total of ITL1,397.5bn (compared with ITL1,201.5bn at 31/12/99), an increase of 16.3%.

Investment income, net of charges and value adjustments, amounted to ITL59.2bn (against 48.4bn at 31/12/99); the average return on the securities portfolio was 5.7% (against 5.1% in 1999).

Operating expenses amounted to ITL26.5bn (against ITL21.9bn at 31/12/99), an increase of 21%; this increase was mainly due to the higher commissions resulting from the growth of annual premium policies.

The company ended the financial year with a profit of ITL6.5bn (against ITL2.7bn at 31/12/1999).

### **Navale Assicurazioni spa - Ferrara**

*Share capital: ITL21,000m*

*Shareholding 98.17%*

As from 2000 this company has drawn up its accounts in Euros. It operates in all Non-Life business and specialises in Marine, Aircraft, Goods in Transit and Assistance.

Direct premium income for the financial year amounted to €85.3m (ITL165.1bn), an increase of 22% over 1999.

58% of the income is from brokers and 42% is from non-exclusive agencies.

Investments, which amounted to €100.7m (ITL194.9m), saw an increase of 8.5% over the previous year, and generated an income, net of charges, of €5.5m (ITL10.6bn).

The accounts for the year close with a profit of €366,761 (ITL710m), compared with a profit of €172,599 (ITL334.2m) in the previous year.

### **Noricum Vita S.p.A - Bologna**

*Share capital: ITL32,000m*

*Shareholding 51%*

This company sells its products through the outlets of two banks: the Cassa di Risparmio in Bologna, and the Banca Popolare dell'Adriatico. Premiums written for the financial year amounted to ITL473.7bn (+18.5% on 1999), while 19,303 new policies were issued (+27% on 1999), providing premium income of ITL424.7bn (+19.8% on 1999).

91% of new business (ITL384.9bn) came from Class III products (Unit-Linked and Index-Linked): 67% (ITL282.3bn) from Unit-Linked products, and 24% (ITL102.6bn) from Index-Linked products.

Premium income from Unit-Linked products consisted of new policies with capital guaranteed (74.4% - ITL209.9bn), and without capital guaranteed (25.6% - ITL72.4bn).

Investments and liquid assets increased from ITL1,011bn to ITL1,364bn, a rise of 35% over the previous year.

Investment income, net of charges, with the exception of Class III, amounted to ITL37.5bn (+28.2%).

The 2000 accounts closed with a net profit of around ITL8bn (compared with a net profit of ITL3.7bn in 1999).

### **Quadrifoglio Vita S.p.A - Bologna**

*Share capital: ITL45,000m*

*Shareholding 50% (controlled jointly with the Banca Agricola Mantovana)*

The company markets its own products via the branches of Banca Agricola Mantovana.

Premiums written during the year increased considerably, reaching ITL499bn (+23.4% compared with 1999).

Particular mention should be made of new business amounting to ITL474.3bn, an increase

of 24.9% compared with 1999. A major contributor to this was Class III business (88% of the total), consisting of Unit-Linked policies (62% of the total – ITL293.3bn), and Index-Linked policies (26% - ITL124.2bn).

Investments and liquid assets at the end of the financial year amounted to ITL1,198.5bn (compared with ITL786.4bn at 31/12/99), an increase of 52.4%.

Investment income, net of charges, excluding Class III business, amounted to ITL21bn.

Operating expenses showed an incidence on premiums of 1.8%, against 2.22% of the previous year.

The company ended the year with a net profit of ITL4.5bn (against ITL2bn net profit in 1999).

### **Unisalute S.p.A.– Bologna**

*Share capital: ITL35,000m*

*Shareholding 77.54%*

Unisalute closed the year with direct premium income of ITL59bn (against ITL44.9bn in 1999), a rate of growth of 31.4% over the previous year, and approximately 350,000 customers, putting it in 13<sup>th</sup> or 14<sup>th</sup> place in the ranking of Health insurers, immediately behind the major insurers who have a much longer history and much deeper roots in this market.

In 2000, as in previous financial years, growth occurred almost exclusively in managed care health policies, whereas the traditional reimbursement and indemnity policies represent a negligible part of its portfolio.

Unisalute was helped in this by a market demanding products characterised by the direct management of relations between the insurer and the health service provider.

The preponderance of group policies in the portfolio is confirmed, although during 2000 specific initiatives were launched (agreements with professional bodies, telemarketing, sales via the Internet) designed to develop the market for individual policies.

As regards promotional and sales channels, the most effective continues to be the internal structure, followed by brokers and by Unipol agencies. This has made it possible to keep the overall incidence of commissions below 10%.

As far as new products are concerned, December saw the introduction of a new law permitting the development of insurance policies providing assistance for the elderly (long term care) within the Health class as well. Unisalute was ready to enter this new market sector, underwriting its first contract at the end of the year.

The accounts for 2000 close with a net profit of ITL2.1bn (compared with a net profit of ITL826m in 1999).

### **Unipol Banca S.p.A.– Bologna**

*Share capital: ITL250,125m*

*Shareholding 81.03%*

During the 2000 financial year the intensive programme of expanding the Bank continued. This will receive a further impetus in 2001 with the acquisition of 51 bank outlets from the Banca Intesa Group, which will allow the Company to double its volumes as of 1/7/2001.

During the course of 2000, the Bank opened 7 new branches (5 of which integrated with insurance agencies) and 16 finance shops. At the end of 2000, the number of branches had risen to 36 (compared with 29 at 31/12/99), the number of finance shops to 17 and the number of financial advisers to 270.

During the year the Bank completed its change-over to multi-channel operations with the full implementation of its “telephone banking”, “Internet banking”, “trading on-line” and “small business” services.

In April 2000 the capital increase, from ITL155,250bn to ITL250,125bn, was completed. Unipol Banca ended the 2000 financial year with deposits amounting to ITL936bn (+32% compared with 1999).

The net profit of ITL313m is a slight improvement over the 1999 financial year (ITL235m), despite value adjustments and fund allocations of more than ITL6.5bn.

In order to give the Bank the funds required to sustain its development programme by acquiring the bank outlets referred to above, the Board of Directors decided (on 25/1/2001) to propose to the Shareholders' Meeting a capital increase taking it from ITL250,125m to



ITL550,125m, as well as the issue of a debenture loan of EUR50m.

### **Unipol SGR S.p.A.**

*Share capital: €10.32m (ITL19,982m)*

*Shareholding: 100%*

The company carries out the business of investment portfolio management on behalf of third parties. In the retail sector, it offers a range of portfolio management lines (asset management in transferable securities and in investment funds) on a national scale through the sales network of Unipol Banca (bank outlets and financial advisors).

Assets under management through the banking channel grew significantly during the course of 2000. Assets under management from the corporate segment followed a positive trend, thanks not only to new sums invested but also to the acquisition of new customers.

At 31 December 2000 total assets managed by Unipol SGR amounted to ITL3,032bn, compared with ITL2,063bn at 31/12/99 (+47%). This volume increase was mainly concentrated in the last few months of the financial year; consequently income from assets managed benefited only in part from the variation in the volume of assets managed and recorded a lower rate of growth (+19%). Costs rose too, in line with the expansion and promotion of the business.

Therefore the 2000 financial year closed with a net profit of €159,081, equivalent to ITL 308m (slightly up on the 1999 figure of ITL302m).

On 21 March 2001 the Board of Directors resolved to sell the individual asset management side of the business to Unipol Banca.

This decision forms part of the strategy of concentrating investment services offered to the public and in particular to retail customers in Unipol Banca.

### **Midi S.r.l. - Bologna**

*Share capital: ITL50,000m*

*Shareholding: 99%*

The company owns a large piece of land situated opposite Unipol's headquarters. This land is divided up into separate plots, each destined for different uses: offices, housing, car

parks.

In January 2000 urbanisation work started, after contracts had been tendered at the end of 1999: this work is being carried out by the Zis Fiera 2 Consortium, of which Midi is a partner. For those plots destined for residential use, negotiations were put underway for their sale, and were concluded in May with the signing of a preliminary sales agreement. On 2 January 2001 the definitive contract of sale was signed before the notary.

During the course of 2000, planning for the non-residential plots continued, with feasibility studies being carried out for the building of office blocks, commercial centres and hotel accommodation. Special importance was given to the project concerning the area on which a hotel is to be built: several major hotel chains willing to sign rental agreements when work has been completed were contacted.

As at 31 December 2000 the book value of the area owned amounted to ITL51.8bn.

The accounts closed with a loss of ITL436.4m (-ITL346m in 1999).

### **Pioquartosei S.r.l. - Bologna**

*Share capital: ITL50,000m*

*Shareholding: 99%*

This company owns a building complex situated at No.6 Via Pio IV in Rome for use as a hotel. Renovation work converting the building into a hotel was completed during the summer of 2000.

Once having obtained its certificate of conformity from the City Council and all the licences needed to run the building as a hotel, a nine-year rental agreement was signed, running from 1 October 2000, renewable for a similar period, with a major hotel chain.

During the course of the year, investments amounted to ITL13.9bn. The book value of the building as at 31 December 2000 was ITL71bn. The accounts closed with a profit of ITL166.2m (compared with a loss of 25.3m at 31/12/99).

During February 2001, the company drew up a plan for its incorporation into Unipol Assicurazioni, the execution of which is subject to approval by the competent bodies.

**Unifimm S.r.l. - Bologna**

*Share capital: ITL85,000m*

*Shareholding: 99%*

This company owns a plot of land with building permission situated in Via Larga, Bologna.

During the course of 2000, a project was drawn up which envisages the mixed development of this site, with commercial outlets, a hotel and offices. At the same time, the company began to look for potential users of such spaces.

This project is the subject of a variant on the "Detailed Plan" currently being examined for approval by the Public Administration.

The terms for the realisation and implementation of the investment are subject to the Public Administration's approval of the "Detailed Plan", and to the company's obtaining of building permission, due by the end of 2001.

The book value of the property investments as at 31 December 2000 was ITL76.2bn.

The accounts closed on 31 December 2000 with a loss of ITL388.6m (compared with a loss of ITL1,887.3m at 31/12/99).

**Lavoro e Previdenza Service S.p.A. - Bologna**

*Share capital: ITL20,000m*

*Shareholding: 55.1%*

The company ended the year 2000 with a loss of ITL1,494m, due mainly to the costs of the structure and to its rather limited traditional business activities.

The further development of software is to be noted, the implementation of services linked to previously drawn-up sales agreements, the design of a multimedial Internet site, and running a free-phone service for pension funds. The continuing slowness that characterised the start-up of the pension funds, and the resulting slowing of growth in the company's core business activities, together with the strong competition regarding the price of the service, led the company to sell its pension fund administration business at the end of the year to Previnet S.p.A., based in Mogliano Veneto, a company of which Unipol Assicurazioni is a shareholder.

The said sale concerned all contracts stipulated with the pension funds, as well as all commitments of Lavoro e Previdenza Service S.p.A.

During 2001, therefore, there was a rapid reduction in structural costs and re-planning of the company's new mission.

**Unieuropa S.r.l. - Bologna**

*Share capital: ITL1,000m*

*Direct shareholding: 98%*

The Company's business is that of market research and analysis, and the provision of assistance to its shareholders, including underwriting shareholdings. In 2000 it continued to take part in the work of the European Economic Interest Grouping "Euresa G.E.I.E." together with Unipol's European insurance partners: Macif & Macif (France), P&V (Belgium), Folksam (Sweden), HUK Coburg (Germany) and the LB Group (Denmark).

During the course of the year, the costs due from each partner fell further, and are forecast to continue doing so in 2001.

The company ended the year with a loss of ITL200m (compared with a loss of ITL525m in 1999), due to the reimbursement of its share (ITL213m) of the costs incurred by the "G.E.I.E." during 2000.

**Uniservice S.p.A. - Bologna**

*Share capital: ITL200m*

*Shareholding: 99%*

This company provides Unipol and some of the insurance companies Unipol has a shareholding in, with the data transmission service to the agency network and the claims handling centres, through the rental of computer and telematic systems. Since 1999 it has also furnished Unipol Banca S.p.A. with a service linking head office with some of its branches/agencies.

At the end of 2000 this latter service enabled 38 peripheral points to be connected to head office.

The company closed the year with a profit of ITL68m (against a profit of ITL122m in 1999).

### **Unipol Fondi Ltd - Dublin (Ireland)**

*Share capital: ITL250m*

*Shareholding: 100%*

This company, set up in Dublin in 1999, manages "Unipol Funds" – an umbrella unit trust. During the course of 2000 it was granted permission by CONSOB and the Bank of Italy to place units in Italy.

From the end of September 2000 onwards, therefore, it began placing units throughout Italy, both with Institutional Investors and with the public, via the commercial network of Unipol Banca.

At the end of the financial year managed assets totalled €111m (ITL214.9bn)

The accounts closed with a net profit of €186,794 (ITL361.7m).

### **Hotel Villaggio Città del Mare S.p.A. Terrasini (Palermo)**

*Share capital: ITL3,383m*

*Shareholding: 49%*

This company operates in the tourism sector, and manages a holiday village belonging to Unipol Assicurazioni at Terrasini (Palermo).

In 2000, the village registered a total of approximately 338,000 guests (+46.4% compared with 1999). This increase was due to both a greater flow of foreign tourists (+80.5%) and of Italian tourists (+21.7%), thanks also to the considerable lengthening of the opening period (from 2 February to 17 December).

The company ended the year with a total revenue of ITL27.7bn (against 21.3bn in 1999), and profits of ITL927.9m (against 54.1m in 1999).

### **Finec Merchant**

*Share capital: ITL200m*

*Shareholding: 39.27%*

This company operates in the merchant banking and financial consultancy fields. After a three-year period (from 1996 to 1998) dedicated mainly to existing company re-engineering projects, it has now laid the foundations for the development of business activities designed to guide and support new business activities and development projects.

In May 2000, the company increased capital to ITL200bn: this capital increase involved a number of changes in company organisation, in particular the entrance of the merchant bank based in Brescia, HOPA S.p.A., with a shareholding of 10%.

Ordinary revenue for 2000 amounted to ITL12bn (+ITL3.6bn compared with 30/6/99).

The financial year closed on 30 June 2000 with a profit of ITL3,001m, an increase of 33% over the previous year.

### **Euresa Holding s.a. - Luxembourg**

*Share capital: €14.37m (ITL27.8bn)*

*Shareholding: 21.01%*

This company, founded in 1990, provides a service to its partner shareholders based on the exchange of know-how and experience, as well as cooperation on a number of development projects in other countries.

Together with Unipol Assicurazioni, the other partners are: two French mutual insurance companies, Macif and Maif; a Belgian insurance co-operative, the P&V Group; the German mutual insurance company HUK Coburg; and two Scandinavian groups - the LB Koncernen Group (Denmark) and the Swedish Folksam Group.

The Extraordinary General Shareholders' Meeting of 25 September 2000 voted for both a reduction of excess capital – from LUF654.5m to LUF579.8m – and the conversion of capital into Euros.

The financial year 2000 should close with a positive result, compared with a loss of LUF2.5m (ITL118.8m) the previous year.

### **Associated agencies**

During the course of the year, within the framework of the project to purchase shareholdings in companies possessing a Unipol contract of agency, 40% of Ar.Co. Assicurazioni S.p.A. was purchased. The latter company, founded in Modena on 14 June 2000, began business during the final quarter of 2000. The table below gives the main figures for the business activities of associated agencies during the course of 2000 (in ITLm):

	<b>% Shareholding</b>	<b>Premiums</b>	<b>Earnings (commissions)</b>	<b>Result for the financial year</b>
A.P.A. S.p.A. (PR)	49.0	35,517	4,508.0	34.9
Assicoop Ferrara S.p.A.	46.7	29,391	4,139.4	21.6
Assicoop Genova S.p.A. (in liquidation)	49.0	17,858	2,131.6	(277.8)
Assicoop Modena S.p.A.	46.0	111,819	15,501.8	403.6
Assicoop Ravenna S.p.A.	49.0	75,517	9,316.4	502.2
Assicoop Sicura S.r.l. (BO)	40.0	149,085	18,762.8	575.4
Assicoop Siena S.p.A.	49.0	28,360	4,085.6	268.0
Assicura S.p.A. (RE)	35.0	110,445	13,556.1	370.9
Assicoop AR.CO. Modena	40.0	5,006	831.3	132.8
Assicoop Imola S.p.A.	47.3	20,958	,,219.2	(60.8)
<b>Total</b>		<b>583,956</b>	<b>75,052.2</b>	

## Transactions with Group companies and related parties

With reference to Consob communications No.97001574 of 20/2/97 and No.98015375 of 27/2/1998 concerning information pertaining to transactions with related parties, it is pointed out that Unipol has normal business transactions with the other companies within the Group regarding:

- reinsurance and coinsurance with subsidiaries and affiliated companies which carry out insurance activities;
- building and company rental (the holiday village);
- agency mandates;
- financial loans;
- supply of staff and provision of services;
- renting IT systems;
- asset management and subscription to units or shares in investment funds;
- management of current accounts;
- internal auditing (Isvap circular 336/D).

These business relations, which do not include any atypical or unusual operations, are governed by normal market conditions, with the exception of supply of staff and the provision of services that are invoiced on the basis of the actual costs borne. Existing contractual conditions pertaining to the associated agencies are those in force throughout the entire agency network.

The amount and nature of assets, liabilities, guarantees and other memorandum accounts pertaining to the most important relations with Group companies are illustrated in detail in Annexes 16 (Detailed statement of assets and

liabilities for Group undertakings and other participating interests) and 30 (Transactions with Group undertakings and other participating interests – income and charges) to the Notes to the Accounts.

During the course of the financial year, furthermore, the following operations have been carried out with Group companies in the interests of the Company and in conformity with Article 15 of Law 20 of 9/1/1991:

- the acquisition from the affiliated company Finec Merchant S.p.A. of 5,850,600 shares in the holding company, for a total value of ITL6,738m, and of 1,000,000 shares in the subsidiary Lavoro e Previdenza Service Srl, for a total value of ITL1,001m;
- the acquisition of 117,000 Meie Assicurazioni shares from the subsidiary Linear Assicurazioni, for a total value of ITL317m;
- the acquisition of 178,000 Meie Assicurazioni shares from the subsidiary Unipol Banca, for a total value of ITL482m;
- the acquisition of buildings from the subsidiary Sofircoop S.r.l., to the value of ITL18,438m;
- the sale of 40,000 Meie Servizi Srl shares to the subsidiary Meie Vita for ITL75m (book value);
- the sale of 9,800 Promoass Srl shares to Meie Assicurazioni for ITL100m (book value);
- the sale to the subsidiary Sofircoop of a shareholding in the participating interest Fincooper Scarl, to the value of ITL1,269m (book value).

## Significant facts after the end of the financial year

In the first few months of 2001 there has been a considerable slow-down in the economy of the United States, which could also have repercussions on growth in countries in the Euro area where, however, the macroeconomic fundamentals are expected to become sounder. However in both areas the Gross Domestic Product is expected to grow.

The trend in the rate of inflation appears stable, with chances of a fall provided the price of petroleum does not vary substantially.

The interest rate curve has remained almost constant; however there has been a slight drop in short-term rates as a result of the slow-down in economic growth.

Share markets have suffered from the slow-down in the macroeconomic situation; a certain amount of volatility is forecast for the first half of the current year and a possible acceleration during the second half of the year, linked to an improvement in the overall situation.

As regards the national picture, data from the principal sample cities indicate that in February the price index recorded growth of 0.4% over January, a trend of +3%. Inflation has suffered from the "mad cow" effect, which has replaced high petroleum prices, raising the prices of food products.

As regards the insurance sector, on 1 January 2001 the already-mentioned Legislative Decree 47/2000 came into effect, enforcing the provisions of Article 3 of Law 133/99.

This measure introduces, inter alia, personal pension schemes (taken out through open-end pension funds and life assurance policies), makes substantial changes to the tax regime for supplementary pension schemes (closed and open-end pension funds) and reforms the regulations for life assurance policies.

The decree amending Legislative Decree 47/2000, approved by the Council of Ministers on 15 March 2001, required to harmonise it with the regulations contained in Legislative

Decree 124/93, has still not been published.

As regards life assurance policies taken out as from 1 January 2001:

1. premiums are no longer subject to 2.5% tax;
2. premiums remain deductible only in the case of policies for the risk of death or permanent disability equal to or greater than 5% or for the risk of long-term care;
3. premiums paid into personal pension schemes of up to 12% of total revenue are deductible, with an upper limit of ITL10m per year.

With ISVAP Circular N° 434D of 12 February 2001, ISVAP, the supervisory authority on insurance companies, has defined the contractual terms which Life assurance policies must comply with in order to be considered as personal pension schemes.

The introduction of Decree 47/2000 has made it necessary to modify all software underlying the elaboration of tailor-made pension schemes, the issue of policies, the write-up of benefits and the settlement of the sums due. Furthermore, all Life assurance tariffs have had to be updated, together with insurance contract forms.

Updating operations in 2000 made it possible to begin the new year with a full range of products that have been completely updated to conform with new legal requirements, with the sole exception of life annuity tariffs and tariffs which may be used for the personal pension schemes. The latter have to be checked to see that they conform to the supplementary decree and to the ministerial explanatory circular.

As far as the Unipol Group is concerned, the first few months of 2001 saw the implementation of a number of important measures pertaining to the realisation of strategies for growth within the insurance, banking and managed savings sectors, and with regard to financial business in general.

On 16 January 2001 the subsidiary Unipol Banca acquired 51 bank outlets from Banca

Intesa. With this acquisition (which will be finalised at the end of the first half of 2001) the Bank may offer its customers a series of improved, more complete services, both in the field of insurance, and in that of banking and savings management.

On 15 February 2001 the Unipol Group signed a plan for an alliance with the Monte Paschi Siena Group. The object of the alliance is to create through the reciprocal exchange of interests, joint business actions and commercial agreements in all sectors of the two Groups' consolidated market.

Selected partnerships and commercial operations will be gradually developed and implemented during the course of the current year.

On 13 March 2001, the Boards of Directors of the subsidiaries Meie Assicurazioni and Aurora Assicurazioni voted to submit to the respective General Shareholders' Meetings a proposal to merge the two companies by incorporating Aurora into Meie.

Investments in shareholdings during the first few months of 2001 have involved:

- new acquisitions to the value of ITL157.7bn;
- capital increase operations to the value of ITL82.7bn.

The main operations include:

- Meie Assicurazioni S.p.A. – on 12 January 2001, Unipol concluded the acquisition of 52,958,308 shares in Meie Assicurazioni (22.99% of the share capital) arising from the conclusion of the take-over bid launched in November. The total amount paid was ITL144bn, and the shareholding in the company rose to 74.36%;
- Unipol Banca S.p.A. - payment of ITL73bn – 30% of the underwriting of 422,958,037 shares - to increase the share capital from ITL250bn to ITL550bn of Unipol Banca;
- Quadrifoglio Vita S.p.A. – payment of ITL2.5bn, the remaining 5/10 of the capital increase decided on 13/12/99;
- Lavoro e Previdenza Service S.p.A. - the acquisition of a further 8,980,000 shares

(44.9% of the share capital), at a price of ITL9bn, thereby increasing the shareholding in the company to 100%;

- Previnet S.p.A. - the acquisition of 1,400 shares (14% of the share capital), at a price of ITL4.2bn;
- Pioquartosei S.r.l. – the acquisition of 500,000 shares (1% of the share capital), at a price of ITL821m, increasing the shareholding in the company to 100%, in order to realise the planned incorporation of the same company;
- Olivetti S.p.A. – the subscription to a pertinent share in the capital increase decided on 18/12/2000, consisting of 1,435,314 shares, for a total value of ITL7.2bn;

As far as disposals are concerned, mention should be made of the sale of the Company's interests in: Euresa Life Sa, for €4.1m (ITL7.9bn), giving capital gains of ITL6.2bn; in Immobiliare Mirasole spa, for ITL8.7bn (capital gains of ITL2.2bn); and in Humanitas Mirasole spa., for ITL2bn (capital gains of ITL1.5bn).

On 26 January 2001 "Unipol Insieme", a new open-end pension fund was launched, distinguished by having amongst its sub-funds two guaranteed lines and an ethical balanced line.

Those customers who opt for this line will have the chance to direct their pension savings towards the securities of companies who are involved in ethically acceptable, eco-friendly business. Moreover, they will also be able to exclude investment in government securities issued by countries subject to sanctions by supranational organisations for their unethical conduct.

Placing will begin as soon as the necessary permits have been issued.

On 22 February 2001 the rating agency Standard & Poor's gave Unipol Assicurazioni a rating of A for capacity to meet both insurance commitments (Insurance Financial Strength

Rating) and counterparty credits (Counterparty Credit Rating). An A rating implies that the outlook is stable. According to Standard & Poor's, the rating given reflects "the new profile of the Group after a series of important acquisitions such as BNL Vita, Meie Assicurazioni, Meie Vita, Navale Assicurazioni and Aurora Assicurazioni. The rating also reflects the Group's strong position in the Italian insurance market and the equally strong position it has achieved in operational and capitalisation performance. Factors that partially weaken these strong points are represented by the lack of diversification at the international level and the challenge that the management must face in order to integrate the recently-acquired companies successfully".

ITL774.3bn for Non-Life business, and ITL727.4bn for Life business.

However, it should be said that a Legislative Decree is about to come into force implementing EEC Directive 98/78 regarding supplementary supervision on insurance companies belonging to an insurance group. Within the framework of this provision, there is to be a re-calculation of the solvency situation ("adjusted solvency") made on the basis of the consolidated accounts, designed to eliminate any distortion or double gearing deriving from the shareholding structures. This re-calculation will lead to a reduction in the above-mentioned surpluses.

## **Business outlook**

During the first two months of 2001 the premium income trend has been positive, with a growth of about 8% compared with the previous year's figure. Growth has remained stronger in Life business (approx. +26%) than in Non-Life business (+2%) due to the continued effects of the Motor T.P.L. tariff freeze on the latter.

A careful policy of selectively underwriting insured risks persists, as can be seen from the fall in the number of reported claims during the first two months of the year. Property and financial management is showing a positive trend, in particular thanks to bond business, and operating expenses are falling back to more normal levels.

Overall, activity for the first few months has shown a positive trend, in line with expectations.

## **Solvency margin**

Bearing in mind the proposal to distribute profits, the solvency margin of Non-Life and Life business, as at 31 December 2000, is characterised by an extremely high overall surplus compared with minimum legal requirements. This surplus amounts to

# Proposals to the General Shareholders' Meeting

Dear Shareholders,

in submitting the 2000 Annual Accounts and the Board Report for your approval, with regard to profits we would like to propose the following:

## Result for the financial year and destination of profits

Net profit after taxes amounted to ITL115,383,657,247.

Bearing in mind Articles 5 and 19 of the Company rules, together with Annexe 3 to the Notes to the Accounts (Breakdown of profit for the year per type of business – Life and Non-Life), we submit the following proposal for your approval:

-to the Life business legal reserve	ITL	6,891,903,128
-to the Non-Life business legal reserve	ITL	4,646,462,596
-to the Life extraordinary reserve	ITL	29,871,041,873
-to 177,892,085 preference share dividends (7% of face value)	ITL	12,452,445,950
-to 273,328,720 ordinary share dividends (6% of face value)	ITL	16,399,723,200
-to 451,220,805 additional preference and ordinary share dividends (10% of face value)	ITL	45,122,080,500

With the division shown above, we submit for your approval a total dividend of ITL73,974,249,650 (+60.2%). The unit dividend is thus ITL170 for each preference share, and ITL160 for each ordinary share, exactly the same as for the previous year, despite the considerable increase in the number of shares in circulation resulting from the capital increase

implemented midway through the year.

Including the due ordinary tax credit, equal to 58.73%, the said dividend for each preference share is ITL269.84, and ITL253.97 for each ordinary share.

Furthermore, we propose that dividend payment begin on 24 May 2001 (coupon detachment on 21 May 2001).

## Appointments

The Board of Directors' three-year term of office has come to a close.

We would like to sincerely thank you for your faith in us throughout this period, and we invite you to appoint the new Board of Directors for the three-year period 2001- 2003, subject to a decision on the number of members and on their respective remuneration.

As regards the Board of Statutory Auditors, we would like to inform you that the Board of Directors has ascertained that all members of the Board of Statutory Auditors, since the date of their appointment on 31 April 1999, have been in possession of the necessary professional and moral requisites called for by Ministerial Decree No.162 of 30/3/2000, which came into force on 19 June 2000.

## Insurance coverage for Directors and Statutory Auditors

We propose that you decide on insurance coverage for the members of the Board of Directors and of the Board of Statutory Auditors, for third-party liability and legal protection risks resulting from their work as Directors and Statutory Auditors of the Company.



## **Resolutions in accordance with Articles 2357, 2357ter and 2359bis of the Italian Civil Code**

We propose that you confirm ITL50bn as the upper limit for the purchase of own shares, and that you reiterate the Board resolution of 28 April 2000 regarding the purchase and sale of own shares.

We also propose that you authorise the Board of Directors to purchase, within 18 months of the General Shareholders' Meeting decision, a maximum of 90,833,400 shares in the holding company Finsoe, for a maximum counter-value of ITL118bn, in addition to the 22,566,600 shares the Company already owns, and in order to do so, increase the specific reserve by releasing funds from the extraordinary reserve.

## **Extraordinary resolutions**

At the end of debate over the ordinary section on the Agenda, the General Shareholders' Meeting will proceed in an Extraordinary Meeting in order to decide on the following proposals:

- the incorporation of the 100% owned subsidiary property company Pioquartosei S.r.l. into the Company, on the basis of the latter's assets and liabilities at 31 December 2000, and of the Annual Accounts as at 31 December 2000 of the former;
- the conversion of share capital in Euros, with a free increase of the face value of shares to 1 Euro, and the consequent changes to Articles 5 (Share capital) and 19 (Company profits) of the Company rules.;
- changes to Article 17 (Statutory Auditors) of the Company rules to implement the changes introduced by Ministerial Decree No. 162 of 30/3/2000.

For more detailed information on the proposals regarding the issues listed on the Agenda of the Ordinary and Extraordinary General Shareholders' Meetings, please consult the Board Report, available at the Company's head office and at the headquarters of the Italian

Stock Exchange Ltd. (Borsa Italiana S.p.A.), within the terms provided for by CONSOB ruling 11971 of 14 May 1999.

Bologna, 26 March 2001

**The Board of Directors**

# **2000 Annual Accounts**

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Company **COMPAGNIA ASSICURATRICE UNIPOL - Società per Azioni**

Share capital subscribed ITL **451,220,805,000** Paid-up ITL **451,220,805,000**

Head offices in **BOLOGNA - Via Stalingrado, 45**

**Company Register n° 14602/BO**

**ANNUAL ACCOUNTS**

**Balance Sheet**

2000 Financial Year

(Amounts in ITL)

## BALANCE SHEET

## ASSETS

as at 31 December 2000

A. SUBSCRIBED SHARE CAPITAL UNPAID				1	0
of which called-up capital		2	0		
B. INTANGIBLE ASSETS:					
1. Deferred acquisition commissions					
a) life assurance business	3	56,267,005,498			
b) non-life insurance business	4	21,308,342,500	5	77,575,347,998	
2. Other acquisition costs			6	0	
3. Formation and development costs			7	7,104,663,936	
4. Goodwill			8	2,773,804,000	
5. Other deferred costs			9	1,201,029,939	10
					88,654,845,873
C. INVESTMENTS					
I - Land and buildings:					
1. Buildings used for corporate business			11	90,957,951,945	
2. Buildings leased to third parties			12	597,508,450,545	
3. Other buildings			13	0	
4. Other real property rights			14	0	
5. Work in progress and advance payments			15	4,500,000,000	16
					692,966,402,490
II - Investments in affiliated undertakings and participating interests:					
1. Shares and participating interests in:					
a) holding companies	17	25,445,279,150			
b) subsidiaries	18	2,013,064,503,590			
c) associated undertakings	19	1,728,746,414			
d) affiliated undertakings	20	100,065,257,331			
e) other undertakings	21	600,438,362,138	22	2,740,742,148,623	
2. Debt securities issued by:					
a) holding companies	23	0			
b) subsidiaries	24	0			
c) associated undertakings	25	0			
d) affiliated undertakings	26	0			
e) other undertakings	27	959,977,590	28	959,977,590	
3. Corporate financing to:					
a) holding companies	29	0			
b) subsidiaries	30	500,000,000			
c) associated undertakings	31	0			
d) affiliated undertakings	32	0			
e) other undertakings	33	6,708,597,823	34	7,208,597,823	35
					2,748,910,724,036
					88,654,845,873
					to carry forward

as at 31 December 1999

			181	0
	182	0		
183	50,690,651,481			
184	21,202,780,000	185	71,893,431,481	
		186	0	
		187	1,780,609,382	
		188	3,280,928,000	
		189	546,903,543	190
				77,501,872,406
		191	93,518,638,318	
		192	627,654,746,758	
		193	0	
		194	0	
		195	1,663,881,826	196
				722,837,266,902
197	18,707,509,150			
198	516,475,190,942			
199	1,728,746,414			
200	80,043,068,610			
201	644,906,486,308	202	1,261,861,001,424	
203	0			
204	0			
205	0			
206	0			
207	959,977,590	208	959,977,590	
209	0			
210	500,000,000			
211	0			
212	0			
213	21,819,577,020	214	22,319,577,020	215
				1,285,140,556,034
	to carry forward			77,501,872,406

## BALANCE SHEET

## ASSETS

as at 31 December 2000

		carried forward		88,654,845,873
C. INVESTMENTS (continued)				
III - Other financial investments:				
1. Shares and participating interests:				
a) listed shares	36	334,822,968,520		
b) unlisted shares	37	0		
c) participating interests	38	0	39	334,822,968,520
2. Units and shares in investment funds			40	282,707,002,722
3. Debt securities and other fixed-income securities:				
a) listed securities	41	4,596,821,882,012		
b) unlisted securities	42	231,093,293,138		
c) convertible bonds	43	60,165,011,418	44	4,888,080,186,568
4. Loans:				
a) loans secured				
by a lien on property	45	42,236,408,987		
b) loans on insurance policies	46	48,720,614,178		
c) other loans	47	1,577,860,838	48	92,534,884,003
5. Participation in investment pools			49	0
6. Deposits with credit institutions			50	0
7. Sundry financial investments			51	339,538,481,139
IV - Deposits with ceding undertakings			52	5,937,683,522,952
			53	75,914,216,481
			54	9,455,474,865,959
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND DERIVING FROM PENSION FUNDS				
I - Investments relating to benefits linked to investment funds and market indices			55	460,114,286,267
II - Investments deriving from pension funds			56	32,753,539,251
			57	492,867,825,518
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE				
I - NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums			58	41,518,626,892
2. Provision for claims outstanding			59	127,670,017,841
3. Provision for bonuses and rebates			60	0
4. Other technical provisions			61	0
			62	169,188,644,733
II - LIFE ASSURANCE BUSINESS				
1. Mathematical provisions			63	276,207,555,792
2. Ancillary risks - Provision for unearned premiums			64	0
3. Provision for amounts payable			65	1,189,751,766
4. Provision for bonuses and rebates			66	19,120,983
5. Other technical provisions			67	0
6. Technical provisions for life assurance policies where investment risk is borne by policyholders and pension fund management provision			68	0
			69	277,416,428,541
			70	446,605,073,274
		to carry forward		10,483,602,610,624

as at 31 December 1999

	carried forward		77,501,872,406
216	69,946,391,213		
217	487,940,040		
218	0	219	70,434,331,253
		220	107,859,205,265
221	4,160,331,036,164		
222	250,130,334,629		
223	88,306,208,838	224	4,498,767,579,631
225	31,895,508,229		
226	40,298,996,127		
227	2,002,085,736	228	74,196,590,092
		229	0
		230	0
		231	915,173,881,938
		232	5,666,431,588,179
		233	72,961,003,644
		234	7,747,370,414,759
		235	198,169,633,853
		236	7,030,047,322
		237	205,199,681,175
238	41,918,651,468		
239	123,791,372,266		
240	0		
241	0	242	165,710,023,734
243	288,461,332,141		
244	0		
245	1,717,281,852		
246	16,059,346		
247	0		
248	0	249	290,194,673,339
		250	455,904,697,073
	to carry forward		8,485,976,665,413

## BALANCE SHEET

## ASSETS

as at 31 December 2000

	carried forward		10,483,602,610,624
<b>E. DEBTORS</b>			
I - Debtors arising out of direct insurance operations:			
1. Policyholders			
a) premiums for the year	<sup>71</sup> 273,813,185,357		
b) prior years' premiums	<sup>72</sup> 10,024,547,997	<sup>73</sup> 283,837,733,354	
2. Insurance intermediaries		<sup>74</sup> 144,289,009,020	
3. Insurance undertakings - amounts receivable		<sup>75</sup> 30,485,361,901	
4. Policyholders and third parties - amounts recoverable	<sup>76</sup> 38,894,896,000	<sup>77</sup> 497,507,000,275	
II - Debtors arising out of reinsurance operations:			
1. Insurance and reinsurance undertakings	<sup>78</sup> 179,040,465,942		
2. Reinsurance intermediaries	<sup>79</sup> 0	<sup>80</sup> 179,040,465,942	
III - Other debtors		<sup>81</sup> 98,181,812,078	<sup>82</sup> 774,729,278,295
<b>F. OTHER ASSETS</b>			
I - Tangible assets and stocks			
1. Furnishings, office equipment, internal means of transportation	<sup>83</sup> 4,370,256,701		
2. Movable goods in public registers	<sup>84</sup> 317,299,487		
3. Fixtures, fittings and equipment	<sup>85</sup> 6,105,962,462		
4. Stocks and sundry goods	<sup>86</sup> 0	<sup>87</sup> 10,793,518,650	
II - Cash at bank and in hand			
1. Deposits with credit institutions and post office accounts	<sup>88</sup> 251,767,878,307		
2. Cheques and cash in hand	<sup>89</sup> 317,811,089	<sup>90</sup> 252,085,689,396	
III - Own shares		<sup>91</sup> 7,225,544,003	
IV - Other assets			
1. Deferred reinsurance accounts receivable	<sup>92</sup> 34,857,677,733		
2. Sundry assets	<sup>93</sup> 58,002,472,926	<sup>94</sup> 92,860,150,659	<sup>95</sup> 362,964,902,708
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>			
1. Interest		<sup>96</sup> 86,898,767,928	
2. Rental income		<sup>97</sup> 275,320,118	
3. Other prepayments and accrued income		<sup>98</sup> 4,528,929,133	<sup>99</sup> 91,703,017,179
<b>TOTAL ASSETS</b>			<sup>100</sup> 11,712,999,808,806



as at 31 December 1999

	carried forward		8,485,976,665,413
251	257,287,201,893		
252	10,986,021,691	253	268,273,223,584
		254	130,489,211,027
		255	23,225,981,373
		256	30,437,055,566
		257	452,425,471,550
		258	145,635,234,421
		259	8,533,181
		260	145,643,767,602
		261	91,321,791,610
		262	689,391,030,762
		263	2,779,579,136
		264	255,511,525
		265	5,829,877,596
		266	0
		267	8,864,968,257
		268	233,732,947,354
		269	381,958,773
		270	234,114,906,127
		271	13,025,164,117
		272	22,381,609,648
		273	49,336,322,158
		274	71,717,931,806
		275	327,722,970,307
		276	70,336,603,120
		277	356,767,208
		278	1,315,388,724
		279	72,008,759,052
		280	9,575,099,425,534

## BALANCE SHEET

## LIABILITIES

as at 31 December 2000

A. CAPITAL AND RESERVES				
I	- Subscribed share capital or equivalent funds	101	451,147,226,000	
II	- Share premium reserve	102	1,216,993,341,868	
III	- Revaluation reserves	103	40,082,482,173	
IV	- Legal reserve	104	56,345,700,800	
V	- Statutory reserves	105	0	
VI	- Reserves for own shares and holding company's shares	106	32,670,823,153	
VII	- Other reserves	107	267,098,635,485	
VIII	- Profit (loss) brought forward	108	0	
IX	- Profit (loss) for the financial year	109	115,383,657,247	110 2,179,721,866,726
B. SUBORDINATED LIABILITIES				111 0
C. TECHNICAL PROVISIONS				
I - NON-LIFE INSURANCE BUSINESS				
1.	Provision for unearned premiums	112	768,898,926,554	
2.	Provision for claims outstanding	113	2,473,403,377,495	
3.	Provision for bonuses and rebates	114	3,320,000,000	
4.	Other technical provisions	115	943,816,288	
5.	Equalization provision	116	928,014,033	117 3,247,494,134,370
II - LIFE ASSURANCE BUSINESS				
1.	Mathematical provisions	118	4,622,973,774,865	
2.	Ancillary risks - provision for unearned premiums	119	0	
3.	Provision for amounts payable	120	23,111,608,098	
4.	Provision for bonuses and rebates	121	326,462,035	
5.	Other technical provisions	122	57,043,812,162	123 4,703,455,657,160 124 7,950,949,791,530
D. TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PENSION FUND MANAGEMENT PROVISION				
I	- Technical provisions for life assurance policies with benefits linked to investment funds and market indices	125	460,114,206,506	
II	- Pension fund management provision	126	32,753,539,251	127 492,867,745,757
	to carry forward			10,623,539,404,013

as at 31 December 1999

	281	281,728,504,000	
	282	569,544,276,200	
	283	40,082,482,173	
	284	51,558,886,600	
	285	0	
	286	31,732,673,267	
	287	242,998,248,927	
	288	0	
	289	76,014,024,896	290 1,293,659,096,063
			291 0
292		747,193,573,147	
293		2,218,271,837,534	
294		3,405,000,000	
295		977,676,799	
296	297	791,004,458 2,970,639,091,938	
298		4,383,563,802,176	
299		0	
300		21,333,858,747	
301		671,208,753	
302	303	54,430,853,510 4,459,999,723,186	304 7,430,638,815,124
	305	198,168,571,901	
	306	7,030,047,322	307 205,198,619,223
to carry forward			8,929,496,530,410

## BALANCE SHEET

## LIABILITIES

as at 31 December 2000

	carried forward			10,623,539,404,013
E. PROVISIONS FOR OTHER RISKS AND CHARGES				
1. Provisions for pensions and similar obligations		128	0	
2. Provisions for taxation		129	6,978,909,240	
3. Other provisions		130	22,654,892,257	131 29,633,801,497
F. DEPOSITS RECEIVED FROM REINSURERS				132 145,029,147,072
G. CREDITORS AND OTHER LIABILITIES				
I - Creditors arising out of direct insurance operations:				
1. Insurance intermediaries	133	3,782,551,865		
2. Insurance undertakings - accounts payable	134	9,937,545,374		
3. Policyholders - deposits and premiums	135	1,534,443,962		
4. Policyholders - guarantee funds	136	6,032,056,449	137 21,286,597,650	
II - Creditors arising out of reinsurance operations:				
1. Insurance and reinsurance undertakings	138	25,817,652,464		
2. Reinsurance intermediaries	139	642,340,789	140 26,459,993,253	
III - Debenture loans			141 407,557,441,500	
IV - Amounts owed to credit institutions			142 300,291,448	
V - Debts secured by a lien on property			143 21,107,718,765	
VI - Sundry loans and other financial debts			144 1,811,924,773	
VII - Staff leaving indemnity			145 45,943,079,634	
VIII - Other creditors:				
1. Policyholders' tax due	146	39,252,352,336		
2. Sundry taxes	147	98,355,903,994		
3. Social security contributions	148	7,986,832,768		
4. Sundry creditors	149	25,622,813,532	150 171,217,902,630	
IX - Other liabilities				
1. Deferred reinsurance accounts payable	151	62,313,855,688		
2. Commissions on pending premiums	152	39,127,121,399		
3. Sundry liabilities	153	93,367,146,024	154 194,808,123,111	155 890,493,072,764
	to carry forward			11,688,695,425,346

as at 31 December 1999

carried forward		8,929,496,530,410
	308	0
	309	6,036,829,240
	310	6,509,054,134
	311	12,545,883,374
	312	146,566,370,042
313	3,819,919,127	
314	8,266,370,607	
315	1,744,417,000	
316	5,441,252,886	317 19,271,959,620
318	24,607,534,955	
319	742,297,186	320 25,349,832,141
	321	0
	322	0
	323	23,475,920,304
	324	8,186,789,323
	325	43,890,215,259
326	39,024,379,728	
327	69,712,242,373	
328	8,726,920,844	
329	28,000,694,803	330 145,464,237,748
331	47,591,800,847	
332	37,960,812,898	
333	114,202,424,686	334 199,755,038,431
335		465,393,992,826
to carry forward		9,554,002,776,652

## BALANCE SHEET

## LIABILITIES

as at 31 December 2000

carried forward		11,688,695,425,346
H. ACCRUALS AND DEFERRED INCOME		
1. Interest	156 23,920,770,302	
2. Rental income	157 361,881,739	
3. Other accruals and deferred income	158 21,731,419	159 24,304,383,460
<b>TOTAL LIABILITIES</b>		160 11,712,999,808,806

## BALANCE SHEET

## GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

as at 31 December 2000

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS		
I - Guarantees by the Company		
1. Surety bonds		161 2,184,427,306
2. Endorsements		162 0
3. Other unsecured guarantees		163 15,817,218
4. Guarantees secured by a lien on property		164 0
II - Guarantees by third parties		
1. Surety bonds		165 44,488,688,495
2. Endorsements		166 0
3. Other unsecured guarantees		167 35,000,000
4. Guarantees secured by a lien on property		168 9,021,583,961
III - Guarantees by third parties in favour of the Company		169 18,185,563,714
IV - Commitments		170 2,802,398,619,755
V - Third parties' assets held in deposit		171 417,787,640
VI - Pension fund assets managed on behalf of third parties		172 141,510,581,993
VII - Securities deposited with third parties		173 8,873,937,327,272
VIII - Other memorandum accounts		174 9,997,919,208

as at 31 December 1999

carried forward		9,554,002,776,652
	336	20,525,661,707
	337	569,912,892
	338	1,074,283
	339	21,096,648,882
		9,575,099,425,534

as at 31 December 1999

		3,844,418,090
		0
		15,817,218
		0
		187,792,954,651
		0
		131,800,000
		11,175,209,962
		17,628,686,481
		3,334,898,880,880
		181,846,840
		91,938,912,551
		6,551,232,126,967
		8,612,188,089

The undersigned declare that the financial statements are free from irregularity or error

The Company legal representatives (\*)

The Chairman ..... (\*\*)

*Giovanni Consorte* ..... (\*\*)

..... (\*\*)

The members of the Board of Statutory Auditors

U. Melloni .....

O. Caffagni .....

L. Roffinella .....

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy

(\*\*) Please indicate the functions of the signatory



Company **COMPAGNIA ASSICURATRICE UNIPOL - Società per Azioni**

Share capital subscribed ITL **451,220,805,000**      Paid-up ITL **451,220,805,000**

Head offices in **BOLOGNA - Via Stalingrado, 45**

**Company Register n° 14602/BO**

**ANNUAL ACCOUNTS**

**Profit and Loss Account**

2000 Financial Year

(Amounts in ITL)

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

<b>I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS</b>					
1. EARNED PREMIUMS, NET OF REINSURANCE:					
a) Gross premiums written			1	2,174,251,328,953	
b) (-) Outward reinsurance premiums			2	184,987,340,517	
c) Change in the provision for unearned gross premiums			3	34,595,662,805	
d) Change in the provision for unearned premiums, reinsurers' share			4	1,512,240,349	5 1,956,180,565,980
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)					
6 35,776,722,533					
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE					
7 3,412,079,655					
4. CLAIMS INCURRED, NET OF SUMS RECOVERABLE AND REINSURANCE:					
a) Claims paid					
aa) Gross amount	8	1,445,342,712,923			
bb) (-) reinsurers' share	9	87,840,413,968	10	1,357,502,298,955	
b) Change in the sums recoverable, net of reinsurers' share					
aa) Gross amount	11	54,279,165,749			
bb) (-) reinsurers' share	12	4,323,969,205	13	49,955,196,544	
c) Change in the provision for claims					
aa) Gross amount	14	277,835,876,045			
bb) (-) reinsurers' share	15	20,210,217,757	16	257,625,658,288	17 1,565,172,760,699
5. CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE					
18 -33,860,511					
6. BONUSES AND REBATES, NET OF REINSURANCE					
19 3,061,220,452					
7. OPERATING EXPENSES:					
a) Acquisition commissions			20	303,501,145,537	
b) Other acquisition costs			21	32,163,961,067	
c) Change in deferred acquisition commissions and costs			22	105,562,500	
d) Renewal commissions			23	47,063,563,539	
e) Administrative expenses			24	76,782,800,196	
f) (-) Reinsurance commissions and profit sharing			25	64,643,419,842	26 394,762,487,997
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE					
27 2,993,200,119					
9. CHANGE IN THE EQUALIZATION PROVISIONS					
28 137,009,575					
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)					
29 29,276,549,837					

for the year ended 31 December 1999

		111	2,043,936,507,472			
		112	190,458,670,081			
		113	25,015,723,167			
		114	4,943,783,998	115	1,833,405,898,222	
				116	70,224,879,891	
				117	5,077,467,568	
	118	1,437,758,977,073				
	119	93,959,489,647	120	1,343,799,487,426		
	121	39,632,504,287				
	122	1,446,405,552	123	38,186,098,735		
	124	242,914,354,644				
	125	21,646,249,299	126	221,268,105,345	127	1,526,881,494,036
				128	-15,056,586	
				129	6,175,930,119	
		130	277,844,888,292			
		131	33,428,381,863			
		132	255,618,000			
		133	45,806,152,650			
		134	74,345,161,661			
		135	68,679,570,979	136	362,489,395,487	
				137	4,557,913,132	
				138	103,490,951	
				139	8,515,078,542	

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

<b>II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS</b>			
<b>1. WRITTEN PREMIUMS, NET OF REINSURANCE:</b>			
a) Gross premiums written		30	879,371,018,474
b) (-) Outward reinsurance premiums		31	14,337,354,934
			32 865,033,663,540
<b>2. INVESTMENT INCOME:</b>			
a) Income from shares and participating interests		33	7,872,216,852
	(of which derived from affiliated undertakings	34	7,635,653,248 )
b) Income from other investments:			
aa) income from land and buildings	35		1,115,615,649
bb) income from other investments	36		273,324,923,262
		37	274,440,538,911
	(of which derived from affiliated undertakings	38	3,197,339,057 )
c) Value re-adjustments on investments		39	992,451,818
d) Realized gains on investments		40	101,423,119,111
	(of which derived from affiliated undertakings	41	0 )
			42 384,728,326,692
<b>3. INVESTMENT INCOME AND UNREALIZED GAINS ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND FOR PENSION FUNDS</b>			
			43 21,621,090,751
<b>4. OTHER TECHNICAL INCOME, NET OF REINSURANCE</b>			
			44 8,903,987,410
<b>5. CLAIMS INCURRED, NET OF REINSURANCE:</b>			
a) Claims paid:			
aa) Gross amount	45		480,366,845,904
bb) (-) Reinsurers' share	46	47	42,800,767,408
			437,566,078,496
b) Change in the provision for claims:			
aa) Gross amount	48		1,727,499,000
bb) (-) Reinsurers' share	49	50	-529,031,707
			2,256,530,707
			51 439,822,609,203
<b>6. CHANGE IN THE MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE:</b>			
a) Mathematical provisions, net of reinsurance:			
aa) Gross amount	52		273,492,701,827
bb) (-) Reinsurers' share	53	54	-8,548,944,543
			282,041,646,370
b) Supplementary risks - provision for unearned premiums			
aa) Gross amount	55		0
bb) (-) Reinsurers' share	56	57	0
			0
c) Other technical provisions:			
aa) Gross amount	58		2,612,958,652
bb) (-) Reinsurers' share	59	60	0
			2,612,958,652
d) Technical provisions for life assurance policies where investment risk is borne by policyholders and pension fund management provision			
aa) Gross amount	61		285,071,754,303
bb) (-) Reinsurers' share	62	63	0
			285,071,754,303
			64 569,726,359,325

for the year ended 31 December 1999

		140	708,396,023,787		
		141	13,984,773,325	142	694,411,250,462
		143	4,004,413,111		
(of which derived from affiliated undertakings		144	3,728,012,621 )		
	145		1,409,211,305		
	146	147	254,646,326,002		
(of which derived from affiliated undertakings		148	2,564,861,902 )		
		149	276,678,404		
		150	59,538,727,781		
(of which derived from affiliated undertakings		151	0 )	152	318,466,145,298
				153	7,381,867,463
				154	2,770,002,448
	155		367,624,064,431		
	156	157	331,434,578,553		
	158		7,929,260,682		
	159	160	7,632,719,251	161	339,067,297,804
	162		396,301,822,775		
	163	164	400,871,344,588		
	165		0		
	166	167	0		
	168		3,985,016,589		
	169	170	3,985,016,589		
	171		76,903,754,112		
	172	173	76,903,754,112	174	481,760,115,289

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

7. BONUSES AND REBATES, NET OF REINSURANCE			65	692,045,846
8. OPERATING EXPENSES:				
a) Acquisition commissions	66	40,446,521,939		
b) Other acquisition costs	67	12,064,750,179		
c) Change in deferred acquisition commissions and costs	68	5,576,354,017		
d) Renewal commissions	69	13,877,255,168		
e) Administrative expenses	70	19,353,522,723		
f) (-) Reinsurance commissions and profit sharing	71	2,270,724,783	72	77,894,971,209
9. INVESTMENT CHARGES:				
a) Investment management charges, including interest	73	62,806,866,880		
b) Value adjustments on investments	74	44,263,334,863		
c) Realized losses on investments	75	2,230,973,363	76	109,301,175,106
10. INVESTMENT CHARGES AND UNREALIZED LOSSES ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND FOR PENSION FUNDS			77	5,366,683,103
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	13,530,765,359
12. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III.4)			79	25,034,151,586
13. BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS (Item III.2)			80	38,918,307,656
<b>III. NON-TECHNICAL ACCOUNT</b>				
1. BALANCE ON THE TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS (item I.10)			81	29,276,549,837
2. BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS (item II.13)			82	38,918,307,656
3. INVESTMENT INCOME - NON-LIFE INSURANCE BUSINESS:				
a) Income from shares and participating interests	83	9,857,471,701		
(of which derived from affiliated undertakings	84	9,086,658,651 )		
b) Income from other investments:				
aa) income from land and buildings	85	31,168,581,583		
bb) income from other investments	86	74,189,181,661	87	105,357,763,244
(of which derived from affiliated undertakings	88	7,109,699,779 )		
c) Value re-adjustments on investments	89	119,148,503		
d) Realized gains on investments	90	14,167,138,466		
(of which derived from affiliated undertakings	91	249,080,185 )	92	129,501,521,914

for the year ended 31 December 1999

		175	1,113,421,868
		176	27,805,789,460
		177	12,079,125,699
		178	945,124,893
		179	13,474,640,173
		180	18,926,647,718
		181	2,357,082,659
		182	68,983,995,498
		183	53,583,562,617
		184	13,587,603,878
		185	7,085,129,777
		186	74,256,296,272
		187	6,882,913,045
		188	7,282,980,783
		189	6,564,349,026
		190	37,117,896,086
		191	8,515,078,542
		192	37,117,896,086
		193	7,829,743,337
(of which derived from affiliated undertakings		194	7,007,343,384 )
	195		33,824,944,005
	196	197	109,344,437,111
(of which derived from affiliated undertakings		198	5,688,995,911 )
		199	333,787,971
		200	30,843,187,302
(of which derived from affiliated undertakings		201	275,828,788 )
		202	148,351,155,721

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

4. (+) ALLOCATED INVESTMENT RETURNS TRANSFERRED FROM LIFE ASSURANCE TECHNICAL ACCOUNT (item II.12)		93	25,034,151,586
5. INVESTMENT CHARGES - NON-LIFE INSURANCE BUSINESS:			
a) Investment management charges, including interest	94	38,623,269,835	
b) Value adjustments on investments	95	40,765,468,340	
c) Realized losses on investments	96	2,715,844,241	97
			82,104,582,416
6. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO NON-LIFE INSURANCE TECHNICAL ACCOUNT (item I 2)			98
			35,776,722,533
7. OTHER INCOME			99
			43,091,556,713
8. OTHER CHARGES			100
			28,515,546,721
9. BALANCE ON ORDINARY ACTIVITIES			101
			119,425,236,036
10. EXTRAORDINARY INCOME			102
			110,194,443,164
11. EXTRAORDINARY CHARGES			103
			27,268,962,953
12. BALANCE ON EXTRAORDINARY ACTIVITIES			104
			82,925,480,211
13. PROFIT BEFORE TAXATION			105
			202,350,716,247
14. TAX ON PROFIT			106
			86,967,059,000
15. PROFIT (OR LOSS) FOR THE FINANCIAL YEAR			107
			115,383,657,247



for the year ended 31 December 1999

		203	6,564,349,026
204	36,449,084,827		
205	22,129,108,165		
206	2,075,940,400	207	60,654,133,392
		208	70,224,879,891
		209	35,501,307,280
		210	25,282,426,137
		211	79,888,347,235
		212	52,147,177,543
		213	1,449,158,882
		214	50,698,018,661
		215	130,586,365,896
		216	54,572,341,000
		217	76,014,024,896

The undersigned declare that the financial statements are free from irregularity or error

The Company legal representatives (\*)

The Chairman ..... (\*\*)

*Giovanni Consorte* ..... (\*\*)

..... (\*\*)

The members of the Board of Statutory Auditors

U. Melloni .....

O. Caffagni .....

L. Roffinella .....

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy

(\*\*) Please indicate the functions of the signatory

## **Notes to the Accounts**

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The purpose of the Company is to carry out all types of insurance, reinsurance and capitalization, with particular regard to covering risks incurred by co-operatives, mutuals, trade unions and their members. The Company may also set up and run open-end Pension Funds in accordance with the provisions of Article 9 of Legislative Decree No. 124 dated 21/4/1993 and subsequent amendments.

The accounts have been drawn up in accordance with the current standards contained in the Civil Code and with the specific standards laid down for the insurance sector and follow the layout and instructions provided for in Legislative Decree No. 173

dated 26 May 1997. They also conform to ISVAP Instruction n° 735 dated 1 December 1997 relating to the general ledger and incorporate the relevant guidelines issued by the Supervisory Authority.

In order to supplement the guidelines provided by the compulsory layout mentioned above, the information given in the Company accounts has also been shown in the appended statements reclassifying the balance sheet and the profit and loss account without, however, altering capital and reserves and the result for the financial year, and is accompanied by a statement of changes in capital and reserves and by the cash flow.

## Part A: Valuation Criteria

### Section 1 – Illustration of Valuation Criteria

The most significant criteria used in producing the year-end accounts are given below, together with any changes compared to those previously adopted.

#### Intangible assets

##### *Deferred acquisition commissions*

Pre-paid acquisition commissions on multi-year policies relating to Non-life business are deferred and written down on a straight-line basis over a period of three years, beginning in the year in which the costs are incurred. For Life business these commissions are attributed on the basis of the period of validity of policies, up to the limit of the expenses charged on them, but for a period not exceeding 10 years. This complies with tax regulations and prudential considerations and allows these expenses to be spread over several financial years in accordance with the matching concept. Any other expenses involved in acquiring risks

relating to multi-year policies and in managing them are reflected in the profit and loss account for the financial year in which they are incurred.

##### *Other multi-year costs*

Costs of capital increases and of portfolio acquisitions relating to Non-life business are written down on a straight-line basis over five years starting from the financial year in which they are incurred. Costs of portfolio acquisitions relating to Life business, on the other hand, are written down on a straight-line basis over ten years, due to the longer duration of the policies concerned.

Other multi-year expenses are written down on the basis of their presumed useful life, but in any case over a period not exceeding 5 years (excluding trade-marks which are amortised over 10 years).

#### Investments

##### *Land and buildings*

Except for some premises intended for sale and

recorded as short-term investments, property is included with fixed assets and recorded in the accounts at the cost of acquisition or construction or at incorporation value in the case of buildings previously owned by incorporated companies. The book value of these assets includes ancillary charges and write-ups performed in previous financial years under the provisions of specific legislation and, to a lesser extent, following voluntary write-ups.

Improvement and transformation costs are capitalized in cases where they translate into an increase in the useful life of the assets and in their earning capacity.

Buildings used for the business of the Company are written down on a straight-line basis according to the expected period of use.

Other buildings are not usually written down, given that constant maintenance is carried out in order to prolong their useful life and that they are long-term investments primarily intended as a hedge against liabilities to policyholders.

Depreciation is, however, recorded for the "Città del Mare" holiday complex in Terrasini (Palermo) and "Pianeta Maratea" in Maratea (Pz) (acquired through incorporation in 1999), the shopping centres, the industrial workshops and one building located in Milan, because of their specific nature and purpose.

Depreciation is calculated at the following rates (50% applied on assets acquired during the year):

- property for the Company's own use: 2%
- holiday complexes: 3%
- sports facilities in holiday complexes: 10%
- shopping centres and industrial workshops: 3%
- shopping centres with shopping malls: 6%

### ***Investments in Group undertakings and participating interests***

These mainly consist of long-term commitments such as controlling shareholdings and shareholdings in affiliated companies and in other undertakings.

These shareholdings are recorded in the accounts at the cost of acquisition or of subscription or at a value below cost in cases in which the companies have recorded a lasting

loss of asset value.

Where shares in other participating interests are held for trading purposes, they are valued at the lesser of the average acquisition cost and the current value based on the market rate at the end of the financial year.

The consolidated accounts have also been drawn up in accordance with current legislation.

### ***Other financial investments***

#### ***Stocks and shares in investment funds***

Shares that do not constitute fixed assets, own shares, units and shares in investment funds are recorded at the lesser of the average acquisition cost and the market value, which for listed shares corresponds to the arithmetic mean of stock exchange prices recorded in the final month of the financial year and for unlisted shares is based on a prudent estimate of their presumed disposal value.

Units and shares in investment funds classified as long-term assets, are maintained at acquisition cost, adjusted if necessary to take account of devaluation resulting from losses in value deemed to be long-term.

#### ***Bonds and other fixed-income securities***

Securities intended to be held long-term by the Company are valued at the average acquisition or subscription cost, adjusted by or combined with an amount equal to the proportion of the negative or positive difference between repayment value and acquisition cost that has matured at the end of the financial year. The proportion relating to any issue spread is recorded separately (Article 8 of Legislative Decree No. 719 dated 27/12/94 and Law No. 349 dated 8/8/95). They may be written down only in the event of verified permanent loss of value. For securities with an implicit rate (such as zero coupon bonds) an adjustment is made for the appropriate proportion of capital that has already matured.

Securities used as short-term investments are adjusted to the lesser of the book value (essentially maintained at cost), with matured issue spreads being added or deducted, and the market value which, for listed securities, is the arithmetic mean of prices recorded in the month of December and for those that are not listed is the presumed disposal value as at 31 December, ascertained on the basis of the

current value of similar securities traded on regulated markets.

Reductions in value applied in previous financial years are not retained if the reasons for them no longer apply.

#### Corporate financing

These are recorded at their nominal value, which also corresponds to their presumed disposal value.

#### Financial derivatives

Financial derivatives, as defined in ISVAP Instruction No. 297 of 19 July 1996, are used exclusively for hedging purposes, in order to reduce the risk profile of the hedged assets and liabilities or in order to optimize their risk/return profile. Derivative contracts in existence at the end of the period are therefore valued in a way that is consistent with the asset/liability being hedged. Specifically:

- for contracts hedging short-term instruments, the difference between book value and the higher market value of the instruments themselves at the end of the period is taken into account;
- for contracts hedging long-term assets, the valuation-at-cost method is applied;
- for contracts hedging exchange rate risks, the principles followed for valuing accounting balances denominated in foreign currency are adopted. The cash/forward differential is adjusted to the applicable time period by applying the appropriate accrual.

The current value of derivative contracts is ascertained by the "substitution cost" method, using the prices and rates prevailing at the end of the financial year for equal maturities and comparing them with the contractual ones.

Premiums received or paid for options on securities or currencies in existence at the end of the period are recorded in G.VI "Sundry borrowings and other financial payables" and C.III.7 "Sundry financial investments" respectively.

When the option matures:

- if it is exercised, the premium is applied as an adjustment to the purchase or sale price of the underlying asset/liability;
- if it is not exercised, the premium is recorded under "Realised gains/losses on investments".

#### Income from securities

Accrued interest receivable is recorded in the profit and loss account in accordance with the matching concept, as is the accrued difference between the repayment amount and the issue price of bonds and similar securities, in accordance with the provisions of Article 8 of Legislative Decree No. 719 dated 27/12/94 mentioned above. For securities held as fixed assets the accrued difference between the repayment value and the book value is taken into account.

Dividends are recorded in the financial year in which they are paid, together with the relevant tax credit.

Gains and losses deriving from trading fixed income securities and shares are shown in the profit and loss account according to the date on which they are made.

#### **Investments for the benefit of Life-assurance policyholders, who bear the risk thereof, and investments deriving from pension fund management**

These are recorded at current value, as stipulated in Articles 17 and 19 of Legislative Decree 173/97.

#### **Receivables**

These are recorded at their presumed disposal value.

#### **Other assets**

##### ***Furniture, office machinery, equipment and property recorded in the public registers***

These assets, included in fixed assets, are recorded in the accounts at acquisition cost or at their conferment values and are written down on the basis of their presumed useful life. In the case of assets that come into use in the course of the financial year 50% of the relevant depreciation rates has been applied, which by and large corresponds to their period of use. Assets having a low unit value are written down in full in the year of acquisition, on account of their limited useful life.

Depreciation is calculated as follows:

- furniture and office machinery: between 12% and 40%
- movables recorded in public registers: 25% - 37.5%
- Fixtures, fittings and equipment: between 7.5% and 30%
- assets with a value of up to ITL1,000,000: 100%

### **Prepayments and accrued income, accruals and deferred income**

Prepayments and accrued income, as well as accruals and deferred income, are calculated in accordance with the economic and temporal matching concept..

### **Technical provisions - Non-life business**

#### ***Provision for unearned premiums***

The provision for unearned premiums for direct insurance business is determined analytically for each policy according to the pro-tempore method, based on gross premiums booked less acquisition commissions and other directly-attributable acquisition costs. For multi-year policies the depreciation allowance relating to the financial year is deducted.

The provision for unearned premiums also includes, when applicable based on the expected loss ratio, the provision for unexpired risks in accordance with the provisions of Article 32 (3) of Legislative Decree 173/1997. This has been estimated using the simplified method laid down in ISVAP Circular 360D/1999, which is a forecast based on the loss ratio for claims incurred during the year .

For Bond and Credit business the flat-rate method prescribed in Ministerial Decree 23/5/81 has been applied.

The provision for unexpired risks also includes components required under specific compulsory provisions for classes and risks of a particular nature (Credit, Hail, Nuclear Risk, Natural Disasters).

The total amount allocated to the provision is sufficient to meet costs arising from risks which may recur in successive financial years.

The reinsurers' share of the provisions for unearned premiums and for unexpired risks is calculated by applying to the ceded premiums

the same criteria as those used to calculate the provisions for direct business.

#### ***Provision for increasing age***

The provision for increasing age is calculated at a flat rate of 10% on policies in the Health portfolio having the characteristics described in Article 25 of Legislative Decree 175/95.

#### ***Provision for claims outstanding***

The provision for claims outstanding for direct business is determined analytically by valuing all claims outstanding at the end of the financial year and is based on technically-prudential estimates arrived at by applying objective factors which, as prescribed in Article 33 of Legislative Decree 173/1997, ensure that the global amount of the provision is sufficient to meet claims to be paid out and the related direct and claims handling costs. For Motor TPL claims reported in 2000 only, the size of the provision has been calculated using the criterion of average cost for groups of similar claims (material damage and personal injury) in sufficiently large numbers and supported by historical data and specific forecasts from the Company.

The provision for outstanding claims also includes a set-aside for claims incurred but not reported, estimated on the basis of experience gained regarding late-recorded claims in previous years, in accordance with the criteria established by the ISVAP Instruction of 4 December 1998.

The reinsurers' share of the provision for outstanding claims reflects the amounts recoverable from them as laid down in either individual treaties or in agreements concerning specific insurance policies.

### **Technical provisions – Life Business**

The amount recorded in the accounts has been calculated in accordance with the provisions of Articles 24 and 25 of Legislative Decree 174/95 and as specified by the Ministerial Decree of 2 July 1987 regarding the minimum level of provisions for supplementary health and professional premiums and the provision for administrative charges.

The mathematical provision for direct Life assurance is calculated analytically for each

contract on the basis of pure premiums, with no deductions for policy acquisition costs, and by reference to the actuarial assumptions (technical interest rates, demographic models of elimination by death or disability) used to calculate the premiums relating to existing contracts. The mathematical provision includes the proportion of pure premiums in relation to the premiums accrued during the financial year and also includes all revaluations made by virtue of the contractual terms and is always greater than the redemption value. In compliance with the provisions of Article 38 of Legislative Decree 173/97, technical provisions set up to cover liabilities deriving from assurance policies on which the benefit is determined on the basis of investments or indices for which the policyholder bears the risk, and provisions arising from pension fund management, have been calculated by reference to commitments made under these contracts and to the provisions of Article 30 of Legislative Decree 174/95 and subsequent ISVAP instructions. As prescribed in Article 38 (3) of Legislative Decree 173/97, the mathematical provision includes provisions allocated to cover mortality risks on assurance contracts under Class III of Table A appended to Legislative Decree 174/95, which guarantee a benefit in the event of the death of the policyholder during the life of the policy. The mathematical provision also includes a supplementary provision, in accordance with Article 25 (12) of Legislative Decree 174/95. Under the terms of this, if a difference is identified between the demographic bases used to calculate the constituent sums for life annuities and the latest figures from the National General Accounting Office, the provisions to be allocated must be supplemented to cover liabilities to policyholders, also complying with ISVAP Instruction n° 01380-G of 21 December 1999 and with the "Regulations on actuarial principles for calculating the supplementary provision for annuity assurance policies" laid down by the National Association of Actuaries and recognised by the ISVAP. As laid down in Article 34 of Legislative Decree 173/97, the provision for sums payable includes the total amount needed to cover

payment of benefits that have fallen due but not so far been paid.

The provision for bonuses and rebates has been allocated to cover the Company's commitment to set aside, for partial reimbursement of premiums on certain policies on a temporary group tariff in the event of death and/or disability, amounts accruing in the financial year as technical profits arising from the yield on individual contracts.

The amount of technical provisions borne by Consap (Concessionaria servizi assicurativi pubblici S.p.A.), which has taken the place of the I.N.A., with the Treasury having joint and several liability, is calculated on the basis of liabilities transferred as "compulsory cessions" and applying prudential criteria, but also taking into account the recommendations made by the ISVAP in this matter and using the annual rates of return already fixed for the financial years 1994, 1995, 1996, 1997 and 1998 (contained in the Ministerial Decrees of 2/10/1998, 4/6/1999 and 21/12/1999) and the prudential rates estimated for the financial years 1999 and 2000.

### **Current and deferred taxation**

Taxes for the financial year are posted as applicable, amongst sundry taxes, according to taxable income.

Deferred and prepaid tax payables are shown, which are calculated on the temporary differences between the profit from the unconsolidated accounts and the profit for tax purposes.

Deferred tax payables and prepaid prior-year tax receivables falling due during the current financial year are shown, of ITL3,990m and ITL2,152m respectively, and deferred tax payables and prepaid tax receivables arising from the financial year of ITL4,608m and ITL1,828m respectively. These are recorded as taxes in the profit and loss account with a contra in the provision for taxation

### **Provision for staff-leaving indemnity**

Staff leaving indemnity reflects the accrued liability in respect of employees, in accordance



with current legislation and national labour agreements.

### **Earned premiums**

Premiums are booked by reference to their due dates and in accordance with the provisions of Article 45 of Legislative Decree 173/1997. Taking these in conjunction with the provision for unearned premiums gives the earned premiums.

### **Investment income in the profit and loss account**

Portions of investment income have been allocated to the technical account of Non-life business and to the non-technical account of Life business in accordance with the relevant ISVAP Instruction dated 8 March 1999.

### **Inward reinsurance**

In the case of risks accepted in reinsurance, with the exception of facultative risks accepted and indirect business from subsidiary companies, the premiums and the costs for claims and commissions already passed on by the cedants and relating to the financial year are recorded on specific asset or liability lines (temporary accounts: items F.IV.1 under assets and G.IX.1 under liabilities) and posted to the profit and loss account for the following financial year. This deferred application, which

also applies to the associated retrocessions, arises because of the impossibility of obtaining all the information in time and in full.

The provisions for reinsurance risks are those passed on by the cedants, with the possible application of adjustments to incorporate any subsequent predictable losses.

### **Conversion of foreign currency balances**

Transactions expressed in foreign currency are shown in the accounts at the year-end exchange rates in accordance with multi-currency accounting standards.

Any surplus arising from the conversion into ITL is offset by an allocation to an appropriate fund and any shortfall arising is balanced by a release from the same fund.

### ***Exchange rates used***

The exchange rates applied for converting the main currencies into ITL are as follows:

<b>Currencies</b>	<b>2000</b>	<b>1999</b>
US Dollar	2,080.890	1,927.404
Pound Sterling	3,102.490	3,114.476
Swiss Franc	1,271.180	1,206.324

For currencies belonging to the Euro the fixed and irrevocable exchange rates established between the Euro and each of the aforesaid currencies have been adopted.

## **Part B: Information on the Balance Sheet and on the Profit and Loss Account**

The Company carries out both Non-life and Life insurance and, in accordance with Legislative Decree 173/97, draws up separate statements of Assets and Liabilities for Non-life insurance business (Annexe 1) and for Life assurance business (Annexe 2) and a statement relating to the apportionment of the result for the year between Non-life and Life business (Annexe 3). This result is a profit of

ITL115,384m, ITL46,465m of which relates to Non-life business and ITL68,919m to Life business.

### **Balance Sheet – Assets**

There follows a commentary on the balance sheet items and the way their composition has

varied in comparison with the previous financial year, together with the information required by current regulations.

## Section 1 – Intangible assets (item B)

The item “intangible assets” amounts to ITL88,655m at 31/12/2000, a rise of ITL11,153m on the previous year’s figure (+14.4%), which includes the charges relating to the increase in share capital during the year and is made up as follows:

- ITL77,575m in deferred acquisition commissions, of which ITL56,267m are for Life business and ITL21,308 m for Non-life business (item B1);
- the remaining expenses relating to the increases in share capital, of which ITL7,027m for the operation in the financial year 2000, amounting to ITL7,105m (item B3);
- the remaining expenses of goodwill paid on acquisition of part of the portfolios of companies where Unipol has a shareholding, amounting to ITL2,774m (item B4);
- ITL1,201m (item B5) comprising mainly costs sustained for purchase of computer software and expenses for property not belonging to the Company.

These figures have been entered under assets with the approval of the Board of Statutory Auditors.

Research and Development and Advertising costs are not included under assets.

All the assets recorded under this item are deemed to be long-term investments.

Variations during the financial year in intangible assets are shown in detail in Annexe 4.

## Section 2 – Investments (item C)

### 2.1 Land and buildings (item C.I)

Assets listed under C.I, net of the relevant depreciation, as at 31 December 2000, were made up as follows (in millions of ITL):

	Asset	Reserve for depreciation	Net asset
For own use	116,469	25,511	90,958
For the use of third parties party use	627,281	34,875	592,406
Land	5,102	0	5,102
Advance payments	4,500	0	4,500
<b>Total</b>	<b>753,352</b>	<b>60,386</b>	<b>692,966</b>

Property for third party use includes ITL6,696m of assets classified as short-term (ITL12,534m at 31/12/99), comprising the remaining residential units in buildings which are to be sold.

The amount of ITL4,500m refers to the first advance payment for purchase of premises in Via Stalingrado (Bologna) which form part of the complex where Unipol Assicurazioni has its head office.

The surface area of commercial premises owned by the Company amounts to around 233,000 square metres, excluding 36,000 square metres of land and a building used as a holiday centre.

During the year 2000 the Company’s property portfolio, inclusive of depreciation, registered a net decrease of ITL22,702m (-3% compared with 31/12/99).

Movements during the financial year, shown in Annexe 4 to the present Notes to the Accounts, are summarised in the table below:

Land and buildings at 31 December 1999	776,054
Acquisitions during the financial year	15,427
Advance payments on property to be acquired	4,500
Additions /improvements for extraordinary maintenance	1,230
Sales	(43,859)
<b>Land and buildings at 31 December 2000</b>	<b>753,352</b>
	<b>(-3%)</b>

The new investments are property purchased from the subsidiary Sofircoop, which went into liquidation on the 30 November 2000. The largest amount (ITL14,530m) is for a shopping centre (situated in Colleferro) of which Unipol already owns the part used for shops.

The additions and improvements to the property portfolio through maintenance work amount to a total of ITL1,230 m (ITL6,593 m at 31/12/99), divided between various properties.

Disinvestments resulted in total net capital gains of ITL15,092m, and involved portions of 14 residential properties and 12 commercial or office properties or portions of properties.

In the year 2000 Local Property Tax (I.C.I.) payable by the Company amounted to ITL 2,788m.

No properties were leased.

#### Current value of land and buildings

While waiting for the next ISVAP Instruction (Article 18 of Legislative Decree 173/97) which should establish the means and methods for determining the current value of land and buildings, this value (ITL808.8bn) was determined mainly using estimates made within the appropriate technical structures.

In order to draw up these estimates the criteria used for measuring the saleable commercial area first had to be standardised. First-hand knowledge of the properties owned by the Company meant that it was possible to take account of all the technical and economic characteristics of these properties and therefore to make comparative analyses with other similar properties on the market.

The comparisons were made using direct surveys, both through local operators and by referring to average prices in specialist publications.

For assets consisting of properties for supermarket use an extra criterion, that of income, was used, while for land its planning status and building potential were also taken into account.

The final current price was then calculated by attributing a correction coefficient relating to the intrinsic features of the building to each single property.

## **2.2 Investments in Group undertakings and other participating interests (item C.II)**

At 31 December 2000 Italian and foreign shareholdings amounted to ITL2,740,742m, as against ITL1,261,861m at the end of the preceding financial year, with an increase of ITL1,478,881m (+117.2%), comprising (in millions of ITL):

Value as at 1/1/2000	1,261,861
Acquisitions and subscriptions	1,981,487
Sales	(590,583)
Transfer from item C.III	132,053
Capital repayments	(33,682)
Value adjustments	(10,492)
Other increases	98
<b>Value at 31/12/2000</b>	<b>2,740,742</b>

The total amount of shareholdings includes ITL40m classified as assets for short-term use, comprising 7,320 ordinary shares in Olivetti S.p.A..

The increase of ITL132,053m, due to transfers from item C.III as strategic shareholdings, refers wholly to the Olivetti shares (including those from the Tecnost merger), as is better shown in the following point relating to the main operations which took place during the financial year.

The decrease of ITL33,682m refers mainly (ITL32,000m) to reimbursement of shares by the subsidiary Sofircoop S.r.l. in liquidation, during the first stage of distribution.

Further details of shares and participating interests in companies (item C.II.1), are given below:

- Changes in shares and participating interests during the financial year (Annexe 5)
- Information on undertakings where participating interests are held (Annexe 6)
- Analysis of investment movements (Annexe 7).

The main operations during the financial year were as follows:

#### ***Holding company:***

##### *Finsoe S.p.A. – Bologna*

Acquisition of 5,850,600 shares with a total counter-value of ITL6.7bn, in order to maintain the same shareholding.

#### ***Subsidiary companies:***

##### *Meie Assicurazioni S.p.A.*

Acquisition in June 2000 of 118,002,249 shares with a total value of ITL499.3bn, corresponding

to 51.23% of the share capital.

Subsequent purchase of 295,000 shares with a total counter-value of ITL799m.

Between 13 November to 29 December 2000 Unipol Assicurazioni made a take-over bid for 112,022,013 ordinary shares of Meie Assicurazioni, at a unit price of ITL2,710. This operation, which ended on the 12 January 2001 and involved the purchase of a further 52,958,308 shares, brought the shareholding up to 74.36%.

Meie Vita S.p.A.

Acquisition of 1,250,000 shares, amounting to 51.02% of the share capital, for a total of ITL173bn.

Aurora Assicurazioni S.p.A.

Acquisition of 90,493,760 shares amounting to 99.99% of the share capital for a total of ITL388bn.

Navale Assicurazioni S.p.A.

Acquisition of 10,308,042 shares amounting to 98.17% of the share capital for a total of ITL92bn.

Il Duomo Assicurazioni e Riassicurazioni S.p.A.

Acquisition of 50,000,000 shares amounting to 100% of the share capital for a total of ITL260bn.

Subsequent sale of the entire shareholding at the total price of ITL310bn resulted in ITL49.6bn in capital gains.

Le Mans Vita Italia S.p.A.

Acquisition of 1,000,000 shares amounting to 100% of the share capital for a total of ITL85bn.

Subsequent sale of the entire shareholding at the total price of ITL120bn resulted in ITL34.8bn in capital gains.

BNL Vita S.p.A.

Purchase of 11,200,000 shares amounting to 51% of the share capital for a total of ITL277bn.

Unipol Banca S.p.A.

Subscription to 133,076,399 shares for a total of ITL76.5bn, in connection with the ITL250.1bn capital increase approved on 20

April 2000.

Subsequent purchase of 17,400,000 shares for a total of ITL14.8bn, thereby raising the overall shareholding to 81.03%.

Unipol SGR S.p.A.

Purchase of 169,400 shares for a total of ITL2bn.

Lavoro e Previdenza Service S.p.A.

Purchase of 5,000,000 shares for a total of ITL5bn, thereby raising the shareholding to 55.1%.

In November 2000 the Company sold the administrative management of pension funds branch of the business to a third party as part of an organisational restructuring project.

Meie Servizi S.r.l.

Acquisition of 40,000 shares amounting to 40% of the share capital for a total of ITL75m.

The entire shareholding was subsequently sold to Meie Vita, at the same book value.

Promoass S.r.l.

Purchase of 9,800 shares amounting to 49% of the share capital for a total of ITL100m.

The entire shareholding was subsequently sold to Meie Assicurazioni, at the same book value.

Midi S.r.l.

Purchase of 1,000,000 shares for a total of ITL1,035m.

Sofircoop S.r.l. in liquidation

ITL1,591m adjustment of value.

On 30 November the company was put into liquidation and on 29 December it paid Unipol ITL32bn as partial distribution from the liquidation.

Unieuropa S.r.l.

Subscription of pertinent share (ITL515m) in the reconstruction of the share capital to ITL1bn.

***Affiliated companies:***

Finec Merchant S.p.A.

During the year 8,641,000 shares were subscribed for a total of ITL8.6bn, as part of the increase in share capital from ITL150bn to

ITL200bn which was approved on the 8 March 1999.

Purchase of further 17,500,000 shares for a total of ITL17.5bn, thereby raising the shareholding to 39.27%.

Assicoop Imola S.p.A.

Payment of the remaining 7/10 of share capital, amounting to ITL171.5m.

Subsequent subscription to the increase in the share capital to €520,000, with payment of 3/10 amounting to €37,105.5 (ITL71.8m).

Ar.Co. Assicurazioni S.p.A.

Subscription of 100,000 shares on formation, amounting to 40% of the share capital, with payment of three-tenths amounting to €30,000 (ITL58.1m).

Payment of the remaining 7/10 amounting to €70,000 (ITL135.5m).

Assicoop Ferrara S.p.A.

Subscription of pertinent share (ITL207m) in the reconstruction and subsequent increase in share capital to ITL600m.

Euresa Holding s.a.

Reduction of excess share capital resulting in proceeds of €389,033 (ITL753.3m).

**Other companies:**

Bell s.a.

Subscription to 9,964 shares during the financial year, at the total price of ITL55.5bn.

Hopa S.p.A.

Subscription to 948,250 shares for a total of ITL3.8bn as part of an increase in the share capital.

Olivetti S.p.A.

Purchase of 1,000,000 shares for ITL5.5bn.

During the financial year 37,720,000 shares with a total counter-value of ITL271.6bn were sold, realising ITL63.9bn in capital gains, largely pertaining to Life business segregated accounts.

Transfer of Olivetti shares in trading from item C.III and of Olivetti shares from conversion, on 31 December 2000, of 4,016,100 Tecnost shares in the portfolio (at the ratio of 1.12 Olivetti shares for each Tecnost share owned);

a total of 16,848,032 shares with a book value of ITL132bn.

Engineering S.p.A.

Purchase of 50,000 shares for a net total of ITL4bn.

Euresa Life s.a.

Subscription to the €9,000,000 capital increase amounting to €404,278 (ITL782.8m).

Atlantis Vida. Compañía de Seguros y Reaseguros s.a.

Payment of €563,563 (ITL1,091.2m) as the remaining tenths of the share capital subscribed.

Compagnie Foncière de la Macif s.a.

Sale of the entire shareholding (19.9%), corresponding to 995,000 shares, for FF49,750,000 (ITL14.7bn).

Delta Immo s.a.

Sale of the entire shareholding (5%), corresponding to 2,535 shares, for FF30,744,480 (ITL9bn).

Cooperbanca S.p.A.

Sale at book value of the entire shareholding, equivalent to 2% of share capital, for ITL4.5bn.

Unicard S.p.A.

Sale of the entire shareholding in the company (10%) for a total of ITL1bn, realising ITL575m in capital gains.

Fincooper Scarl.

Sale of a shareholding in the company for ITL1,268.7m.

Acteldirect s.a.

ITL1.5bn adjustment in value.

Sale of the entire shareholding, amounting to 2% of the share capital for BEF37,620,000 (ITL1.8bn).

Changes throughout the financial year in debt securities issued by participating interests (item C.II.2) and financing to Group undertakings and participating interests (item C.II.3) are shown in Annexe 5.

The balance of item C.II.2 (debt securities issued by companies), amounting to ITL960m, is unchanged from the previous financial year, and is entirely composed of the subordinate loan of BEF20,000,000 to the participating interest Euresa Life s.a., the rate of interest on which is the same as that for Belgian government securities at 5 years +1% for the first 5 years (5.63% in 2000) and to that of Italian government securities at 5 years +1% from the sixth year onwards (from 2003).

The loan, which is subject to reimbursement of the principal creditors, jointly with other subordinate creditors, and preferential with regard to credits from the owners of any type of share in the company, was entirely reimbursed on 17 January 2001.

The balance of item C.II.3 (corporate financing), amounting to ITL7,209m (ITL 22,320m at 31/12/99) is broken down as follows (in millions of ITL):

<b>Beneficiary</b>	<b>Amount</b>
<b>Subsidiary company</b>	
Unintesa S.p.A. in liquidation	500
<b>Participating interest</b>	
Immobiliare Mirasole S.p.A.	6,709
<b>Total</b>	<b>7,209</b>

The loan to Unintesa S.p.A. is a non-interest-bearing subordinate loan, made on 29/4/1996, and was originally over three years; when it expired the company made use of a specific clause in the agreement to maintain that as it was in voluntary liquidation it was not able to pay back the loan until it had completely satisfied non-subordinate creditors and therefore repayment of the loan could only take place at the end of the voluntary liquidation procedure.

Where shareholdings in subsidiary and affiliated companies are concerned, any increase in balance sheet value, compared with that derived from valuation of capital and reserves (as defined by Article 16 (5) of Legislative Decree No. 173 of 26 May 1997), is attributable to the economic or strategic value of each company.

Current value of investments (see Annexes 5 and 7)

For the current value of investments traded in regulated markets the arithmetical mean of

prices in the last month of the financial year was assumed.

For investments traded in non-regulated markets a prudent analytical valuation was made of their probable disposal value.

The current value of shareholdings in subsidiaries and affiliated undertakings was determined by taking into account capital and reserves, including the result for the year, the unrealised capital gains and losses on securities and property as well as the value of goodwill, where existing.

The goodwill of the insurance companies refers to the portfolio calculated on the basis of its potential return, whilst that of the banking/finance companies is calculated by considering mainly the value of deposits and savings and of the organisational structure.

### **2.3 Other financial investments (item C.III)**

The total balance for this item amounts to ITL5,937,684m, an increase of ITL271,252m on the previous financial year (+4.8%). The main elements may be summarised as follows (in millions of ITL):

	<b>2000</b>	<b>Variations compared with 1999</b>
1. Stocks and shares	334,823	264,389
2. Units and shares in investment funds	282,707	174,848
3. Bonds and other fixed-income securities	4,888,080	389,312
4. Corporate financing	92,535	18,338
7. Sundry financial investments	339,539	(575,635)
<b>Total</b>	<b>5,937,684</b>	<b>271,252 (+4.8%)</b>

This item does not include investments in undertakings in which the Company holds at least a tenth of the share capital or voting rights which can be exercised at the ordinary general shareholders' meeting.

The breakdown of the above-mentioned assets into long-term and short-term, as well as into Non-life and Life, is detailed in Annexe 8, along with an indication of the corresponding current value.

The balance of the "stocks and shares" item (C.III.1), which shows an increase of

ITL264,389m (from ITL70,434m to ITL334,823m) includes ITL230,836m of stocks classified as long-term investments, amounting to 69% of the total.

This amount comprises ITL217,061m from the counter-value of 22,354,000 Monte dei Paschi ordinary shares, an investment made with a view to long-term prospects, and ITL13,775m from the counter-value of 110,000 shares in Alpine Select AG, a company governed by Swiss law, already present in the preceding financial years.

These investments, allocated to Life business segregated accounts, showed total unrealised capital losses of ITL20bn at 31/12/2000.

The outstanding share portfolio, which at 31/12/2000 amounted to ITL103,987m, is ITL731m down on the corresponding market value.

The increase in item C.III.2 "units and shares in investment funds", which amounted to ITL282,707m at the end of 2000 (+ITL174,848m compared with the value at the end of 1999), is mainly due to the purchase of American equity open-end investment funds (ITL107,267m).

94% of the units and shares owned in investment funds are classified as short-term and 6% as long-term, and show unrealised capital gains of ITL1bn.

Bonds and other fixed-income securities (item C.III.3) were as follows at 31 December 2000 (in millions of ITL):

	2000	Comp. %	Variations compared with 1999
Securities issued by governments, public bodies and international organisations	1,613,262	33.0	(159,728)
Convertible bonds	60,165	1.2	(28,141)
Other listed securities	3,041,083	62.2	598,328
Other unlisted securities	173,570	3.6	(21,147)
<b>Total</b>	<b>4,888,080</b>	<b>100.0</b>	<b>389,312 (+8.7%)</b>

In terms of breakdown by currency the bond portfolio comprises 90.5% Euro area securities and the remaining 9.5% securities in non-Euro currencies (American dollars and Swedish

Krone).

Operations to hedge exchange rate risk have been carried out for all securities in foreign currency outside the Euro area.

The breakdown of long-term and short-term investments, ITL3,111bn and ITL1,777bn respectively, is given in detail in the Annexes which follow.

Government fixed-income securities and other listed securities, amounting to a face value of ITL5,502.7bn, are shown in the balance sheet at ITL4,637.6bn.

These securities, if valued on the basis of the average prices in the month of December 2000, would amount to a total of ITL4,475.4bn.

The other unlisted securities, amounting to a face value of ITL246.6bn, are shown in the balance sheet at ITL250.4bn.

These securities, if valued at their likely disposal value, would amount to a total of ITL259bn.

In total, for the securities portfolio at the end of 2000, comparison with market prices, taking into account corrections for the effect of derivatives (-ITL11,685m), net of tax withheld for non-possession (amounting to ITL2,186m), gives a negative balance between potential capital gains and losses amounting to ITL163.2bn, largely from the long-term use sector.

The securities in the portfolio are all administered by custodians or the institutions which issued them.

During the financial year 2000 the following movements took place (in millions of ITL):

Total investments	Face value	Book value
As at 1/1/2000	5,430,155	4,498,768
Acquisitions and subscriptions	3,102,220	2,953,355
Sales and redemptions	(2,817,129)	(2,653,448)
Book losses	0	(13,164)
Book re-adjustments	0	1,090
Adjustments accrued on capital	0	71,898
Exchange differentials	34,022	31,886
Issue/trading spreads	0	(2,304)
<b>As at 31/12/2000</b>	<b>5,749,268</b>	<b>4,888,080</b>

Movements in long-term and short-term investments (in millions of ITL) were as follows:

Long-term investments	Face value	Book value
As at 1/1/2000	4,302,555	3,384,978
Acquisitions and subscriptions	114,651	96,290
Sales and redemptions	(601,303)	(482,550)
Adjustments accrued on capital	0	66,784
Exchange differentials	29,418	27,474
Issue/trading spreads	0	(3,495)
Options/transfers from short-term investments	20,357	21,257
<b>As at 31/12/2000</b>	<b>3,865,678</b>	<b>3,110,738</b>

Where sales and redemption of long-term investments are concerned, ITL112,681m are for redemption and the remainder refers to sales.

Short-term investments	Face value	Book value
As at 1/1/2000		
	1,127,600	1,113,790
Acquisitions and subscriptions	2,987,569	2,857,065
Sales and redemptions	(2,215,826)	(2,171,078)
Book losses	0	(13,164)
Book re-adjustments	0	1,090
Adjustments accrued on capital	0	5,114
Exchange differentials	4,604	4,592
Issue/trading spreads	0	1,191
Options/transfers to long-term investments	(20,357)	(21,257)
<b>As at 31/12/2000</b>	<b>1,883,590</b>	<b>1,777,343</b>

For the most significant amounts of bonds referred to in item C.III.3, analytical data are

Issuing body	Currency	Book value (M/ITL)	Rate of interest	Expiry	Advance redemption	Level of subordination
Banca Fideuram	Euro	12,677	Variable	1/10/2009	NO	Lower Tier II
Banca Lombarda	Euro	19,380	Fixed	23/02/2010	NO	Lower Tier II
Banca Popolare di Bergamo	Euro	9,653	Variable	15/11/2010	YES	Lower Tier II
Banca Popolare di Milano	Euro	4,808	Variable	13/12/2010	YES	Lower Tier II
BBVA Capital	Euro	9,624	Variable	4/12/2010	YES	Lower Tier II
San Paolo Imi	Euro	26,942	Variable	27/09/10	YES	Lower Tier II
Barclays	FF	14,163	fixed until 7/7/09, then variable	Perpetual	YES	Upper Tier II
Banca Commerciale Italiana	Euro	96,814	fixed until 23/2/05, then variable	23/02/2015	NO	Lower Tier II
Credit Suisse Fin Products	ITL	11,879	Fixed	20/12/2014	NO	Lower Tier II
Monte Paschi Siena	Euro	58,088	Variable	7/7/2015	NO	Lower Tier II
Swap Enhanced Asset Linked Securities (Seals)	Euro	96,814	fixed until 1/3/05, then variable	1/3/2010	NO	Lower Tier II
GAP	Euro	38,725	Variable	30/6/2010	NO	Lower Tier II
Folksam	Sek	21,925	Fixed until 10/1/2005 then variable	10/1/2010	YES	Lower Tier II
<b>Total</b>		<b>421,492</b>				

Evidence is given of the amounts attributed for issue and/or trading spreads for the bonds and other fixed-income securities shown in item C.III.3:

also given by issuing body (in millions of ITL). The issuing bodies are selected when the total book value of securities is worth over ITL100bn. They represent 54.5% of the entire portfolio.

Issuing body	Book value
Treasury – Italy	1,121,645
Commerzbank	239,986
Deutsche Bank	197,645
EIB	195,197
Seals	193,627
Ing. Bank-London	138,975
World Bank	136,250
Bear Stearn	116,610
Barclays Bank Plc.	110,977
I.M.I. Bank International	107,823
Rock Two Ltd. (Deutsche Bank Group)	106,453
	<b>2,665,188</b>

Item C.III.3, “bonds and other fixed-income securities”, includes ITL421,492m for subordinated debt securities (ITL27,136m at 31/12/99).

The table below shows the main features of these investments.

The level of subordination is mainly that of the credits immediately following the main creditors (Lower Tier II).

Positive issue spreads	2,451
Negative issue spreads	(374)
Positive trading spreads	512
Negative trading spreads	(4,893)
Zero coupon adjustments	71,898



However, for the amount shown in item C.II.2 e) “debt securities issued by other undertakings”, which amount to ITL960m, these are subordinate debt securities issued and purchased at par which therefore do not determine the registration of issue or trading spreads.

Changes during the financial year in long-term assets, included under the above-mentioned items, are shown in Annexe 9.

Item C.III.4 “loans”, amounting to ITL92,535m, includes ITL42,236m of loans secured by a lien on property, ITL48,721m of loans on insurance policies and ITL1,578m of other loans.

The loans secured by a lien on property under item C.III.4.a, whose balance amounts to ITL42,236m at 31/12/2000, are specified in the table below which shows the positions for significant amounts, with details of the beneficiary.

Loans with a residual debt of over ITL500m have been selected in particular; these represent 24% of the total amount. Figures are shown in millions of ITL.

<b>Beneficiary</b>	<b>Balance as at 31/12/2000</b>
Alacevich Alessandro	2,380
Confederale Pensionati S.r.l.	1,497
Immobiliare G.B. Morgagni	1,391
Logos Immobiliare S.r.l.	1,175
Unione Immobiliare Labor	978
Regional CGIL, Piedmont	940
Immobiliare Alba S.r.l.	695
C.G.I.L. Labour Chamber, Arezzo	533
Moretti Roberto and Rimedio Rita	502
<b>Total</b>	<b>10,091</b>

The total amount of the “other loans” (item C.III.4.c), amounting to ITL1,578m, is composed almost entirely of loans to employees, amounting to ITL760m, and loans to agents, amounting to ITL801m, none of which involve large sums

Loans to employees, made in accordance with the regulations established by the Unipol Labour Agreement currently in force, are guaranteed by the group Life policy provided for in the Agreement or by individual Life policies. Loans to agents are guaranteed by the portfolio allowance and, in the event of

incapacity, by the relevant agents’ bonds policy

Changes in loans over the financial year (item C.III.4) are shown in Annexe 10.

“Sundry financial investments” (item C.III.7) are broken down as follows (in millions of ITL):

	<b>2000</b>	<b>Variations compared with 1999</b>
Securities – repo contracts	320,405	(581,708)
Premiums paid on Cap options acquired	11,401	6,874
Premiums paid on Floor options acquired	6,979	552
Premiums paid for other options	753	(1,354)
<b>Total</b>	<b>339,538</b>	<b>(575,636)</b> <b>(-62.9%)</b>

Large items, selected from those whose balance is over ITL20bn, which constitute 94% of the total amount, refer to securities – repo contracts and are shown below classified according to the counterparty concerned (in millions of ITL):

<b>Security</b>	<b>Counterparty</b>	<b>Amount</b>
BTP 1/11/97-27 6.5%	Banca Agricola Mantovana	100,127
BTP 1/10/93-03 9%	Cassa di Risparmio Parma e Piacenza	70,096
CCT 1/6/95-02	Banca Popolare di Novara	70,094
BTP 5.50% 1/11/2010	Banco Napoli	60,083
CCT 1/10/94-01	Banco S. Geminiano e San Prospero	20,005
		<b>320,405</b>

### **Information in accordance with ISVAP Instruction 893.G, Article 4 “Classification and valuation of insurance companies’ securities portfolios”**

#### Securities portfolio classification criteria

The criteria to be used for assignment of investments to the “long-term use” sector, established by the Board of Directors and unchanged from the previous financial year, are summarised below:

- 1) suitability of the investments for meeting liabilities underwritten that are of particular importance in view of the time-scale or in view of the benefit guaranteed to

policyholders. This involves the use of long-term investments mainly in Life business;

- 2) specific nature of the investment made, if it requires a medium- to long-term time-scale to produce financial results commensurate with the risk/return ratio of the investment itself, as estimated;
- 3) purpose of the investments in pursuit of the Company's medium- to long-term strategic development objectives, in view of which they may extend over several financial years.

#### Operations carried out of securities classified as for long-term use

During the financial year 2000 19 sale operations were carried out, relating to 17 listed bonds (including one unlisted one, with a book value of ITL19,383m), with a total counter-value of ITL376,321m, a book value of ITL369,869m and net capital gains of ITL6,452m.

Of the securities sold, four (total counter-value of ITL68,157m) were reverse convertible securities (therefore linked to equity risk) and six securities, amounting to ITL276,898m, were sold both to rebalance the Company's overall portfolio in terms of its fixed rate components and variable rate components and to reduce the overall duration of the portfolio. The remaining six securities, with a total counter-value of ITL24,814m, were securities hedging policies with guaranteed benefits, which were excessive with regard to the commitments concerned.

There were no sales of stocks or shares classified as for long-term use.

Transfers of short-term stocks/shares and bonds to the long-term sector during the financial year 2000 concerned stocks (Monte dei Paschi and Olivetti) and bonds (Rock two Ltd III) with a total value of ITL369,983m. These were listed securities allocated to the Non-life sector, except for the Monte dei Paschi stocks which were allocated to Life business segregated accounts.

As regards the Olivetti stocks with a counter-value of ITL132,053m (including those derived from the merger through incorporation of the Tecnost stocks, from the 31/12/2000

onwards), this investment is to be classified as a strategic shareholding and added to the shareholding which the Company already holds in the same enterprise.

The Olivetti stocks were therefore transferred to item C.II-Investments in Group undertakings and other participating interests.

#### Maximum limit of investments for long-term use

At 31/12/2000 the company's financial investments amounted to ITL 5,441,069m, including both equity and debt securities (stocks and bonds), excluding, both as numerator and denominator, investments considered as strategic, all Class D investments and those covering guaranteed benefits policies, taking into account the transfers made during the financial year and new purchases. These investments are broken down in the table below. ITL2,974,992m (54.68%) are classified as investments for long-term use.

This percentage is therefore below the maximum limit of 60%, calculated on the basis of the Company's total investments, set by the Board of Directors with their resolution of the 16 July 1999.

<b>Financial investments</b>	<b>31/12/2000</b>
Stocks and shares	334,823
Units and shares in investment funds	282,707
Bonds and other fixed-income securities	4,503,134
Securities – repo contracts	320,405
<b>Total</b>	<b>5,441,069</b>

#### **2.4 Deposits with ceding undertakings (item C.IV)**

These credits arose from ITL72,961m at the end of 1999 to ITL75,914m at the end of 2000, an increase of ITL2,953m.

They consisted of deposits placed with ceding undertakings in relation to inward reinsurance risks, the movement of which (setting up and repayment) takes place annually or within the year. The relative duration is mainly connected to the specific nature of the underlying insurance guarantees and the effective duration of the reinsurance treaties, renewal of which is negotiated at the end of each year.

Deposits with ceding undertakings have not been depreciated.

### **Section 3 – Investments for the benefit of Life assurance policyholders who bear the investment risk and investments deriving from pension fund management (item D)**

Class D.I contains the investments relating to the technical provisions concerning contracts of the types shown in Article 30 (1) and (2), of Legislative Decree No. 174 of 17/3/95, referred to in Isvap Circular No. 332D of 25/5/1998 and in ISVAP Instruction No. 981-G of 16/9/1998. In particular these are Index-Linked and Unit-Linked products.

The balance of class D.I, amounting to ITL460,114m, shows an increase of ITL261,945m compared with the balance in the previous year (+132%), mainly owing to the acquisition of assets to cover the new products.

During the financial year assets were transferred from class D to class C only when the surplus assets have no longer been representative of the technical liabilities and have therefore no longer had the specific hedging purpose that characterizes assets recorded in class D (as set out in ISVAP Circular No. 360D of 21/1/99, which illustrates the cases in which the prohibition laid down in Article 20 (5), of Legislative Decree No. 173 of 26/5/97 may be deemed not to apply to transfers from Class D to Class C).

During the 2000 financial year securities for a total countervalue of ITL7,772m were transferred, of which ITL7,450m for surrender operations on index-linked policies and ITL322m out of death.

Transfers from Class C to Class D, governed by Article 20 (1-4) of Legislative Decree No. 173 of 26/5/97, were carried out by way of exception in order to realign the assets of Class D to the provisions of the relevant contracts and related to only one security with a total counter-value of ITL917.6m.

The negative difference between the market value and the book value of the investments at the time of transfer, amounting to ITL52m, was registered under capital losses.

The assets relating to contracts the benefits of which are linked with investment funds and market indices (item D.I) are detailed in Annexes 11 (total), 11/1 and 11/2 for the two types of product (Index-Linked and Unit-Linked).

Class D.II, which as at 31/12/98 showed a nil balance, represents the investments relating to the two open-end fixed-contribution pension funds (“Unipol Previdenza” and “Unipol Futuro”) set up and managed by Unipol Assicurazioni in accordance with Legislative Decree n° 124 of 21/4/93, and the Banca Agricola Mantovana closed-end staff pension fund, of which Unipol assumed financial management in December 2000.

These investments amount to a total of ITL32,754m at 31/12/2000 (ITL7,030m at 31/12/99).

Details of assets arising out of pension funds management (item D.II) are given in Annexes 12 (Total), 12/1 for “Unipol Previdenza”, 12/2 for “Unipol Futuro” and 12/3 for “B.A.M. Staff”.

The pension funds constitute autonomous assets, separate from those of the Company, and are divided into four lines of investment, all managed differently and a single line for the closed-end fund.

The financial statements of the two pension funds have been drawn up as at 31/12/2000, in accordance with the regulations issued by the Pension Funds Supervisory Board (COVIP) on 17 June 1998.

## Section 4 – Reinsurers’ share of technical provisions (item Dbis)

As at 31/12/2000 the balance on this item amounted to ITL446,605m. The composition and variations compared with the previous year are shown in the following table (in millions of ITL):

	2000	Variations compared with 1999
Technical provisions – Life business	276,226	(12,252)
Sums to be paid on Life policies	1,190	(527)
Provision for unearned premiums – Non-life business	41,519	(400)
Provision for claims outstanding – Non-life business	127,670	3,879
	<b>446,605</b>	<b>(9,300)</b> <b>(-2%)</b>

Variations reflect changes in the reinsurance conditions and, in the case of Life business, also in the files still pending on account of former compulsory cessions, as laid down in Law No. 403 of 23 June 1994. The amount of the technical provisions and of sums to be paid out by Consap has been prudentially valued at ITL196bn.

## Section 5 – Debtors (item E)

The balance on this item as at 31/12/2000 was ITL774,729m. The composition and variations compared with the previous financial year are summarised in the table below (in millions of ITL):

	2000	Variations compared with 1999
Premiums receivable from policyholders	283,838	15,565
Receivables from agents/other intermediaries	144,289	13,800
Company receivables – current accounts	30,485	7,259
Policyholders and third parties - amounts recoverable	38,895	8,458
Debtors arising out of reinsurance operations	179,040	33,396
Other debtors	98,182	6,860
<b>Total</b>	<b>774,729</b>	<b>85,338</b> <b>(+12.4%)</b>

The trend in premiums receivable from policyholders (item E.I.1), which represent

9.9% of the direct premiums for the year (10.3% at the end of 1999), is linked with premiums written and in particular with those due at the end of the year. Most of these premiums were paid in the first two months of 2001.

Receivables from agents and other intermediaries (item E.I.2) mainly consist of portfolio recoveries from agencies and of receivables relating to premiums paid at the end of the year.

Receivables from insurance and reinsurance undertakings and reinsurance intermediaries (item E.II) have risen from ITL145,644m at the end of 1999 to ITL179,040m at the end of 2000, an increase of ITL33,396m.

These receivables, all short-term, derive from inward and outward reinsurance schemes. ITL113,039m of them (ITL89,720m at the end of 1999) relate to receivables from CONSAP for payments made in connection with ex compulsory cessions. In calculating these receivables, up to the end of 1998, account has been taken of the rates of return laid down by ministerial decrees, whilst a prudential rate has been applied for the financial years 1999 and 2000. The rates applied are lower than those granted by the Company to policyholders.

Receivables (item E.III) include:

- ITL65,249m of receivables from the Inland Revenue;
- receivables from sale of properties amounting to ITL14,571m;
- receivables from interest on life policies amounting to ITL2,515m;
- receivables from rentals amounting to ITL2,046m.

Sums due from the Inland Revenue include:

- ITL47,522m as advance payment of tax;
- ITL6,121m of “full” tax credits on dividends received;
- ITL4,026m of tax credits on advance tax payments on staff leaving indemnity made in 1997 and 1998 (Article 3 (211) (212) and (213) of Law No. 662 of 23/12/96);
- ITL2,262m of VAT.

Receivables from policyholders have been written down by a flat rate of 0.5% (ITL1,382m), this percentage being based on previous experience. Bearing in mind current exposure and their specific nature, other receivables have been written down by a total of ITL1,000m.

## Section 6 – Other assets (item F)

As at 31/12/2000 the balance of this item was ITL362,965m. The composition and variations compared with the previous year are summarised in the table below:

	2000	Variations compared with 1999
Tangible assets and stocks	10,794	1,929
Cash at bank and in hand	252,086	17,971
Own shares	7,225	(5,800)
Other assets	92,860	21,142
<b>Total</b>	<b>362,965</b>	<b>35,242 (+10.8%)</b>

Tangible assets and stocks, listed in item F.I, are considered assets for long-term use. The balance as at 31/12/2000 amounted to ITL10,794m, net of depreciation, as is shown in the table below:

	Asset	Depreciation	Net value
Furniture, office machinery, internal vehicles	55,916	(51,546)	4,370
Movables recorded in public registers	1,419	(1,101)	318
Fixtures, fittings and equipment	20,637	(14,531)	6,106
<b>Total</b>	<b>77,972</b>	<b>(67,178)</b>	<b>10,794</b>

The movements which affected the assets shown above during the year 2000 are as follows, net of depreciation (in millions of ITL):

	Increases	Decreases	Net variations
Furniture, office machinery, internal vehicles	1,683	(92)	1,591
Movables recorded in public registers	94	(32)	62
Fixtures, fittings and equipment	304	(28)	276
<b>Total</b>	<b>2,081</b>	<b>(152)</b>	<b>1,929</b>

Cash at bank and in hand (item F.II) includes ITL251,768m in bank deposits and postal current accounts and ITL318m of cash in hand. Bank deposits include foreign currency accounts with a total counter-value of ITL18,742m (ITL12,996m as at 31/12/99), ITL756m of deposits in postal current accounts and net earnings for the financial year 2000.

The balance of own shares as at 31/12/2000 (item F.III) amounted to ITL7,226m (ITL13,025m as at 31/12/99) and corresponds to 1,092,000 ordinary shares of ITL1,000 each (1,828,000 ordinary shares as at 31/12/99). During the financial year own ordinary shares were bought and sold for a total nominal value of ITL1,861m and ITL2,597m respectively.

Deferred reinsurance accounts receivable (item F.IV.1), included in other assets, amount to ITL34,858m at the end of the financial year (+55.7% on 31/12/1999) and refer to the balance of entries for costs and claims relating to indirect business (inward reinsurance) during the year 2000. These entries, as shown above, will be recorded in the profit and loss account for the year 2001 as they were incomplete at the time the accounts were drawn up.

Sundry assets (item F.IV.2) amount to ITL58,002, an increase of ITL8,666m on the previous financial year.

These include:

- the balance for the liaison account between Life and Non-life business, which shows a credit of ITL23,631m (ITL47,736m as at 31/12/99) for Non-life business, mainly on account of costs advanced by Non-life business and subsequently charged to Life business;
- the offset for valuations and alignments of financial derivative operations at 31/12/2000, for ITL28,773m;
- advance payments for unfinished services (building restoration), amounting to ITL4,031m;
- property expenses to be recovered, amounting to ITL753m.

## Section 7 – Prepayments and deferred income (item G)

Item G “prepayments and accrued income” showed an overall balance of ITL91,703 as at 31/12/2000, an increase of ITL19,694m compared with the previous financial year (+27.3%).

The subdivision into prepayments and deferred income is as follows (in millions of ITL):

	Accrued income	Prepayments	Total
Item G1 - Interest	83,052	3,847	86,899
Item G2 – Rental income	--	275	275
Item G3 – Other prepayments and accrued income	10	4,519	4,529
<b>Total</b>	<b>83,062</b>	<b>8,641</b>	<b>91.703</b>

Item G.1 “interest” comprises accrued income on securities amounting to ITL81,117m (ITL66,866m as at 31/12/99), multi-year prepayments (with maturity in 2005) on issue expenses relating to debenture loans, amounting to ITL3,847m and accruals on financial derivatives amounting to ITL1,935 m.

Item G.3 “other prepayments and accrued income”, amounting to ITL4,529m (ITL1,315m as at 31/12/99), includes:

- prepayments on insurance premiums for policies amounting to ITL2,089m (of which ITL2,045m are multi-year, maturing on 31/12/2005);
- prepayments on advertising expenses, amounting to ITL650m;
- prepayments on IT costs, amounting to ITL589m;
- prepayments on multi-year social security contributions, amounting to ITL 221m;
- other prepayments and accrued income which are not individually significant, amounting to ITL980m.

## Balance Sheet - Liabilities

### Section 8 – Capital and reserves

Movements recorded during the financial year, compared with the previous year, are set out in the attached statement showing the variations that have taken place in capital and reserves and relate to:

- appropriation of the net profit for the 1999 financial year, approved by the General Shareholders’ Meeting held on 28 April 2000;
- increase in share capital and share premium reserve, after the above-mentioned operation approved by the Board of Directors on 12/5/2000, amounting to ITL169,419m and ITL647,449m respectively (of which ITL382m and ITL683m refer to exercise of warrants; the increase in the reserve also includes ITL688m of revenues from the sale of unexercised options on the stock market).

At the end of 2000 share capital and reserves amounted to a total of ITL2,064,338m (compared with ITL1,217,645m as at 31/12/99); an increase of 69.5% on the previous year.

At 31 December 2000 the share capital amounted to ITL451,147,226,000 fully paid-up. It comprises 451,147,226 shares, each with a face value of ITL1,000, subdivided as follows:

- 273,316,183 ordinary shares, 58.53% owned by the holding company Finsoe S.p.A.;
- 177,831,043 preference shares.

169,418,722 new shares were subscribed to during the financial year 2000 (102,499,650 ordinary shares and 66,919,072 preference shares), of which 9,732 were ordinary shares and 371,890 were preference shares after warrant holders exercised their subscription rights.

A share of the new capital subscribed, amounting to 40% of the ordinary shares and 40% of the preference shares, was allocated to Life business.

Details of reserves (items A.II to A.VII), which amounted to ITL1,613,191m at 31/12/2000, with variations compared with the previous financial year, are shown in the table below:

Item	2000	Variation compared with 1999
A.II Share premium reserve	1,216,993	647,449
A.III Property revaluation reserve	11,500	0
A.III Revaluation reserve under Law 413/91	28,583	0
A.IV Legal reserve	56,346	4,787
A.VI Holding company 's shares	25,445	6,738
A.VI Own shares	7,226	(5,800)
A.VII Extraordinary reserve	223,659	18,304
A.VII Residual fund for own shares	42,774	5,799
A.VII Reserve under Regional Law 46/1967, Sicily	631	0
A.VII Reserve under Legislative Decree 173/97, Article 20	34	(3)
	<b>1,613,191</b>	<b>677,274</b> (+72.4%)

As at 31/12/2000, the final balances of the amounts governed by Article 105 (1) a) of Presidential Decree 917/86 (known as basket A) and Article 105 (1) b) (known as basket B) amounted to ITL153,820m and ITL88,036m respectively

## Section 9 – Subordinated liabilities (item B)

The present accounts do not include any subordinated liabilities.

## Section 10 – Technical provisions (items C.I – Non-life insurance business and C.II – Life assurance business)

The following table shows how they are divided up and variations in them (in millions of ITL):

	2000	Variations compared with 1999
Non-life business - Provision for unearned premiums	768,899	21,705
Non-life business - Provision for outstanding claims	2,473,403	255,131
Non-life business - Other provisions	5,192	19
Life business - Technical provisions	4,680,344	241,678
Life business - Sums to be paid	23,112	1,778
	<b>7,950,950</b>	<b>520,311</b> (+7.0%)

### Technical provisions – Non-life business

The provision for unearned premiums and provision for outstanding claims for Non-life

business amounted to a total of ITL3,242bn as at 31/12/2000 (+ITL276,8bn compared with 31/12/99) and were created in accordance with the provisions of Legislative Decree No. 173 of 26/5/97.

### Provision for unearned premiums

The provision for unearned premiums amounts to ITL768,899m (+2.9%) and includes:

- ITL749,711m of provision for unearned premiums;
- ITL4,114m of provision for unexpired risks;
- ITL15,074m of provision for unearned premiums for inward reinsurance.

The provision for unexpired risks, as laid down by the Supervisory Authority, is calculated by assessing the loss ratio in each class and set up when the amount of the presumed cost of the expected claims remains higher than the provision for unearned premiums and higher than the premium instalments still receivable for the policies in the portfolio.

Details of the provision for unearned premiums by class, in millions of ITL, are given in the table below:

Class	For unearned premiums	For unexpired risks	Total
1-Accident	57,791		57,791
2-Health	30,531		30,531
3-Land vehicles – own damage or loss	60,412		60,412
5-Aircraft - Hull	13		13
6-Marine - Hull	442		442
7-Goods in transit	4,036		4,036
8-Fire	43,125		43,125
9-Other damage to property	52,375		52,375
10-Land vehicles T.P.L.	343,644		343,644
11-Aircraft T.P.L.	8		8
12-Marine T.P.L.	458		458
13-General T.P.L.	77,638	4,114	81,752
14-Credit	1,576		1,576
15-Bonds	62,079		62,079
16-Pecuniary losses	7,305		7,305
17-Legal protection	5,346		5,346
18-Assistance	2,932		2,932
<b>Total direct business</b>	<b>749,711</b>	<b>4,114</b>	<b>753,825</b>
Inward reinsurance	15,074		15,074
<b>Total provision for unearned premiums</b>	<b>764,785</b>	<b>4,114</b>	<b>768,899</b>

### Provision for outstanding claims:

The provision for outstanding claims amounts

to ITL2,473,403m (+11.5%) broken down as follows:

- ITL2,115,038m for claims and direct expenses;
- ITL118,823m for claims handling expenses;
- ITL168,181m for claims incurred but not reported;
- ITL71,361m for inward reinsurance.

For claims generated in 2000 relating to Motor Vehicle TPL, assessed on the basis of average cost, the final average costs used were ITL2,503,800 for claims for material damage (ITL1,600,000 for claims under the direct indemnity agreement, CID) and ITL28,761,000 for claims for personal injury. For Motor Vehicle TPL actuarial checks were also carried out (deemed not to be required for other types of business) applying the modified Fisher Lange method and using a rate of growth of the cost of claims of 5%.

Variations in the sub-items of the provision for unearned premiums during the financial year (item C.I.1) and in the sub-items of the provision for outstanding claims (item C.I.2) in Non-life business are shown in Annexe 13.

The provision for bonuses and rebates (item C.I.3) amounts to ITL3,320m (-2.5% compared with 31/12/99) and was calculated in accordance with the provisions of Article 35, Legislative Decree No. 173 of 26/5/97.

The other technical provisions (item C.I.4), which amount to ITL944m (ITL978m as at 31/12/99), consist entirely of the provision for increasing age set up in accordance with the provisions of Article 25 of Legislative Decree 175/95.

The equalisation provisions (item C.I.5), amounting to ITL928m (ITL791m as at 31/12/99), ITL586m of which were established in accordance with Decree 19/11/96 of the Ministry of Industry, Trade and Crafts (equilibrium provision for risks from natural disasters), whilst the remaining ITL342m relates to equalisation provisions for Credit business, in accordance with the provisions of Article 11, Legislative Decree No. 393 of 26/11/91.

The above provisions are split into lines as shown in the following table (in millions of ITL):

<b>Class</b>	<b>Equalisation provisions</b>
3-Land vehicles – own damage or loss	280
6-Sea vessels - hull	4
7-Goods in transit	129
8-Fire	83
9-Other damage to property	90
14-Credit	342
<b>Total</b>	<b>928</b>

### ***Technical provisions – Life business***

The increase in the technical provisions is a result of the growth in insurance activity, which has affected the main sectors and Life business in particular.

The amount is sufficient to meet the Company's liabilities to the contracting parties, policyholders and beneficiaries.

The mathematical provisions, included in the technical provisions of Class I of Table A appended to Legislative Decree 174/95, have been based on the following more significant technical criteria:

1. rates of annual compound technical interest or guaranteed minimum rates of interest of 4%, 3% and 2.5% for the majority of current covers. On account of the write-up guaranteed under the contract these rates rise in 2000 to 5.09% (annual average) for policies linked to the Vitattiva segregated account, which is the most sizeable of the price formulae with adjustment of benefits (adjustable, index-linked, single-premium mixed with fixed duration and a variable interest rate, revaluable, Unicasa savings scheme, Fondo Assind);
2. demographic models based mainly on the mortality rate of Italian males in 1951, 1961, 1971, 1981 and 1992 (adjusted) and on the mortality rate of Italian females in 1992 and on the RG48 table with details of both sexes.

The mathematical provisions, included in the technical provisions in Class V of Table A appended to Legislative Decree 174/95, were based on the following more significant technical criteria:

compound annual technical rates of interest or



guaranteed minimum rates of interest of 4%, 3% and 2.5% for the majority of the contracts in force. On account of the write-up guaranteed under the contract, these rates rose to 4.51% in 2000 (mode value) for specific group policies linked to Unipol Vita T.F.R (staff leaving indemnity) segregated account, which are the most sizeable of the tariff formulae in Class V.

Variations during the financial year in the sub-items of the mathematical provisions (item C.II.1) and of the provision for bonuses and rebates (item C.II.4) are shown in Annexe 14.

The other technical provisions (item C.II.5), which as at 31/12/2000 amounted to ITL57,044m (+4.8%), relate almost entirely to allocations for operating expenses and are split into Classes as follows (in millions of ITL):

- Class I, ITL40,453m
- Class III, ITL10,394m
- Class V, ITL6,197m.

### **Section 11 – Technical provisions where the investment risk is borne by policyholders (item D.I) and provisions arising from pension fund management (item D.II)**

In accordance with Article 38 of Legislative Decree 173/97, the technical provisions, established to cover liabilities arising from life assurance contracts where the return is linked to investments or indices of which the policyholder bears the risk and the provisions deriving from management of pension funds (Class III and Class VI of Table A appended to Legislative Decree 174/95 respectively), have been calculated with reference to the liabilities arising from the policies and are covered as closely as possible by admissible assets, in accordance with the provisions of Article 30 of Legislative Decree 174/95 and subsequent ISVAP provisions. In the case of contracts in Class III, additional technical provisions have been established to cover mortality risks, determined by reference to a demographic model based on the adjusted mortality table of the Italian male population for 1992.

The total balance as at 31/12/2000 amounted to ITL492,868m, an increase of ITL287,669m compared with the balance for the previous financial year. With regard to the types of product in the portfolio, the amount of the technical provisions may be divided as follows (in millions of ITL):

Index-Linked policies	120,752
Unit-Linked policies	339,363
“Unipol Previdenza” open-end pension fund	13,754
“Unipol Futuro” open-end pension fund	5,646
“BAM Employees” closed-end pension fund	13,353
<b>Total</b>	<b>492,868</b>

### **Section 12 – Provisions for other risks and charges (item E)**

Item E shows the balances for the funds listed below, with the variations compared with the previous financial year (in millions of ITL):

	<b>2000</b>	<b>Variations compared with 1999</b>
Provision for future charges	22,600	20,000
Provision for exchange rate fluctuations	-	(3,853)
Provision for taxation	6,979	942
Provision for property charges	55	(1)
	<b>29,634</b>	<b>17,088</b>
		<b>(+136.2%)</b>

The provision for future charges is ITL 20,000m up on the balance for the previous year due to the provision made to meet the penalty imposed by the Antitrust Authority, against which the Company has appealed to the Regional Administrative Court.

The provision for exchange rate risks, which incorporates the positive or negative balance resulting from the conversion into Italian lire of items expressed in foreign currency, was used entirely for losses on currency exchanges shown at the end of the financial year.

The amount of the provision for taxation for ITL6,979m, represents the balance between deferred tax payable on deferred capital gains, within the meaning of Article 54 of Presidential Decree 917/86, and advanced tax receivable on allocations to taxable funds, and receivables from policyholders written down, as provided for by Article 71 (3), Presidential Decree 917/86.

Regarding the fiscal position of the Company in the year 2000, the financial years not yet settled relate to the period 1994/1999.

Movements of the provision for other risks and charges are shown in detail in Annexe 15.

### Deposits received from reinsurers (item F)

These fell from ITL146,566m at the end of 1999 to ITL145,029m at the end of 2000, a decrease of ITL1,537m (-1%).

They represent deposits made with the Company as surety in relation to ceded and retroceded risks.

For information on their term, reference should be made to information provided for “deposits with ceding undertakings” (Section 2, point 2.4, item C.IV).

### Section 13 – Creditors and other liabilities (item G)

As at 31/12/2000 the balance of this item was ITL890,493m, an increase of ITL425,099m (+91.3%) compared with 31/12/99, mainly comprising the counter-value of the two debenture loans issued during the course of the financial year (item G.III).

The table below gives a detailed breakdown of the variations compared with the previous financial year (in millions of ITL):

Item	2000	Variations compared with 1999
G.I Creditors arising out of direct insurance operations	21,287	2,015
G.II Creditors arising out of reinsurance operations	26,460	1,110
G.III Debenture loans	407,557	407,557
G.IV Amounts owed to credit institutions	300	300
G.V Debts secured by a lien on property	21,108	(2,368)
G.VI Sundry borrowings and other financial payables	1,812	(6,375)
G.VII Staff leaving indemnity	45,943	2,053
G.VIII Other creditors	171,218	25,754
G.IX Other liabilities	194,808	(4,947)
	<b>890,493</b>	<b>425,099</b> (+91.3%)

Payables derived from direct insurance operations (item G.I) include ITL6,032m for the 2000 settlement due to the trust fund for Road Accident Victims Guarantee Fund”.

ITL25,818m of payables due to reinsurance operations (item G.II) relates to insurance and reinsurance undertakings and ITL642m to reinsurance intermediaries.

As in the previous year, they include payables for commissions resulting from abolition of the compulsory cessions (ITL13,658m).

Item G.III “Debenture loans”, which was ITL407,557m, refers to the counter-value of two loans issued by Unipol Assicurazioni in connection with the capital increase described above and fully subscribed in July 2000.

The “UNIPOL 3.75% 2000-2005” loan consisted of 33,273,591 preference bonds with a face value of ITL2,700 and a total counter-value of ITL89,838,695,700.

The “UNIPOL 2.25% 2000-2005” loan consisted of 51,244,959 ordinary bonds with a face value of ITL6,200 and a total counter-value of ITL317,718,745,800.

When they were issued, the bonds in the “UNIPOL 2.25% 2000-2005” loan involved “UNIPOL 2000-2005 ordinary share warrants” (5 warrants for each bond) and the bonds in the “UNIPOL 3.75% 2000-2005” loan involved “UNIPOL 2000-2005 preference share warrants” (5 warrants for each bond).

Both the ordinary and preference bonds were offered at par and will be reimbursed at par on 30 June 2005, unless the Company decides to reimburse earlier, giving one month’s notice.

The gross annual rate of interest was fixed at 3.75% for preference bonds and 2.25% for ordinary bonds. Interest will be paid on 30 June each year from 2001 to 2005.

Borsa Italiana Spa, under Order No. 1218 of 4 September 2000, arranged for the ordinary and preference warrants to be listed on the on-line equity market (“MTA”), and for ordinary and preference bonds to be listed on the on-line bond and state bond market (“MOT”).

Item G.IV “Amounts owed to credit institutions”, which was not present in the previous financial year, amounts to ITL 300m and refers to a temporary negative balance for

two current accounts with two credit institutions, which were re-entered in January 2001.

Debts secured by a lien on property (item G.V) show a decrease of ITL2,368m compared with 31/12/99, due to the instalments paid during the financial year. ITL7,857m relates to the residual debt expiring in December 2007 for the first grade soft mortgage loan for renovating the holiday complex at Terrasini (Palermo) and ITL13,251m relates to the residual debt for the first grade ten-year mortgage loan, at an indexed rate, expiring on 30/6/2006, requested from the Bologna Cassa di Risparmio with regard to an office building in Bologna (via Paolo Nanni Costa).

Item G.VI “sundry borrowings and other financial payables” shows a decrease of ITL6,375m compared with 31/12/99 and comprises ITL1,076m from the proportion of premiums received, for future years, for two cap options and of ITL736m of counter-value of the premium received for a swap option sold.

Variations in the staff leaving indemnity during the financial year (item G.VII) are detailed in Annexe 15.

During the financial year ITL1,750m was paid out of this fund and advances of ITL3,180m were paid to employees (ITL1,942m of which was paid into the Company’s occupational pension fund).

Item G.VIII.1 “Policyholders’ tax due” shows a balance as at 31/12/2000 of ITL39,252m and consists of amounts due for tax on premiums (ITL28,843m) and of amounts due to the national health system (ITL10,409m).

Item G.VIII.2, “sundry taxes”, showed a balance of ITL98,356m as at 31/12/2000, and mainly comprises income tax (ITL76,888m of IRPEG and ITL12,261m of IRAP) to be paid off in the following financial year and ITL9,185m of withholding tax.

The table below shows details of the composition of, and main variations in item G.VIII.4 “other creditors” (in millions of ITL):

	2000	Variations compared with 1999
Payables to suppliers	12,071	(72)
Advance payments on property	3,791	(816)
Payables to financial intermediaries	2,523	(436)
Payables for guarantee deposits	1,795	(154)
Payables to Montetitoli	1,170	1,008
Payables to policyholders	912	0
Advance payments on rents	493	(21)
Other payables	2,868	(1,887)
	<b>25,623</b>	<b>(2,378)</b>
		<b>(-8.5%)</b>

This mainly concerns short-term payables; the variations during the financial year relate to the normal trend in the Company’s activities.

Item G.IX “other liabilities” amounted to ITL194,808m as at 31/12/2000 (-2.5% compared with 31/12/99) and includes:

- the balance of deferred reinsurance accounts payable, which amount to ITL62,314m (item G.IX.1), an increase of ITL14,722m (+30.9%) compared with the previous financial year. These accounts relate to the balances of the positive profit and loss items of inward reinsurance for 2000, which will be recorded in the profit and loss account during the 2001 financial year since they are still technically incomplete;
- the balance of the commissions on pending premiums (item G.IX.2), which rose from ITL37,961m as at 31/12/99 to ITL39,127m as at 31/12/2000 (+3.1%);
- sundry liabilities (item G.IX.3) of ITL93,367m (ITL114,202m as at 31/12/99).

These include:

- the balance for the liaison account between Life and Non-life business, chargeable to the Life business, which amounts to ITL23,631m (ITL47,736m as at 31/12/99);
- commission incentives based on portfolios’ loss ratio, amounting to ITL47,293m (ITL31,669m in 1999);
- the offset to tax applicable to accrued interest, implicit and explicit, and to the issue spread of fixed-interest securities of ITL2,186m (ITL3,621m at the end of 1999);
- the offset to valuations and alignments on transactions in financial derivatives of

ITL11,383m as at 31/12/2000 (ITL23,551m as at 31/12/99);

- charges for holidays not taken of ITL3,037m (ITL2,859m as at 31/12/99).

## Section 14 – Accruals and deferred income

Item “accruals and deferred income” amounted to ITL24,304m as at 31/12/2000, an increase of ITL3,207m (+15.2%) compared with the previous financial year..

It comprised the following items (in millions of ITL):

	2000	Variations compared with 1999
Financial derivatives	9,564	(1,457)
Interest on portfolio recoupments and loans to agents	7,774	(329)
Interest on debenture loans	5,100	5,100
Interest on Life policy loans	1,482	80
Rents/subrents	362	(208)
Sundry accruals and deferred income	22	21
	<b>24,304</b>	<b>3,207 (+15.2%)</b>

Accruals and deferred income are broken down in the table below:

	Accruals	Deferred income	Total
H1 – Interest	16,147	7,774	23,921
H2 – Rental income	--	362	362
H3 – Other accruals and deferred income	--	21	21
<b>Total</b>	<b>16,147</b>	<b>8,157</b>	<b>24,304</b>

Deferred income refers to expiry beyond the year end and amounts to ITL6,795m, of which ITL1,250m, comprising deferred income on portfolio recoupments and loans to agents, extend beyond 31/12/2005.

## Section 15 – Assets and liabilities relating to Group undertakings and other participating interests

Details of the assets and liabilities relating to group companies and other participating interests are shown in Annexe 16.

\* \* \*

## Section 16 – Debtors and creditors

The following tables set out the balances of debtors and creditors, recorded in items C and E on the asset side and in item G on the liability side, a distinction being drawn in each category between those due beyond the end of the following financial year and, separately, those due beyond five years.

As regards item F on the liability side (Deposits received from reinsurers) and in consideration of the contents of the relative paragraph, the creditors recorded in it are all deemed to be due before the end of the following financial year.

The figures are given in millions of ITL.

ITEM C	Corporate financing and loans	Balance as at 31/12/2000	Amount due beyond 31/12/2001	Amount due beyond 31/12/2005
C.II.3 b)	Financing to subsidiaries	500	0	0
C.II.3 e)	Financing to other undertakings	6,709	6,321	4,337
C.III.4 a)	Loans secured by a lien on property	42,236	36,629	21,605
C.III.4 b)	Loans on insurance policies	48,721	43,991	27,078
C.III.4 c)	Other loans	1,578	895	2
	<b>Total</b>	<b>99,744</b>	<b>87,836</b>	<b>53,022</b>

<b>ITEM E Debtors</b>				
E.I.1	Receivables from policyholders	283,838	0	0
E.I.2	Insurance intermediaries	144,289	74,511	24,544
E.I.3	Insurance undertakings – amounts receivable	30,485	0	0
E.I.4	Policyholders and third parties - amounts recoverable	38,895	0	0
E.II.	Receivables from insurance and reinsurance undertakings	179,040	0	0
E.III	Other debtors	98,182	1,038	0
	<b>Total</b>	<b>774,729</b>	<b>75,549</b>	<b>24,544</b>

<b>ITEM G Creditors</b>				
G.I	Payables arising out of direct insurance operations	21,287	0	0
G.II	Payables arising out of reinsurance operations	26,460	0	0
G.III	Debenture loans	407,557	407,557	0
G.IV	Amounts owed to credit institutions	300	0	0
G.V	Debts secured by a lien on property	21,108	18,473	4,588
G.VI	Sundry borrowings and other financial payables	1,812	0	0
G.VIII	Other creditors	171,218	1,795	0
	<b>Total</b>	<b>649,742</b>	<b>427,825</b>	<b>4,588</b>

## Section 17 – Guarantees, commitments and other memorandum accounts

The total amount as at 31/12/2000 of ITL11,902,193m (+16.6% on the previous financial year) consists in the main of securities deposited with third parties (ITL8,873,937m) and of commitments (ITL2,802,399m).

Details of guarantees given and received, and of commitments (items I, II, III and IV), are given in Annexe 17.

Guarantees given (item I.1 and I.3) are not for any significant amount and are mainly for leases payable.

Item IV “Commitments” is made up as follows (in millions of ITL):

Financial derivatives	2,327,165
Repo securities (investment)	320,835
Property mortgages on borrowings	52,400
Property (disposals)	26,797
Obligations toward third parties	26,000
Property (purchases)	22,300
Units and shares in investment funds	16,286
Shares (purchase)	6,014
Tenths due on capital increases subscribed	2,668
Instalments due on leased goods	1,335
Bonds (purchase)	599
	<b>2,802,399</b>

Commitments recorded for transactions in derivatives taking place at the end of the financial year (ITL2,327.2bn, ITL1,713bn of which is the nominal value of the underlying

assets) are set out in detail in Annexe 18.

Item VI “Pension fund assets managed in the name of and for the account of third parties”, ITL112,566m of which relates to the Fonchim Fund and ITL28,945m of which relates to the Bayer Italia Fund, is made up as follows:

- bonds, ITL128,839m
- units and shares in investment funds, ITL10,049m
- sundry assets/liabilities, ITL2,083m
- cash at bank and in hand, ITL540m.

The following table shows the securities deposited with third parties according to category of custodian institution (item VII), the balance of which as at 31/12/2000 amounted to ITL8,873,937m.

<b>Custodian institution</b>	<b>Amount (in millions of ITL)</b>
Banks	4,518,923
Group companies	3,450,207
Issuing bodies	904,807
	<b>8,873,937</b>

Item VIII “other memorandum accounts”, which amounted to ITL9,998m as at 31/12/2000, comprises the following (in millions of ITL):

Pension fund contributions received but not yet allocated	5,834
Bank books deposited as surety for claims paid	2,940
Securities deposited as surety for claims paid	1,224
	<b>9,998</b>

## Information on financial derivatives

In accordance with the instructions issued by the ISVAP (Instruction n° 297 of 19/7/96) and consistent with the policy guidelines laid down at a meeting of the Company's Board of Directors held on 13 December 1996, financial derivatives were used during the financial year purely to hedge the risk in the securities position and the exchange rate risk, or in order to optimize portfolio management, and were not used for speculative purposes.

These ends were achieved by using the derivatives specified in the resolution and applied to securities included in the portfolio.

All the operations were carried out with banking or similar establishments of proven trustworthiness.

The positions of derivatives at the end of the financial year are shown in the following statements:

### A. Derivative contracts involving forward capital swaps

The value attributed is made up of the settlement price for the contracts in millions of ITL. For the options in currency the exchange rate applying on 31/12/2000 was used:

Description of operation	No. of operations	Total exposure
Foreign currency forward sales	11	509,344
Cross currency swaps	2	58,427
Options purchased	1	19,364
		<b>587,135</b>

The above operations refer to the following currencies: US Dollar, Swedish Krone, Euro. Individual operations for significant amounts included:

- asset swap formed by BTP security 1/11/96-26 7.25% face value €100m (ITL193,627m), and an IRS with an equal notional value;
- cap interest rate sold, with notional value of 55 million Euro (ITL106,495m);
- cap interest rate purchased, with notional value of 55 million Euro (ITL106,495m);
- cap interest rate sold, with notional value of ITL100bn;

- IRS contract, subscribed for a notional value of ITL100bn.

### B. Derivative contracts not involving forward capital swaps

The value attributed consists of the face value of the capital concerned in millions of ITL:

Description of operation	No. of operations	Total exposure
Purchase/sale of cap interest rates	10	780,881
Purchase of floor interest rates	5	350,440
Interest rate swaps	3	172,000
Asset swaps	6	377,601
Swap options	2	59,108
		<b>1,740,030</b>

The above operations were carried out in the following currencies: US Dollars and Euros. They were conducted with 15 counterparts and represent a splitting of the capital from a minimum of ITL10bn to a maximum of ITL194bn.

Results achieved on financial derivative operations during the financial year:

- net premiums received on unexercised options amounted to ITL519m;
- net capital gains from trading on securities linked to options sold, totalled ITL3,132m;
- net charges incurred on operations hedging the exchange rate risk amounted to ITL16,459m (of which ITL4,881m related to current operations);
- charges for currency exchange amounted to ITL3,7bn, derived from exercise of an option call on currency sold, against which USD8m were sold to the counterparty at the rate of ITL1,577. As a put option connected to the previous operation was not exercised, the premium paid (ITL664m) was also registered among the costs;
- net charges from interest rate swap operations amounted to ITL24,835m (ITL15,995m of which related to current operations). Total net yield of the investments concerned was 3.5%;
- net charges from other operations amounted to ITL372m.

It is to be noted that the overall return on the Company's financial investments (excluding property and shareholdings), including income and charges from the use of derivatives, amounted to 5.41% net of write-downs and within the portfolio there are no exchange rate risks and rate risks are reduced.

How the operations in financial derivatives are entered in the accounts is dealt with in the specific paragraph of the section on "Valuation Criteria".

### Summary of write-ups

In accordance with Article 10 of Law 72/1983 (Visentini-bis) and Article 25 of Law 413/1991, details of property still owned as at 31 December 2000 that have been written up are shown in the relevant table among the "additional annexes to the notes to the accounts".

\* \* \*

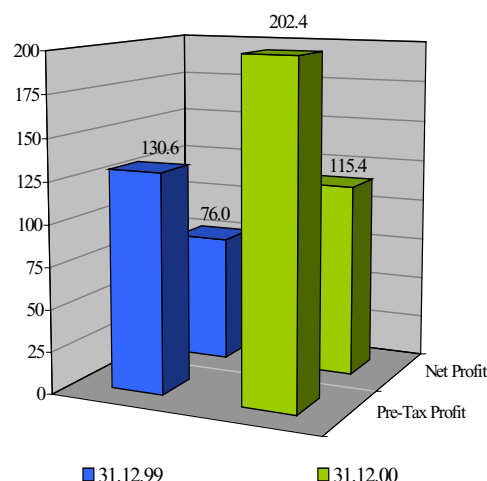
The Company decided not to carry out write-ups of company assets, in accordance with Law No. 342 of 21/11/2000.

## Profit and Loss Account

The results achieved in 2000 are summarized in the attached statement reclassifying the profit and loss account, the most important figures in which are the following (in millions of ITL truncated):

	2000	Variations compared with 1999
<b>Technical balance</b>		
Life	38,918	1.800
Non-life	29,277	20.762
Total	68,195	22.562
Investment income/Other income/charge	51.230	16,975
<b>Profit from ordinary activities</b>	<b>119,425</b>	<b>39,537</b>
Net extraordinary items	82,926	32,228
Pre-tax profit	202,351	71,765
<b>Net profit</b>	<b>115,384</b>	<b>39,370</b>

PROFIT (ITLbn)



## Section 18 – Information relating to the technical account - Non-life business (I)

Gross premiums booked include all the amounts due during the financial year on insurance policies and as at 31/12/2000 amounted to ITL2,174,251m, an increase of ITL130,315m (+6.4%) over the previous financial year. Premiums for inward reinsurance amounted to ITL171,140m and represent 7.9% of the total.

Net of the premiums ceded, the earned premiums amounted to ITL1,956,181m (+6.7% compared with the position as at 31/12/99).

Breakdown of written premiums per class of business is shown in the Board Report.

The information relating to the technical account of Non-life business – Italian and foreign portfolios - is summarized in Annexe 19.

The investment return transferred from the non-technical account to the technical account (item I.2) amounted to ITL35,777m (ITL70,225m as at 31/12/99) and was calculated on the ratio between half the sum of net technical provisions and half the sum of capital and reserves, according to the criteria laid down by ISVAP Instruction No. 1140-G of 8/3/99.

Other technical income, net of reinsurance (item I.3), was ITL3,412m as at 31/12/2000 (ITL5,077m as at 31/12/99) and includes ITL3bn relating to Motor TPL, largely for recovery of expenses for management of foreign claims.

Claims under Non-life business (item I.4) amounted to ITL1,565,173m compared with ITL1,526,881m in the previous financial year and include the amounts paid during the financial year for direct and indirect business as claims paid and claims handling expenses, net of the relevant recoupments and of the reinsurers' share, as laid down in Article 48 of Legislative Decree No. 173 of 26/5/97.

In Non-life business, in particular in direct business, the variance recorded between the initial provision for outstanding claims, claims paid and expenses for claims relating to previous financial years made during the year and the relative provision at the end of the financial year, is shown in the following table:

	Gross amount	Amount ceded	Net amount
Provision for outstanding claims as at 1/1/2000	2,124,145	151,113	1,973,032
Claims paid during the year for claims incurred in previous years	809,099	39,827	769,272
Provision for outstanding claims as at 31/12/2000	1,337,994	112,999	1,224,995
<b>Difference</b>	<b>(22,948)</b>	<b>(1,713)</b>	<b>(21,235)</b>
% incidence on initial provision	(-1.08%)	(-1.13%)	(-1.08%)

This variance is mainly due to larger amounts, allocated as at 31 December 2000, for Third-Party Liability claims.

It is also to be noted that further provisions were made for IBNR claims of previous financial years, amounting to ITL13,107m.

Of the amount for bonuses and rebates (item I.6) granted to policyholders or to other beneficiaries, a total of ITL3,061m (ITL6,176m as at 31/12/99) relates entirely to rebates.

Operating expenses amounted to ITL394,762m (+8.9%), net of commissions received from reinsurers (ITL64,643m) and include acquisition and renewal expenses of ITL382,6234m (+7.2%) and other administrative expenses of ITL76,783m (+3.3%, with an incidence on premiums down from 3.6% in 1999 to 3.5%).

Of the balance of item I.7.f "reinsurance commissions and profit sharing" of ITL64,643m (-5.9%), ITL63,813m relates to commissions and ITL830m to profit sharing.

Other technical charges, net of reinsurance (item I.8), which as at 31/12/2000 amounted to ITL2,993m (ITL4,558m as at 31/12/99), are mainly made up of cancelled premiums for previous years (ITL989m) and of write-downs for the presumed non-recoverability of receivables from policyholders (ITL929m).

Item I.9 "change in the equalization provisions" of ITL137m is entirely due to allocations for the year. Details of these provisions, according to class of business, are given in Section 10 (Technical provisions).

## **Section 19 – Information relating to the technical account - Life business (II)**

Gross premiums for the financial year amounted to ITL879,371m (+24.1% compared with the previous financial year), premiums relating to inward reinsurance being ITL12,107m.

Summary information relating to premium income and balance on reinsurance is shown in Annexe 20.

Details of income from investments (item II.2),



which as at 31/12/2000 amounted to ITL384,728m (ITL318,466m as at 31/12/99), are given in Annexe 21.

Details of investment income and unrealized gains on investments for the benefit of policyholders who bear the risk, and on investments deriving from managing pension funds (item II.3), which as at 31/12/2000 amounted to ITL21,621m (ITL7,382m as at 31/12/99), are given in Annexe 22.

Other technical income, net of reinsurance (item II.4), amounted to ITL8,904m (ITL2,770m in the previous financial year). It includes the interest paid by Consap on receivables for sums paid in connection with ex compulsory cessions (ITL5,469m) and management fees for investments concerning benefits linked to investment funds and market indices and for investments arising out of pension fund management (ITL2,326m).

As regards charges relating to benefits, gross sums paid (item II.5 aa) amounted to ITL480,367m (+30.7% compared with the previous financial year), ITL9,124m of which relates to sums to be paid at the end of the previous year and were made up as follows (in millions of ITL):

Sums and annuities matured	236,539
Surrendered policies and advances	213,751
Claims	16,487
Inward reinsurance	12,640
Claims handling expenses	950
<b>Total</b>	<b>480,367</b>

Sums to be paid for direct business as at the end of the year amounted to ITL19,147m (ITL17,328m at the end of 1999).

The increase in the technical provisions, net of reinsurance (item II.6), was ITL569,726m (ITL481,760m in 1999).

Item II.7 “bonuses and rebates, net of reinsurance”, amounted to ITL692m as at 31/12/2000 (ITL1,113m in 1999), and is made up entirely of rebates.

Operating expenses (item II.8) amounted to ITL77,895m (+12.9%), net of commissions

received from reinsurers (ITL2,271m), and include acquisition and renewal commissions of ITL60,812m (+16%) and other administrative expenses of ITL19,354m (+2.3%, with an incidence on premiums of 2.2%).

Of item II.8.f “reinsurance commissions and profit sharing”, which as at 31/12/2000 amounted to ITL2,271m (-3.7%), ITL1,830m relates to commissions and ITL441m to profit sharing.

Details of investment charges (item II.9), which as at 31/12/2000 amounted to ITL109,301m compared with ITL74,256m as at 31/12/99, are given in Annexe 23.

Details of investment charges, unrealized losses on investments for the benefit of policyholders who bear the risk, investments arising from pension funds management (item II.10), which amounted to ITL5,367m (ITL6,883m as at 31/12/99), are given in Annexe 24.

Of other technical charges, net of reinsurance (item II.11), amounting to ITL13,531m (+85.8%), ITL11,329m relates to the recalculation, on the basis of annual rates of return specified by ministerial decrees, of amounts receivable from Consap for sums paid in connection with ex compulsory cessions and ITL2,119m to cancelled premiums for previous financial years.

The amount of the return on investments transferred to the non-technical account (item II.12) amounted to ITL25,034m (ITL6,564m as at 31/12/99) and relates to the ratio between half the sum of the technical provisions and half the sum of capital and reserves and was calculated according to the criteria established by ISVAP Instruction No. 1140-G of 8/3/99.

## **Section 20 – Segmental information on technical items**

### **20.1 Non-life insurance business**

The summary of technical accounts (Italian portfolio) by class of business is shown in Annexe 25.

Most of the items relating to the technical accounts are shown separately by accounting class. Items common to several classes of business relate to structural costs and to the investment return transferred from the non-technical account. In the latter case account has been taken of ISVAP Instruction No. 1140-G referred to previously, which assigns to each class of business a share in the investment return to be transferred to the technical account in proportion to the technical provisions.

The structural costs were allocated to the individual classes of business partly by making direct allocations and partly by applying various criteria, depending on the nature of the cost to be split. The principal criteria used were based on premiums, on the number of policies and on claims paid.

The aggregated technical accounts covering all Non-life business (Italian portfolio) are shown in Annexe 26.

## 20.2 Life assurance business

The summary of technical accounts (Italian portfolio) by class of business is shown in Annexe 27.

Most of the items relating to the technical accounts are shown separately by accounting class. Items common to several classes of business relate to structural costs and to investment income. These were allocated to the various classes of business in proportion to the technical provisions net of the portion transferred to the non-technical account, as laid down in the ISVAP Instruction already quoted. The structural costs were allocated to the individual classes of business principally by applying various criteria such as sums paid, the number of people insured and commissions paid.

The aggregated technical accounts covering all Life business (Italian portfolio) are shown in Annexe 28.

## 20.3 Non-life insurance business and Life assurance business

The aggregated technical accounts covering

both Life and Non-life business (foreign portfolio) are shown in Annexe 29.

## Section 21 – Information relating to the non-technical account (III)

Income from investments for Non-life business (item III.3) amounted to ITL129,502m (-12.7% compared with the position as at 31/12/99) and is shown in detail in Annexe 21.

Investment charges of Non-life business (item III.5) amounted to ITL82,105m (+35.4% compared with the position as at 31/12/99) and are detailed in Annexe 23.

Investment charges and interest payable (item III.5.a), the balance of which is ITL38,623m (ITL36,449m as at 31/12/99), include:

- financial charges connected with financial derivatives and structured securities of ITL14,424m;
- expenses allocated to investment charges of ITL13,784m, of which maintenance and joint-ownership expenses relating to buildings amounted to ITL5,349m;
- interest on deposits received from reinsurers of ITL3,523m;
- taxes on property investments of ITL3,210m, of which the local property tax (I.C.I.), for ITL2,703m;
- issue/trading spreads of ITL1,872 m;
- depreciation of non-property assets of ITL877m.

Value adjustments on investments (item III.5.b) include depreciation on property amounting to ITL7,701m and adjustments on stocks and shareholdings amounting to ITL31,916m.

Item III.7 “other income” amounted to ITL43,092m as at 31/12/2000, as against ITL35,501m at 31/12/99 (+21.4%) and comprises (in millions of ITL):

Interest received	28,341
Positive exchange rate differences	5,544
Reimbursement of expenses	4,089
Sums released from provisions	3,854
Other income	1,264
<b>Total</b>	<b>43,092</b>

Item III.8 “other charges” amounted to ITL28,516m as at 31/12/200 (ITL25,282m as at 31/12/99) and consists of (in millions of ITL):

Negative exchange rate differences	10,962
Interest paid	9,826
Depreciation	3,944
Taxes	1,862
Provision for bad debts	1,000
Other charges	922
<b>Total</b>	<b>28,516</b>

Interest payable amounted to ITL5,464m relating to interest and issue expenses for debenture loans issued during the financial year and ITL1,815m of interest on mortgage loans.

“Extraordinary income” (item III.10) amounted to ITL110,194m, as against ITL52,147m in the previous financial year and comprised:

Capital gains from trading in unlisted shareholdings	84,997
Capital gains from disposal of long-term property	14,847
Capital gains from trading in bonds	6,459
Capital gains from transfer of unexercised option rights	1,396
Contingent profits	1,027
Capital gains from transfer of own shares	969
Other capital gains	499
<b>Total</b>	<b>110,194</b>

Capital gains from disposals shown above relate to long-term investments.

Capital gains realised on sale of shareholdings relate to the following companies:

Il Duomo Assicurazioni	49,592
Le Mans Vita Italia S.p.A.	34,789
Unicard S.p.A.	575
Delta Immo S.a.	41
<b>Total</b>	<b>84,997</b>

“Extraordinary charges” (item III.11) amounted to ITL27,269m (ITL1,449m as at 31/12/99) and consisted of:

Provision for Antitrust penalty	20,000
Capital losses from trading in unlisted shareholdings	5,352
Expenses for sale of property	1,015
Contingent losses	500
Other charges	402
<b>Total</b>	<b>27,269</b>

Income tax for the financial year amounted to ITL86,967m (ITL54,572m as at 31/12/99) and comprised ITL74,572m of IRPEG and ITL12,395m of IRAP, including current and deferred taxes.

## Section 22 – Other information on the profit and loss account

Relations with group companies and other participating interests are shown in Annexe 30.

Premiums from direct business are summarised by geographical area in Annexe 31.

Costs sustained for the euro in 2000 amounted to a total of ITL1.2bn. For the financial year 2001 about ITL2bn of extra costs for the Group IT system. are expected.

The above-mentioned costs are allocated to the profit and loss account at the time when they are sustained.

Charges for staff, directors and statutory auditors are shown in Annexe 32.

During the financial year the number of employees fell from 1,334 a 1,312, including 24 salespersons.

As at 31/12/2000 the number of employees by category was as follows:

Senior officials	53
Junior officials	153
Clerical staff	1,080
Salespersons	24
Caretakers	2
<b>Total</b>	<b>1,312</b>

Emoluments paid to the Directors, the Statutory Auditors and the General Managers, for whatever purpose and in whatever form (including those paid by subsidiaries), are set out below, according to layout 2C specified in Article 78, CONSOB resolution No. 11971 of 14/5/99:

Surname and forename	company	post held		emoluments	
		post held	period held	emoluments for post	other emoluments
CONSORTE Giovanni	Unipol Ass.ni	Chairman and Managing Director	1/1-31/12/00	130,000,000	940,670,877 (*)
	Subsidiaries			133,879,210	
SACCHETTI Ivano	Unipol Ass.ni	Vice-Chairman and Managing Director	1/1-31/12/00	130,000,000	942,534,796 (*)
	Subsidiaries			113,862,557	
CARANNANTE Rocco	Unipol Ass.ni	Director	10/11-31/12/00	2,771,740	
COLLINA Piero	Unipol Ass.ni	Director	1/1-31/12/00	29,000,000	
FRANCIOSI Giulia	Unipol Ass.ni	Director	1/1-31/12/00	27,000,000	
GALANTI Vanes	Unipol Ass.ni	Director	1/1-31/12/00	30,000,000	
GILLONE Fabrizio	Unipol Ass.ni	Director	1/1-31/12/00	30,000,000	
GIULIANI Franco	Unipol Ass.ni	Director	1/1-31/12/00	29,000,000	
LEVORATO Claudio	Unipol Ass.ni	Director	1/1-31/12/00	29,000,000	
LORENZANI Ermanno	Unipol Ass.ni	Director	1/1-31/12/00	29,000,000	
MAZZOLI Enea	Unipol Ass.ni	Director	28/4-9/11/00	15,635,913	120,000,000 (**)
MIGLIAVACCA Enrico	Unipol Ass.ni	Director	1/1-31/12/00	30,000,000	
ORTOLANI Fabio	Unipol Ass.ni	Director	1/1-10/4/00	7,550,000	
	Subsidiaries			7,241,096	
PETRONI Mario	Unipol Ass.ni	Director	1/1-31/12/00	28,000,000	
	Subsidiaries			37,400,000	
ROSSI Piero	Unipol Ass.ni	Director	1/1-31/12/00	29,000,000	
SIBANI Leone	Unipol Ass.ni	Director	1/1-31/12/00	21,000,000	
	Subsidiaries			36,600,000	
SOLINAS Giuseppe	Unipol Ass.ni	Director	1/1-31/12/00	28,000,000	
TREERE' Graziano	Unipol Ass.ni	Director	1/1-31/12/00	20,000,000	
VENTURI Marco Giuseppe	Unipol Ass.ni	Director	1/1-31/12/00	21,000,000	
MELLONI Umberto	Unipol Ass.ni	Chairman of the Board of Statutory Auditors	1/1-31/12/00	60,000,000	
	Subsidiaries			63,934,995	
CAFFAGNI Omer	Unipol Ass.ni	Statutory Auditor	1/1-31/12/00	40,000,000	
ROFFINELLA Lorenzo	Unipol Ass.ni	Statutory Auditor	1/1-31/12/00	40,000,000	
	Subsidiaries			6,400,000	
BASSINI Diego	Unipol Ass.ni	Alternate Auditor	1/1-31/12/00	12,000,000	

(\*) salary (co-ordination of Company senior management)

(\*\*) payment for services by contract

The table does not contain details of the Directors whose emoluments were paid to the companies to which they belong.

# Part C: Other information

## Solvency margin

The amount of the solvency margin and of the guarantee fund to be set up as at 31/12/2000 and the amount of the items covering this solvency margin, set out in detail in the attached statements, are summarized as follows (in millions of ITL)

	Non-life	Life	Total
Solvency margin	347,783	203,965	551,748
Guarantee fund	115,928	67,988	183,916
Items covering the solvency margin	1,122,084	931,390	2,053,474
Surpluses	774,301	727,425	1,501,726

## Covering technical provisions

Details of the technical provisions for direct business to be covered at the end of the financial year, of ITL3,161,059m for Non-life business and ITL4,945,648m for Life business, of which ITL492,868m relating to Class D, and the amount of the admissible assets according to current legislation, are attached.

## Cash flow

The cash flow for this year and the previous year is set out in the relevant Annexe.

Bologna, 26 March 2001

**The Board of Directors**

## **Notes to the Accounts - Annexes**

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Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Share capital subscribed ITL      **451,220,805,000**      Paid-up ITL **451,220,805,000**

Head offices in **BOLOGNA - Via Stalingrado, 45**

**Company Register No 14602/BO**

**Notes to the Accounts - Annexes**

Financial year 2000

(Amounts in ITL)

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

## BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

## ASSETS

as at 31 December 2000

A. SUBSCRIBED SHARE CAPITAL UNPAID				1	0	
of which called-up capital	2	0				
B. INTANGIBLE ASSETS:						
1. Deferred acquisition commissions	4	21,308,342,500				
2. Other acquisition costs	6	0				
3. Formation and development costs	7	4,259,605,591				
4. Goodwill	8	13,804,000				
5. Other deferred costs	9	1,192,931,447		10	26,774,683,538	
C. INVESTMENTS						
I - Land and buildings:						
1. Buildings used for corporate business	11	90,957,951,945				
2. Buildings leased to third parties	12	597,508,450,545				
3. Other buildings	13	0				
4. Other real property rights	14	0				
5. Work in progress and advance payments	15	4,500,000,000	16	692,966,402,490		
II - Investments in affiliated undertakings and participating interests:						
1. Shares and participating interests in :						
a) holding companies	17	25,445,279,150				
b) subsidiaries	18	1,225,670,049,829				
c) associated undertakings	19	1,728,746,414				
d) affiliated undertakings	20	52,707,363,854				
e) other undertakings	21	462,693,835,593	22	1,768,245,274,840		
2. Debt securities issued by:						
a) holding companies	23	0				
b) subsidiaries	24	0				
c) associated undertakings	25	0				
d) affiliated undertakings	26	0				
e) other undertakings	27	0	28	0		
3. Corporate financing to:						
a) holding companies	29	0				
b) subsidiaries	30	500,000,000				
c) associated undertakings	31	0				
d) affiliated undertakings	32	0				
e) other undertakings	33	6,708,597,823	34	7,208,597,823	35	1,775,453,872,663
		to carry forward				26,774,683,538



Financial year 2000

as at 31 December 1999

			181	0	
	182	0			
	184	21,202,780,000			
	186	0			
	187	764,166,570			
	188	60,928,000			
	189	529,279,059	190	22,557,153,629	
	191	93,518,638,318			
	192	610,104,835,398			
	193	0			
	194	0			
	195	1,663,881,826	196	705,287,355,542	
197		18,707,509,150			
198		378,145,013,841			
199		1,728,746,414			
200		40,000,423,585			
201	346,447,714,982	202	785,029,407,972		
203	0				
204	0				
205	0				
206	0				
207	0	208	0		
209	0				
210	500,000,000				
211	0				
212	0				
213	21,819,577,020	214	22,319,577,020	215	807,348,984,992
	to carry forward				22,557,153,629

## BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

## ASSETS

as at 31 December 2000

		carried forward		26,774,683,538
C. INVESTMENTS (continued)				
III - Other financial investments:				
1. Shares and participating interests:				
a) listed shares	36	86,889,259,166		
b) unlisted shares	37	0		
c) participating interests	38	0	39	86,889,259,166
2. Units and shares in investment funds			40	127,183,894,043
3. Bonds and other fixed-income securities:				
a) listed securities	41	863,374,196,774		
b) unlisted securities	42	97,664,859,083		
c) convertible bonds	43	19,364,249,016	44	980,403,304,873
4. Loans				0
a) loans secured by a lien on property	45	41,954,791,232		
b) loans on insurance policies	46	0		
c) other loans	47	1,565,915,524	48	43,520,706,756
5. Participation in investment pools			49	0
6. Deposits with credit institutions			50	0
7. Sundry financial investments			51	292,196,634,465
IV - Deposits with ceding undertakings			52	1,530,193,799,303
			53	21,738,028,151
			54	4,020,352,102,607
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE				
I - NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums			58	41,518,626,892
2. Provision for claims outstanding			59	127,670,017,841
3. Provision for bonuses and rebates			60	0
4. Other technical provisions			61	0
			62	169,188,644,733
		to carry forward		4,216,315,430,878

as at 31 December 1999

	carried forward		22,557,153,629
216	51,161,340,892		
217	487,940,040		
218	0	219	51,649,280,932
		220	6,707,755,310
221	628,151,373,292		
222	65,193,257,236		
223	77,470,429,905	224	770,815,060,433
225	31,473,898,757		
226	0		
227	1,960,559,248	228	33,434,458,005
		229	0
		230	0
		231	640,630,256,510
		232	1,503,236,811,190
		233	18,584,155,330
		234	3,034,457,307,054
		238	41,918,651,468
		239	123,791,372,266
		240	0
		241	0
		242	165,710,023,734
	to carry forward		3,222,724,484,417

## BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

## ASSETS

as at 31 December 2000

		carried forward			4,216,315,430,878
E. DEBTORS					
I - Debtors arising out of direct insurance operations:					
1. Policyholders					
a) premiums for the year	71	251,511,554,462			
b) prior years' premiums	72	10,010,193,103	73	261,521,747,565	
2. Insurance intermediaries			74	140,263,697,227	
3. Insurance undertakings - amounts receivable			75	21,615,323,220	
4. Policyholders and third parties - amounts recoverable			76	38,894,896,000	77
					462,295,664,012
II - Debtors arising out of reinsurance operations:					
1. Insurance and reinsurance undertakings			78	62,959,580,071	
2. Reinsurance intermediaries			79	0	80
					62,959,580,071
III - Other debtors					81
					66,763,437,605
					82
					592,018,681,688
F. OTHER ASSETS					
I - Tangible assets and stocks:					
1. Furnishings, office equipment, internal means of transportation			83	4,370,256,701	
2. Movable goods in public registers			84	309,376,987	
3. Fixtures, fittings and equipment			85	6,105,962,462	
4. Stocks and sundry goods			86	0	87
					10,785,596,150
II - Cash at bank and in hand					
1. Deposits with credit institutions and post office accounts			88	246,471,265,545	
2. Cheques and cash in hand			89	317,811,089	90
					246,789,076,634
III - Own shares					91
					7,225,544,003
IV - Other assets					
1. Deferred reinsurance accounts receivable			92	34,101,091,628	
2. Sundry assets			93	37,190,339,483	94
of which linking item with life assurance account			901	23,631,040,786	95
					336,091,647,898
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interest					96
					18,217,605,791
2. Rental income					97
					275,320,118
3. Other prepayments and accrued income					98
					4,417,236,140
					99
					22,910,162,049
<b>TOTAL ASSETS</b>					100
					5,167,335,922,513

as at 31 December 1999

	carried forward			3,222,724,484,417	
251	230,045,995,923				
252	10,981,468,222	253	241,027,464,145		
		254	126,674,215,445		
		255	20,085,723,022		
		256	30,437,055,566	257	418,224,458,178
		258	52,740,177,356		
		259	8,533,181	260	52,748,710,537
				261	49,443,440,599
				262	520,416,609,314
		263	2,779,579,136		
		264	239,666,525		
		265	5,829,877,596		
		266	0	267	8,849,123,257
		268	231,807,759,692		
		269	381,958,773	270	232,189,718,465
				271	13,025,164,117
		272	21,859,690,729		
		273	49,157,173,640	274	71,016,864,369
		903	47,736,136,898	275	325,080,870,208
				276	18,451,746,618
				277	356,767,208
				278	1,291,818,425
				279	20,100,332,251
				280	4,088,322,296,190

## BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

## LIABILITIES

as at 31 December 2000

A. CAPITAL AND RESERVES			
I	- Subscribed share capital or equivalent funds	101	262,501,498,000
II	- Share premium reserve	102	683,612,948,261
III	- Revaluation reserves	103	40,082,482,173
IV	- Legal reserve	104	32,170,053,000
V	- Statutory reserves	105	0
VI	- Reserves for own shares and holding company's shares	106	32,670,823,153
VII	- Other reserves	107	113,060,161,491
VIII	- Profit (loss) brought forward	108	0
IX	- Profit (loss) for the financial year	109	46,464,625,963
		110	1,210,562,592,041
B. SUBORDINATED LIABILITIES			111
			0
C. TECHNICAL PROVISIONS			
I - NON-LIFE INSURANCE BUSINESS			
	1. Provision for unearned premiums	112	768,898,926,554
	2. Provision for claims outstanding	113	2,473,403,377,495
	3. Provision for bonuses and rebates	114	3,320,000,000
	4. Other technical provisions	115	943,816,288
	5. Equalization provision	116	928,014,033
		117	3,247,494,134,370
	to carry forward		4,458,056,726,411

as at 31 December 1999

	281	160,850,265,000	
	282	295,143,505,700	
	283	40,082,482,173	
	284	29,657,356,440	
	285	0	
	286	31,732,673,267	
	287	108,040,436,624	
	288	0	
	289	34,794,993,093	290 700,301,712,297
			291 0
292		747,193,573,147	
293		2,218,271,837,534	
294		3,405,000,000	
295		977,676,799	
296		791,004,458	297 2,970,639,091,938
to carry forward			3,670,940,804,235

## BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

## LIABILITIES

as at 31 December 2000

	carried forward			4,458,056,726,411
E. PROVISION FOR OTHER RISKS AND CHARGES				
1. Provisions for pensions and similar obligations		128	0	
2. Provisions for taxation		129	6,472,436,240	
3. Other provisions		130	22,354,892,257	131 28,827,328,497
F. DEPOSITS RECEIVED FROM REINSURERS				132 64,716,035,943
G. CREDITORS AND OTHER LIABILITIES				
I - Creditors arising out of direct insurance operations:				
1. Insurance intermediaries	133	3,231,262,627		
2. Insurance undertakings - accounts payable	134	5,152,153,513		
3. Policyholders- deposits and premiums	135	1,325,724,255		
4. Policyholders- guarantee funds	136	6,032,056,449	137 15,741,196,844	
II - Creditors arising out of reinsurance operations:				
1. Insurance and reinsurance undertakings	138	8,698,821,630		
2. Reinsurance intermediaries	139	602,627,692	140 9,301,449,322	
III - Debenture loans			141 244,534,463,500	
IV - Amounts owed to credit institutions			142 300,291,448	
V - Debts secured by a lien on property			143 21,107,718,765	
VI - Sundry borrowings and other financial payables			144 0	
VII - Staff leaving indemnity			145 43,460,517,762	
VIII - Other creditors				
1. Policyholders' tax due	146	35,429,273,341		
2. Sundry taxes	147	52,681,215,138		
3. Social security contributions	148	7,986,832,768		
4. Sundry creditors	149	22,596,430,580	150 118,693,751,827	
IX - Other liabilities				
1. Deferred reinsurance accounts payable	151	60,935,802,752		
2. Commissions on pending premiums	152	38,288,876,983		
3. Sundry liabilities	153	50,338,553,260	154 149,563,232,995	155 602,702,622,463
of which linking item with life assurance account	902	0		
	to carry forward			5,154,302,713,314



as at 31 December 1999

carried forward		3,670,940,804,235
	308	0
	309	5,589,678,240
	310	6,209,054,134
	311	11,798,732,374
	312	69,373,245,796
313	3,326,147,179	
314	7,357,541,833	
315	1,522,351,805	
316	5,441,252,886	317 17,647,293,703
318	11,365,640,788	
319	709,057,900	320 12,074,698,688
	321	0
	322	0
	323	23,475,920,304
	324	306,163,012
	325	41,533,660,784
326	35,396,451,263	
327	37,912,273,903	
328	8,726,920,844	
329	24,392,376,700	330 106,428,022,710
331	46,293,318,931	
332	37,036,780,106	
333	39,988,229,094	334 123,318,328,131
904	0	335 324,784,087,332
to carry forward		4,076,896,869,737

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

LIABILITIES

as at 31 December 2000

	carried forward		5,154,302,713,314
H. ACCRUALS AND DEFERRED INCOME			
1. Interest	156	12,653,576,777	
2. Rental income	157	361,881,739	
3. Other accruals and deferred income	158	17,750,683	159 13,033,209,199
<b>TOTAL LIABILITIES</b>			160 5,167,335,922,513

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

as at 31 December 2000

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
I - Guarantees by the Company			
1. Surety bonds			161 2,184,427,306
2. Endorsements			162 0
3. Other unsecured guarantees			163 15,817,218
4. Guarantees secured by a lien on property			164 0
II - Guarantees by third parties			0
1. Surety bonds			165 44,488,688,495
2. Endorsements			166 0
3. Other unsecured guarantees			167 35,000,000
4. Guarantees secured by a lien on property			168 9,021,583,961
III - Guarantees by third parties in favour of the Company			169 18,185,563,714
IV - Commitments			170 638,644,322,230
V - Third parties' assets held in deposit			171 417,787,640
VII - Securities deposited with third parties			173 2,550,068,892,429
VIII - Other memorandum accounts			174 4,077,638,646

as at 31 December 1999

carried forward		4,076,896,869,737
	336 10,869,961,208	
	337 554,390,962	
	338 1,074,283	339 11,425,426,453
		340 4,088,322,296,190

as at 31 December 1999

		341 3,844,418,090
		342 0
		343 15,817,218
		344 0
		0
		345 182,517,854,651
		346 0
		347 131,800,000
		348 11,175,209,962
		349 17,628,686,481
		350 1,003,067,536,774
		351 181,846,840
		353 1,954,604,870,140
		354 5,094,497,277

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

## BALANCE SHEET - LIFE ASSURANCE ACCOUNT

## ASSETS

as at 31 December 2000

A. SUBSCRIBED SHARE CAPITAL UNPAID				1	0
of which called-up capital	2	0			
B. INTANGIBLE ASSETS					
1. Deferred acquisition commissions	3	56,267,005,498			
2. Other acquisition costs	6	0			
3. Formation and development costs	7	2,845,058,345			
4. Goodwill	8	2,760,000,000			
5. Other deferred costs	9	8,098,492		10	61,880,162,335
C. INVESTMENTS					
I - Land and buildings:					
1. Buildings used for corporate business	11	0			
2. Buildings leased to third parties	12	0			
3. Other buildings	13	0			
4. Other real property rights	14	0			
5. Work in progress and advance payments	15	0	16	0	
II - Investments in affiliated undertakings and participating interests:					
			sts		
1. Shares and participating interests in:					
a) holding companies	17	0			
b) subsidiaries	18	787,394,453,761			
c) associated undertakings	19	0			
d) affiliated undertakings	20	47,357,893,477			
e) other undertakings	21	137,744,526,545	22	972,496,873,783	
2. Debt securities issued by:					
a) holding companies	23	0			
b) subsidiaries	24	0			
c) associated undertakings	25	0			
d) affiliated undertakings	26	0			
e) other undertakings	27	959,977,590	28	959,977,590	
3. Corporate financing to:					
a) holding companies	29	0			
b) subsidiaries	30	0			
c) associated undertakings	31	0			
d) affiliated undertakings	32	0			
e) other undertakings	33	0	34	0	35
					973,456,851,373
			to carry forward		61,880,162,335

Financial year 2000

as at 31 December 1999

			181	0
	182	0		
	183	50,690,651,481		
	186	0		
	187	1,016,442,812		
	188	3,220,000,000		
	189	17,624,484	190	54,944,718,777
	191	0		
	192	17,549,911,360		
	193	0		
	194	0		
	195	0	196	17,549,911,360
197	0			
198	138,330,177,101			
199	0			
200	40,042,645,025			
201	298,458,771,326	202	476,831,593,452	
203	0			
204	0			
205	0			
206	0			
207	959,977,590	208	959,977,590	
209	0			
210	0			
211	0			
212	0			
213	0	214	0	215
			477,791,571,042	
	to carry forward			54,944,718,777



as at 31 December 1999

	carried forward		54,944,718,777
216	18,785,050,321		
217	0		
218	0	219	18,785,050,321
		220	101,151,449,955
221	3,532,179,662,872		
222	184,937,077,393		
223	10,835,778,933	224	3,727,952,519,198
225	421,609,472		
226	40,298,996,127		
227	41,526,488	228	40,762,132,087
		229	0
		230	0
		231	274,543,625,428
		232	4,163,194,776,989
		233	54,376,848,314
		234	4,712,913,107,705
		235	198,169,633,853
		236	7,030,047,322
		237	205,199,681,175
243	288,461,332,141		
244	0		
245	1,717,281,852		
246	16,059,346		
247	0		
248	0	249	290,194,673,339
	to carry forward		5,263,252,180,996

## BALANCE SHEET - LIFE ASSURANCE ACCOUNT

## ASSETS

as at 31 December 2000

	carried forward			6,267,287,179,746	
<b>E. DEBTORS</b>					
I - Debtors arising out of direct insurance operations:					
1. Policyholders					
a) premiums for the year	71	22,301,630,895			
b) prior years' premiums	72	14,354,894	73	22,315,985,789	
2. Insurance intermediaries			74	4,025,311,793	
3. Insurance undertakings - amounts receivable			75	8,870,038,681	
4. Policyholders and third parties - amounts recoverable			76	0	
			77	35,211,336,263	
II - Debtors arising out of reinsurance operations:					
1. Insurance and reinsurance undertakings			78	116,080,885,871	
2. Reinsurance intermediaries			79	0	
			80	116,080,885,871	
III - Other debtors					
			81	31,418,374,473	
			82	182,710,596,607	
<b>F. OTHER ASSETS</b>					
I - Tangible assets and stocks:					
1. Furnishings, office equipment, internal means of transportation			83	0	
2. Movable goods in public registers			84	7,922,500	
3. Fixtures, fittings and equipment			85	0	
4. Stocks and sundry goods			86	0	
			87	7,922,500	
II - Cash at bank and in hand					
1. Deposits with credit institutions and post office accounts			88	5,296,612,762	
2. Cheques and cash in hand			89	0	
			90	5,296,612,762	
III - Own shares					
			91	0	
IV - Other assets					
1. Deferred reinsurance accounts receivable			92	756,586,105	
2. Sundry assets			93	20,812,133,443	
of which linking item with non-life insurance account			901	0	
			94	21,568,719,548	
			95	26,873,254,810	
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>					
1. Interest			96	68,681,162,137	
2. Rental income			97	0	
3. Other prepayments and accrued income			98	111,692,993	
			99	68,792,855,130	
<b>TOTAL ASSETS</b>				100	6,545,663,886,293



as at 31 December 1999

	carried forward		5,263,252,180,996
251	27,241,205,970		
252	4,553,469	253	27,245,759,439
		254	3,814,995,582
		255	3,140,258,351
		256	0
		257	34,201,013,372
	92,895,057,065		
259	0	260	92,895,057,065
		261	41,878,351,011
		262	168,974,421,448
263	0		
264	15,845,000		
265	0		
266	0	267	15,845,000
268	1,925,187,662		
269	0	270	1,925,187,662
		271	0
272	521,918,919		
273	179,148,518	274	701,067,437
		275	2,642,100,099
903	0		
		276	51,884,856,502
		277	0
		278	23,570,299
		279	51,908,426,801
		280	5,486,777,129,344

## BALANCE SHEET - LIFE ASSURANCE ACCOUNT

## LIABILITIES

as at 31 December 2000

A. CAPITAL AND RESERVES			
I	- Subscribed share capital or equivalent funds	101	188,645,728,000
II	- Share premium reserve	102	533,380,393,607
III	- Revaluation reserves	103	0
IV	- Legal reserve	104	24,175,647,800
V	- Statutory reserves	105	0
VI	- Reserves for own shares and holding company's shares	106	0
VII	- Other reserves	107	154,038,473,994
VIII	- Profit (loss) brought forward	108	0
IX	- Profit (loss) for the financial year	109	68,919,031,284
		110	969,159,274,685
B. SUBORDINATED LIABILITIES			111
			0
C. TECHNICAL PROVISIONS			
II - LIFE ASSURANCE BUSINESS			
1.	Mathematical provisions	118	4,622,973,774,865
2.	Supplementary risks- provision for unearned premiums	119	0
3.	Provision for amounts payable	120	23,111,608,098
4.	Provision for bonuses and rebates	121	326,462,035
5.	Other technical provisions	122	57,043,812,162
		123	4,703,455,657,160
D. TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PENSION FUND MANAGEMENT PROVISIONS			
I	- Technical provisions for life assurance policies with benefits linked to investment funds and market indices	125	460,114,206,506
II	- Pension fund management provisions	126	32,753,539,251
		127	492,867,745,757
	to carry forward		6,165,482,677,602

as at 31 December 1999

	281	120,878,239,000	
	282	274,400,770,500	
	283	0	
	284	21,901,530,160	
	285	0	
	286	0	
	287	134,957,812,303	
	288	0	
	289	41,219,031,803	290 593,357,383,766
			291 0
298		4,383,563,802,176	
299		0	
300		21,333,858,747	
301		671,208,753	
302		54,430,853,510	303 4,459,999,723,186
	305	198,168,571,901	
	306	7,030,047,322	307 205,198,619,223
to carry forward			5,258,555,726,175

## BALANCE SHEET - LIFE ASSURANCE ACCOUNT

## LIABILITIES

as at 31 December 2000

	carried forward			6,165,482,677,602
E. PROVISIONS FOR OTHER RISKS AND CHARGES				
1. Provision for pensions and similar obligations		128	0	
2. Provisions for taxation		129	506,473,000	
3. Other provisions		130	300,000,000	131 806,473,000
F. DEPOSITS RECEIVED FROM REINSURERS				132 80,313,111,129
G. CREDITORS AND OTHER LIABILITIES				
I - Creditors, arising out of direct insurance operations:				
1. Insurance intermediaries	133	551,289,238		
2. Insurance undertakings - accounts payable	134	4,785,391,861		
3. Policyholders - deposits and premiums	135	208,719,707		
4. Policyholders - guarantee funds	136	0	137 5,545,400,806	
II - Creditors arising out of reinsurance operations:				
1. Insurance and reinsurance undertakings	138	17,118,830,834		
2. Reinsurance intermediaries	139	39,713,097	140 17,158,543,931	
III - Debenture loans			141 163,022,978,000	
IV - Amounts owed to credit institutions			142 0	
V - Debts secured by a lien on property			143 0	
VI - Sundry borrowings and other financial payables			144 1,811,924,773	
VII - Staff leaving indemnity			145 2,482,561,872	
VIII - Other creditors:				
1. Policyholders' tax due	146	3,823,078,995		
2. Sundry taxes	147	45,674,688,856		
3. Social security contributions	148	0		
4. Sundry creditors	149	3,026,382,952	150 52,524,150,803	
IX - Other liabilities				
1. Deferred reinsurance accounts payable	151	1,378,052,936		
2. Commissions on pending premiums	152	838,244,416		
3. Sundry liabilities	153	43,028,592,764	154 45,244,890,116	155 287,790,450,301
of which linking item with non-life insurance account	902	23,631,040,786		
	to carry forward			6,534,392,712,032

as at 31 December 1999

riporto		5,258,555,726,175
	308	0
	309	447,151,000
	310	300,000,000
		311 747,151,000
		312 77,193,124,246
313		493,771,948
314		908,828,774
315		222,065,195
316	0	317 1,624,665,917
318		13,241,894,167
319	33,239,286	320 13,275,133,453
		321 0
		322 0
		323 0
		324 7,880,626,311
		325 2,356,554,475
326		3,627,928,465
327		31,799,968,470
328		0
329	3,608,318,103	330 39,036,215,038
331		1,298,481,916
332		924,032,792
333	74,214,195,592	334 76,436,710,300
904	47,736,136,898	335 140,609,905,494
to carry forward		5,477,105,906,915

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

LIABILITIES

as at 31 December 2000

riporto		6,534,392,712,032
H. ACCRUALS AND DEFERRED INCOME I		
1. Interest	156 11,267,193,525	
2. Rent	157 0	
3. Other accruals and deferred income	158 3,980,736	159 11,271,174,261
<b>TOTAL LIABILITIES</b>		160 6,545,663,886,293

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

as at 31 December 2000

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS		
I - Guarantees by the Company		
1. Surety bonds		161 0
2. Endorsements		162 0
3. Other unsecured guarantees		163 0
4. Guarantees secured by a lien on property		164 0
II - Guarantees by third parties		
1. Surety bonds		165 0
2. Endorsements		166 0
3. Other unsecured guarantees		167 0
4. Guarantees secured by a lien on property		168 0
III - Guarantees by third parties in favour of the Company		169 0
IV - Commitments		170 2,163,754,297,525
V - Third parties' assets held in deposit		171 0
VI - Pension fund assets managed on behalf of third parties		172 141,510,581,993
VII - Securities deposited with third parties		173 6,323,868,434,843
VIII - Other memorandum accounts		174 5,920,280,562

as at 31 December 1999

carried forward		5,477,105,906,915
	336 9,655,700,499	
	337 15,521,930	
	338 0	339 9,671,222,429
		340 5,486,777,129,344

as at 31 December 1999

		341 0
		342 0
		343 0
		344 0
		345 5,275,100,000
		346 0
		347 0
		348 0
		349 0
		350 2,331,831,344,106
		351 0
		352 91,938,912,551
		353 4,596,627,256,827
		354 3,517,690,812

Company

COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

## Breakdown of profit for the year per type of business (life and non-life)

		Non-Life business	Life business	Total
<b>Balance on the technical account</b> .....	1	29,276,549,837	21 38,918,307,656	41 68,194,857,493
Investment income .....	+ 2	129,501,521,914		42 129,501,521,914
Investment charges .....	- 3	82,104,582,416		43 82,104,582,416
Allocated investment return transferred from the technical account - life business .....	+		24 25,034,151,586	44 25,034,151,586
Allocated investment return transferred to the technical account - non-life business .....	- 5	35,776,722,533		45 35,776,722,533
<b>Intermediate operating result</b> .....	6	<b>40,896,766,802</b>	26 <b>63,952,459,242</b>	46 <b>104,849,226,044</b>
Other income .....	+ 7	34,763,398,915	27 8,328,157,798	47 43,091,556,713
Other charges .....	- 8	14,533,631,198	28 13,981,915,523	48 28,515,546,721
Extraordinary income .....	+ 9	59,195,423,356	29 50,999,019,808	49 110,194,443,164
Extraordinary charges .....	- 10	26,913,000,912	30 355,962,041	50 27,268,962,953
<b>Profit before taxation</b> .....	11	<b>93,408,956,963</b>	31 <b>108,941,759,284</b>	51 <b>202,350,716,247</b>
Tax on profit .....	- 12	46,944,331,000	32 40,022,728,000	52 86,967,059,000
<b>Profit for the financial year</b> .....	13	<b>46,464,625,963</b>	33 <b>68,919,031,284</b>	53 <b>115,383,657,247</b>



Financial year 2000

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets: Changes in intangible assets (item B) and land and buildings (item C.I) during the financial year

		Intangible assets B		Land and buildings C.I
Gross amount at 1 January .....	+ 1	77,501,872,406	31	776,054,230,906
Increases in the Year .....	+ 2	50,945,924,056	32	21,157,533,000
through: purchases or increases .....	3	50,945,924,056	33	21,110,867,750
value re-adjustments .....	4	0	34	0
write-ups .....	5	0	35	0
other changes .....	6	0	36	46,665,250
Decreases in the year .....	- 7	39,792,950,589	37	43,859,077,355
through: disposals or decreases .....	8	39,792,950,589	38	43,859,077,355
permanenet write-downs .....	9	0	39	0
other changes .....	10	0	40	0
<b>Gross amount at 31 December (a) .....</b>	11	<b>88,654,845,873</b>	41	<b>753,352,686,551</b>
Depreciations:				
As at 1 January .....	+ 12	0	42	53,216,964,004
Increases in the year .....	+ 13	0	43	7,824,631,771
through: allocations for the year .....	14	0	44	7,701,455,291
other changes .....	15	0	45	123,176,480
Decreases in the year .....	- 16	0	46	655,311,714
through: disposals .....	17	0	47	655,311,714
other changes .....	18	0	48	0
<b>As at 31 December (b) (*) .....</b>	19	<b>0</b>	49	<b>60,386,284,061</b>
<b>Book value (a - b) .....</b>	20	<b>88,654,845,873</b>	50	<b>692,966,402,490</b>
Market value (1) .....			51	808,802,000,000
Total write-ups .....	22	0	52	52,556,442,428
Total write-downs .....	23	0	53	0
(*) of which depreciations made purely pursuant to tax regulations .....	24	0	54	0

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Assets - Changes in investments in group undertakings and participating interests: shares and participating interests (item C.II.1), debt securities (item C.II.2) and corporate financing (item C.II.3)

		Shares and participating interest C.II.1	Debt securities C.II.2	Corporate financing C.II.3
As at 1 January .....	+	1 1,261,861,001,424	21 959,977,590	41 22,319,577,020
Increases in the year .....	+	2 2,226,463,524,980	22 0	42 8,279,061,567
through: purchase, subscription or financing ..		3 1,981,487,373,686	23 0	43 8,279,061,567
value re-adjustments .....		4 0	24 0	44 0
write-ups .....		5 1,394,920		
other changes .....		6 244,974,756,374	26 0	46 0
Decreases in the year .....	-	7 747,582,377,781	27 0	47 23,390,040,764
through: sale or redemption .....		8 624,265,331,865	28 0	48 23,390,040,764
write-downs .....		9 10,492,278,055	29 0	49 0
other changes .....		10 112,824,767,861	30 0	50 0
<b>Book value .....</b>		11 <b>2,740,742,148,623</b>	31 <b>959,977,590</b>	51 <b>7,208,597,823</b>
Market value .....		12 3,016,451,000,000	32 959,977,590	52 7,208,597,823
Total write-ups .....		13 501,116,611		
Total write-downs .....		14 58,375,248,305	34 0	54 0

Item C.II.2 includes:

Listed debt securities .....	61	0
Unlisted debt securities .....	62	959,977,590
<b>Book value .....</b>	63	<b>959,977,590</b>
of which convertible bonds .....	64	0

Company

**COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Information on undertakings where participating interests are held (\*)

No	Type	Listed or unlisted	Type of business	Name of company and registered office	Currency
(1)	(2)	(3)			
1	a	UL	2	Finsoe Spa - Bologna	ITL
2	b	UL	1	Linear Assicurazioni Spa - Bologna	ITL
3	b	UL	1	Noricum Vita Spa - Bologna	ITL
4	b	UL	1	Quadrifoglio Vita Spa - Bologna	ITL
5	b	UL	1	Unisalute Spa - Bologna	ITL
6	b	UL	2	Unintesa Spa (in liquidazione) - Bologna	ITL
7	b	UL	2	Unipol SGR Spa - Bologna	EUR
8	b	UL	3	Unipol Banca Spa - Bologna	ITL
10	b	UL	4	Midi Srl - Bologna	ITL
11	b	UL	4	Pioquartosei Srl - Bologna	ITL
12	b	UL	4	Sofircoop Srl (in liquidazione) - Bologna	ITL
13	b	UL	4	Unifimm Srl - Bologna	ITL
15	b	UL	9	Unieuropa Srl - Bologna	ITL
16	b	UL	9	Uniservice Spa - Bologna	ITL
17	c	UL	9	Ctamar Viaggi Srl - Terrasini (PA)	ITL
18	c	UL	9	Hotel Villaggio CDM Spa - Terrasini (PA)	ITL
22	d	UL	2	Commerfin Scpa - Roma	ITL
23	d	UL	2	Euresa Holding Sa - Lussemburgo	EUR
24	d	UL	2	Finec Merchant Spa - Bologna	ITL
25	d	UL	2	Sofimer Spa (in liquidazione) - Napoli	ITL
26	e	UL	4	Comp Fonciere de la Macif Sa - Niort (Francia)	FF
27	d	UL	9	A.P.A. Spa - Parma	ITL
28	d	UL	9	Assicoop Ferrara Spa - Ferrara	ITL
29	d	UL	9	Assicoop Genova Spa (in liquidazione) - Genova	ITL
30	d	UL	9	Assicoop Modena Spa - Modena	ITL
31	d	UL	9	Assicoop Ravenna Spa - Ravenna	ITL
32	d	UL	9	Assicoop Sicura Srl - Bologna	ITL
33	d	UL	9	Assicoop Siena Spa - Siena	ITL
34	d	UL	9	Assicura Spa - Reggio Emilia	ITL
35	b	UL	9	Lavoro e Previdenza Service Spa - Bologna	ITL
36	e	UL	1	Acteldirect Sa - Bruxelles (Belgio)	BEF
37	e	UL	1	Atlantis Sa - Barcellona (Spagna)	ESP
38	e	UL	1	Euresa Life Sa - Lussemburgo	EUR
39	e	UL	1	Euresap Sa - Lisbona (Portogallo)	PTE
40	e	L	1	Italiana Assicurazioni Spa - Milano	ITL
41	e	UL	2	P & V Holding Sa - Bruxelles (Belgio)	BEF

(\*) Please indicate group undertakings, as well as undertakings where participating interests are directly held, including through fiduciary companies or third persons.

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(2) Please indicate L for securities listed in

regulated markets and UL in all other cases

(3) Type of business

- 1 = Insurance company
- 2 = Finance company
- 3 = Credit institution
- 4 = Real estate company
- 5 = Fiduciary company
- 6 = Managing or distribution company for unit trusts
- 7 = Consortium
- 8 = Industrial undertaking
- 9 = Other company or entity

(4) Amounts in original currency

(5) Please indicate the total % held

Share capital		Capital & reserves (**)	Profit or loss of the previous financial year (**)	% holding held(5)		
Amount (4)	No of shares			Direct %	Indirect %	Total %
850,646,056,647	1,134,000,000			1.99		1.99
24,000,000,000	24,000,000	21,380,639,931	1,030,971,354	60.00		60.00
32,000,000,000	32,000,000	47,132,571,100	7,972,823,363	51.00		51.00
45,000,000,000	45,000,000	54,785,174,609	4,548,320,713	50.00		50.00
35,000,000,000	35,000,000	53,644,360,843	2,074,658,072	77.54		77.54
3,917,400,000	3,917,400	1,120,289,673	-103,279,931	97.43		97.43
10,320,000	2,000,000	10,797,172	159,081	100.00		100.00
250,125,000,000	435,000,000	252,295,067,133	313,063,631	81.03		81.03
50,000,000,000	50,000,000	47,495,478,843	-436,379,747	99.00		99.00
50,000,000,000	50,000,000	45,563,034,747	166,240,497	99.00		99.00
5,000,000,000	5,000,000	4,057,187,662	-541,245,664	100.00		100.00
85,000,000,000	85,000,000	75,603,161,471	-388,599,262	99.00		99.00
1,000,000,000	1,000,000	801,868,609	-198,131,391	98.00		98.00
200,000,000	200,000	505,512,963	67,624,856	99.00		99.00
200,000,000	2,000			10.00		10.00
3,382,579,200	650,496			49.00		49.00
1,141,000,000	1,141,000	1,145,851,386	-270,172,885	20.00		20.00
14,374,500	574,980	17,673,470	-61,344	21.01		21.01
200,000,000,000	200,000,000	204,015,287,332	3,000,945,422	39.27		39.27
10,000,000,000	10,000,000	5,125,827,036	-248,861,799	20.00		20.00
1,000,000,000	1,000,000	864,943,813	34,942,157	49.00		49.00
600,000,000	600,000	621,774,902	21,606,865	46.73		46.73
500,000,000	500,000	231,003,293	-277,836,271	49.00		49.00
4,000,000,000	4,000,000	4,848,845,510	403,599,814	47.00		47.00
7,000,000,000	7,000,000	7,911,266,336	502,151,485	49.00		49.00
390,000,000	390,000	7,309,238,453	575,442,180	40.00		40.00
1,400,000,000	1,400,000	1,266,536,724	267,986,646	49.00		49.00
2,000,000,000	2,000,000	2,099,140,107	370,938,075	35.00		35.00
20,000,000,000	20,000,000	16,594,342,000	-1,494,038,298	55.10		55.10
2,500,000,000	250,000			12.50		12.50
9,000,000	180,000			10.00		10.00
2,000,100,000	200,010			9.60		9.60
78,369,000,000	26,123,000			1.84		1.84
13,918,488,000	13,918,488			4.51		4.51

(\*\*) Only for subsidiaries and affiliated undertakings

Company

**COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Information on undertakings where participating interests are held (\*)

No.	Type	Listed or unlisted	Type of business	Name of company and registered office	Currency
	(1)	(2)	(3)		
42	e	UL	1	Syneteristiki Insurance Sa - Atene (Grecia)	GRD
43	e	UL	2	Artigianfin Spa - Roma	ITL
44	e	UL	2	Sofigea Srl (in liquidazione) - Roma	ITL
45	e	UL	2	Sofincoop Spa - Genova	ITL
46	e	UL	2	The Co-operators Group Sa - Guelph (Canada)	CS
47	e	UL	2	Unicard Spa - Milano	ITL
48	e	UL	2	Union Capital Spa (in liquidazione) - Milano	ITL
49	e	L	3	B. Agricola Mantovana Spa - Mantova	EUR
50	e	UL	3	Banca di Bologna Scarl - Bologna	ITL
51	e	UL	3	Cardine Banca Spa - Bologna	ITL
53	e	UL	3	Cooperbanca Spa - Reggio Emilia	ITL
54	e	UL	4	Delta Immo Sa - Niort (Francia)	FF
57	e	UL	4	Immobiliare Mirasole Spa - Torino	ITL
58	e	UL	7	Fincooper Scarl - Bologna	ITL
59	e	UL	7	Rita Scarl - Milano	ITL
60	e	UL	9	Coop Libera Stampa Scarl - Roma	ITL
61	e	UL	9	Aicer Spa - Bologna	ITL
62	e	UL	9	Allnations Sa Ord - Ohio (USA)	US\$
63	e	UL	9	Allnations Sa Priv - Ohio (USA)	US\$
64	e	UL	9	Autonomia Scarl - Palermo	ITL
65	e	UL	9	Cestar Srl - Pero (MI)	ITL
66	e	UL	3	Banca Popolare Etica Scarl - Padova	ITL
67	e	UL	9	Cooptecnital Scarl - Roma	ITL
68	e	UL	9	Fondazione CESAR - Bologna	ITL
69	e	UL	9	Humanitas Mirasole Spa - Milano	ITL
70	e	UL	9	Inforcoop Scarl - Roma	ITL
71	e	UL	9	Interporto Spa - Bologna	EUR
75	e	UL	9	SSN Napoli Scarl (in liquidazione) - Napoli	ITL
76	e	UL	9	Tecnoexport Scarl (in liquidazione) - Modena	ITL
77	e	UL	9	UCI - Milano	ITL
78	b	UL	6	Unipol Fondi Ltd - Dublino (Irlanda)	ITL
79	e	UL	1	Atlantis Vida Sa - Barcellona (Spagna)	EUR
80	e	UL	2	Bell Sa - Lussemburgo	ITL
81	e	UL	2	Hopa Spa - Brescia	EUR
82	e	L	2	Olivetti Spa - Ivrea (TO)	EUR
83	d	UL	9	Assicoop Imola Spa - Imola (BO)	EUR

(\*) Please indicate group undertakings, as well as undertakings where participating interests are directly held, including through fiduciary companies or third persons.

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(2) Please indicate L for securities listed in

regulated markets and UL in all other cases

(3) Type of business

- 1 = Insurance company
- 2 = Finance company
- 3 = Credit institution
- 4 = Real estate company
- 5 = Fiduciary company
- 6 = Managing or distribution company for unit trusts
- 7 = Consortium
- 8 = Industrial undertaking
- 9 = Other company or entity

(4) Amounts in original currency

(5) Please indicate the total % held

Financial year 2000

Share capital		Capital & Reserves (**)	Profit or loss of the previous financial year (**)	% holding held(5)		
Amount (4)	No of shares			Direct %	Indirect %	Total %
1,444,000,000	14,440,000			16.39	16.39	
200,046,000	1,212,400			19.01	19.01	
93,460,000,000	93,460,000			5.27	5.27	
1,124,400,000	11,244			3.69	3.69	
27,796,600	277,966			7.20	7.20	
10,000,000,000	1,000,000			5.00	5.00	
307,248,092	119,088,408			0.10	0.10	
13,390,500,000	133,905			0.65	0.65	
2,721,280,550,000	272,128,055			1.82	1.82	
100,000,000,000	100,000,000			7.46	7.46	
31,086,977,288				23.04	23.73	
11,000,000,000				4.54	4.54	
720,952,442				0.28	0.28	
689,530	12,166			0.19	0.19	
1,465,882	1,466			3.41	3.41	
265,060,000	13,253			6.79	6.79	
4,000,000,000	4,000,000			3.68	3.68	
17,304,900,000	173,049			0.58	0.58	
196,000,000	196			2.55	2.55	
150,000,000				100.00	100.00	
26,610,760,000	26,610,760			2.00	2.00	
1,359,750,000				3.13	3.13	
13,743,928	26,584			1.43	1.43	
1,820,000,000	1,820,000			6.67	6.67	
5,231,000				6.70	6.70	
1,000,000,000	1,000,000			4.25	4.25	
250,000,000	250,000	611,683,183	361,683,618	100.00	100.00	
9,616,200	96,162			12.50	12.50	
38,958,540,000	649,309			2.81	2.81	
414,494,712	797,105,215			1.31	1.31	
6,922,106,669	6,922,106,669			0.41	0.41	
520,000	520,000	501,704	-26,617	47.34	47.34	

(\*\*) Only for subsidiaries and affiliated undertaking

Company

**COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Information on undertakings where participating interests are held (\*)

No.	Type	Listed or unlisted	Type of business	Name of company and registered office	Currency
	(1)	(2)	(3)		
84	e	UL	9	Consorzio R54A - Bologna	ITL
85	e	L	3	B. Agricola Mantovana Spa cum put - Mantova	EUR
86	b	UL	1	Aurora Assicurazioni Spa - Napoli	ITL
87	b	UL	1	Navale Assicurazioni Spa - Ferrara	ITL
88	d	UL	9	AR.CO. Assicurazioni S.p.A. - Modena	EUR
89	b	UL	1	Meie Assicurazioni Spa - Milano	ITL
90	b	UL	1	Meie Vita Spa - Milano	ITL
91	b	UL	1	Il Duomo Assicurazioni e Riassicurazioni SpA - M	ITL
92	b	UL	1	Le Mans Vita Italia Spa - Milano	ITL
93	b	UL	9	Promoass Srl - Milano	ITL
94	b	UL	9	Meie Servizi Srl - Milano	ITL
95	e	UL	7	Consorzio Energia Fiera District - Bologna	EUR
96	e	L	8	Engineering SpA - Roma	EUR
97	b	UL	1	BNL Vita SpA - Milano	ITL
98	e	L	8	Tecnost ord. - Ivrea (TO)	EUR

(\*) Please indicate group undertakings, as well as undertakings where participating interests are directly held, including through fiduciary companies or third persons.

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = other undertakings

(2) Please indicate L for securities listed in

regulated markets and UL in all other cases

(3) Type of business

- 1 = Insurance company
- 2 = Finance company
- 3 = Credit institution
- 4 = Real estate company
- 5 = Fiduciary company
- 6 = Managing or distribution company for unit trusts
- 7 = Consortium
- 8 = Industrial undertaking
- 9 = Other company or entity

(4) Amounts in original currency

(5) Please indicate the total % held

Financial year 2000

Share capital		Capital & Reserves (**)	Profit or loss of the previous financial year	% holding held(5)		
Amount (4)	No. of shares			Direct %	Indirect %	Total %
20,000,000				30.56		30.56
307,248,092	119,088,408			0.10		0.10
90,500,000,000	90,500,000	121,935,239,936	-12,117,208,066	99.99		99.99
21,000,000,000	10,500,000	32,448,519,963	710,148,321	98.17		98.17
250,000	250,000	318,599	68,599	40.00		40.00
46,063,852,400	230,319,262	256,573,022,488	-19,747,634,187	51.36		51.36
24,500,000,000	2,450,000	98,743,806,177	6,547,159,769	51.02	48.98	100.00
9,000	9,000			16.67		16.67
25,500,000	10,000,000			0.50		0.50
220,000,000,000	22,000,000	300,309,779,012	39,493,788,490	51.00		51.00

(\*\*) Only for subsidiaries and affiliated undertakings



Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Analysis of investment movements in group undertakings and in other undertakings where participating interests are held:  
stocks and shares

No.	Type	(3)	Name of company		Increases in the year		
					Through purchases		Other increases
					Quantity	Value	
(1)	(2)						
1	a	D	Finsoe Spa	0	5,850,600	6,737,770,000	0
2	b	D	Linear Assicurazioni Spa	0	0	0	0
3	b	V	Noricum Vita Spa	0	0	0	0
4	b	V	Quadrifoglio Vita Spa	0	5,000,000	0	0
5	b	D	Unisalute Spa	0	0	0	0
6	b	D	Unintesa Spa (in liquidazione)	0	0	0	0
7	b	V	Unipol SGR Spa	0	169,400	2,000,949,996	0
8	b	D	Unipol Banca Spa	0	75,238,200	45,656,313,462	0
8	b	V	Unipol Banca Spa	0	75,238,199	45,656,313,463	0
10	b	D	Midi Srl	0	1,000,000	1,035,195,200	0
11	b	D	Pioquartosei Srl	0	0	0	0
12	b	D	Sofircoop Srl (in liquidazione)	0	0	0	3,029,600
13	b	D	Unifimm Srl	0	0	0	0
15	b	D	Unieuropa Srl	0	0	514,563,069	0
16	b	D	Uniservice Spa	0	0	0	0
17	c	D	Ctamar Viaggi Srl	0	0	0	0
18	c	D	Hotel Villaggio CDM Spa	0	0	0	0
22	d	D	Commerfin Scpa	0	0	0	0
23	d	D	Euresa Holding Sa	0	0	0	0
24	d	D	Finec Merchant Spa	0	13,070,500	13,076,742,500	0
24	d	V	Finec Merchant Spa	0	13,070,500	13,076,742,500	0
25	d	D	Sofimer Spa (in liquidazione)	0	0	0	0
26	e	D	Comp Fonciere de la Macif Sa	0	0	0	0
27	d	D	A.P.A. Spa	0	0	0	0
27	d	V	A.P.A. Spa	0	0	0	0
28	d	D	Assicoop Ferrara Spa	0	103,283	103,282,500	0
28	d	V	Assicoop Ferrara Spa	0	103,282	103,282,500	0
29	d	D	Assicoop Genova Spa (in liquidazione)	0	0	0	0
29	d	V	Assicoop Genova Spa (in liquidazione)	0	0	0	0
30	d	D	Assicoop Modena Spa	0	0	0	0
30	d	V	Assicoop Modena Spa	0	0	0	0
31	d	D	Assicoop Ravenna Spa	0	0	0	0
31	d	V	Assicoop Ravenna Spa	0	0	0	0
32	d	D	Assicoop Sicura Srl	0	0	0	0
32	d	V	Assicoop Sicura Srl	0	0	0	0
33	d	D	Assicoop Siena Spa	0	0	0	0

(1) As listed in annexe 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(3) Please indicate:

- D for investments allocated to the non-life business account (item C.II.1)
  - V for investments allocated to the life business account (item C.II.1)
  - V1 for investments allocated to the life business account (item D.1)
  - V2 for investments allocated to the life business account (item D.2)
- Split shareholdings shall be referred to with the same number.

Decreases in the year			Book value (4)		Purchase price	Market value
Through disposals		Other decreases	Quantity	Value		
Quantity	Value					
0	0	0	22,566,600	25,445,279,150	25,445,279,150	28,208,000,000
0	0	0	14,400,000	18,000,000,000	18,000,000,000	36,563,000,000
0	0	0	16,320,000	20,888,324,521	20,888,324,521	70,000,000,000
0	0	0	22,500,000	25,189,568,000	25,189,568,000	101,934,000,000
0	0	0	27,140,235	41,751,807,966	41,751,807,966	66,173,000,000
0	0	95,000,000	3,816,657	1,097,892,141	19,634,244,500	1,098,000,000
0	0	0	2,000,000	20,662,162,339	20,662,162,339	20,906,000,000
0	0	0	176,232,516	118,997,385,700	121,472,385,700	149,797,500,000
0	0	0	176,232,515	118,997,385,700	121,472,385,700	149,797,500,000
0	0	432,015,950	49,500,000	48,266,497,165	55,452,008,665	48,267,000,000
0	0	3,304,000,000	49,500,000	77,757,138,839	81,797,138,839	77,757,000,000
32,000,000	0	33,590,968,130	5,000,000	3,907,652,796	4,755,176,649	3,907,000,000
0	0	384,713,269	84,150,000	76,294,516,739	84,483,634,341	76,294,000,000
0	0	195,594,480	980,000	783,931,997	2,756,406,254	784,000,000
0	0	0	198,000	495,000,000	495,000,000	495,000,000
0	0	0	200	22,000,000	22,000,000	22,000,000
0	0	0	318,727	1,706,746,414	3,214,426,474	1,707,000,000
66,200	0	0	228,200	275,225,233	338,000,000	275,000,000
16,721	0	520,321,727	120,815	4,039,571,828	2,619,892,073	6,436,000,000
0	0	0	39,270,500	39,297,595,000	39,297,595,000	39,297,500,000
0	0	0	39,270,500	39,297,595,000	39,297,595,000	39,297,500,000
0	0	108,000,000	2,000,000	1,034,673,317	2,000,000,000	1,035,000,000
995,000	19,370,714,009	0	0	0	0	0
0	0	0	245,000	245,000,000	245,000,000	245,000,000
0	0	0	245,000	245,000,000	245,000,000	245,000,000
78,085	0	0	140,198	140,197,500	218,282,500	140,000,000
78,085	0	0	140,197	140,197,500	218,282,500	140,000,000
0	0	63,249,637	122,500	59,250,363	122,500,000	59,500,000
0	0	63,249,636	122,500	59,250,364	122,500,000	59,500,000
0	0	0	940,000	940,424,880	940,424,880	940,500,000
0	0	0	940,000	940,424,880	940,424,880	940,500,000
0	0	0	1,715,000	1,715,114,500	1,715,114,500	1,715,000,000
0	0	0	1,715,000	1,715,114,500	1,715,114,500	1,715,000,000
0	0	0	78,000	4,012,074,600	4,012,074,600	4,012,000,000
0	0	0	78,000	4,012,074,600	4,012,074,600	4,012,000,000
0	0	0	343,000	343,000,000	343,000,000	343,000,000

(4) Please write a (\*) if the holding is valued by equity method (only for types b and d)

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Analysis of investment movements in group undertakings and in other undertakings where participating interests are held:  
stocks and shares

No.	Type	(3)	Name of company	Increases in the year			
				Through purchases		Other increases	
				Quantity	Value		
(1)	(2)						
33	d	V	Assicoop Siena Spa	0	0	0	0
34	d	D	Assicura Spa	0	0	0	0
34	d	V	Assicura Spa	0	0	0	0
35	b	V	Lavoro e Previdenza Service Spa	0	5,000,000	5,002,680,000	0
36	e	D	Acteldirect Sa	0	0	0	0
37	e	D	Atlantis Sa	0	0	0	0
38	e	V	Euresa Life Sa	0	8,000	782,790,396	0
39	e	D	Euresap Sa	0	0	0	0
40	e	D	Italiana Assicurazioni Spa	0	0	0	0
41	e	D	P & V Holding Sa	0	0	0	0
42	e	D	Syneteristiki Insurance Sa	0	0	0	0
43	e	D	Artigianfin Spa	0	0	0	0
44	e	D	Sofigea Srl (in liquidazione)	0	0	0	0
45	e	D	Sofincoop Spa	0	0	0	0
46	e	D	The Co-operators Group Sa	0	0	0	453,100,000
47	e	D	Unicard Spa	0	0	0	0
48	e	D	Union Capital Spa (in liquidazione)	0	0	0	0
49	e	D	B. Agricola Mantovana Spa	0	0	0	0
50	e	D	Banca di Bologna Scarl	0	14	0	1,376,874
51	e	D	Cardine Banca Spa	0	0	0	0
51	e	V	Cardine Banca Spa	0	0	0	0
53	e	D	Cooperbanca Spa	0	0	0	0
54	e	D	Delta Immo Sa	0	0	0	0
57	e	D	Immobiliare Mirasole Spa	0	0	0	0
58	e	D	Fincooper Scarl	0	0	0	0
59	e	D	Rita Scarl	0	0	0	0
60	e	D	Coop Libera Stampa Scarl	0	0	0	0
61	e	D	Aicer Spa	0	0	0	0
62	e	D	Allnations Sa Ord	0	0	0	1,191,327
63	e	D	Allnations Sa Priv	0	0	0	24,318,500
64	e	D	Autonomia Scarl	0	0	0	0
65	e	D	Cestar Srl	0	0	0	0
66	e	D	Banca Popolare Etica Scarl	0	0	0	0
67	e	D	Cooptecnital Scarl	0	0	0	0
68	e	D	Fondazione CESAR	0	0	0	0
69	e	D	Humanitas Mirasole Spa	0	0	0	0

(1) As listed in annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(3) Please indicate:

- D for investments allocated to the non-life business account (item C.II.1)
  - V for investments allocated to the life business account (item C.II.1)
  - V1 for investments allocated to the life business account (item D.1)
  - V2 for investments allocated to the life business account (item D.2)
- Split shareholdings shall be referred to with the same number.

Decreases in the year			Book value (4)		Purchase price	Market value
Through disposals		Other decreases	Quantity	Value		
Quantity	Value					
0	0	0	343,000	343,000,000	343,000,000	343,000,000
0	0	0	350,000	350,000,000	350,000,000	350,000,000
0	0	0	350,000	350,000,000	350,000,000	350,000,000
0	0	1,879,210,959	11,020,000	9,143,482,586	11,022,693,545	9,144,000,000
11,400	2,471,872,265	1,500,000,000	0	0	0	0
0	0	0	31,250	4,066,843,704	5,269,348,187	4,067,000,000
0	0	0	18,000	1,742,767,986	1,697,790,395	7,939,000,000
0	0	0	19,200	721,732,884	2,001,306,000	722,000,000
0	0	0	480,150	15,980,134,053	15,980,134,050	7,780,000,000
0	0	0	627,505	30,119,536,894	30,201,266,806	30,120,000,000
0	0	384,638,255	2,367,078	2,023,624,584	2,542,100,243	2,749,000,000
0	0	0	230,480	70,816,000	610,816,000	71,000,000
0	0	0	4,929,366	0	60,820,000	0
0	0	34,100,000	415	7,400,000	300,000,000	7,000,000
0	0	0	20,000	2,773,020,000	2,580,247,487	2,773,000,000
4,000	425,000,000	0	0	0	0	0
0	0	140,175,985	50,000	289,212,134	750,950,000	289,000,000
0	0	291,000,005	114,875	2,871,814,013	3,392,814,024	2,033,500,000
0	0	0	874	90,631,509	83,200,000	91,000,000
0	0	0	3,168,158	113,962,187,265	113,962,187,265	158,408,000,000
0	0	0	1,787,546	64,300,029,227	64,300,029,227	89,377,000,000
50,000	4,517,257,500	0	0	0	0	0
2,535	9,034,238,475	0	0	0	0	0
0	0	0	7,462,274	6,452,351,375	7,462,351,375	8,656,000,000
0	1,268,741,971	0	1	7,162,900,345	6,669,233,289	7,163,000,000
0	0	0	1	499,693,000	499,693,000	500,000,000
0	0	0	1	2,000,000	2,000,000	2,000,000
120	0	120,000,000	0	0	0	0
0	0	0	23	2,179,441	988,114	2,000,000
0	0	0	50	104,044,500	79,726,000	104,000,000
0	0	0	900	18,000,000	18,000,000	18,000,000
0	0	0	147,171	147,171,000	147,171,000	147,000,000
0	0	0	1,000	100,050,000	100,050,000	100,000,000
0	0	0	5	5,000,000	5,000,000	5,000,000
0	0	0	1	150,000,000	150,000,000	150,000,000
0	0	0	532,215	532,215,850	1,600,000,850	1,997,000,000

(4) Please write a (\*) if the holding is valued by equity method (only for types b and d)

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Analysis of investment movements in group undertakings and in other undertakings where participating interests are held:  
stocks and shares

No.	Type	(3)	Name of company	Increases in the year			
				Through purchases		Other increases	
				Quantity	Value		
(1)	(2)						
70	e	D	Inforcoop Scarl	0	0	0	0
71	e	D	Interporto Spa	0	0	0	0
75	e	D	SSN Napoli Scarl (in liquidazione)	0	0	0	0
76	e	D	Tecnoexport Scarl (in liquidazione)	0	0	0	0
77	e	D	UCI	0	0	0	0
78	b	V	Unipol Fondi Ltd	0	0	0	0
79	e	V	Atlantis Vida Sa	0	0	1,091,208,504	0
80	e	D	Bell Sa	0	9,964	55,450,204,214	0
81	e	D	Hopa Spa	0	948,250	3,793,316,545	0
82	e	D	Olivetti Spa	0	16,848,032	0	132,052,987,345
82	e	V	Olivetti Spa	0	1,000,000	5,457,233,362	18,046
82	e	V2	Olivetti Spa	0	20,080	56,304,796	76,578,705
83	d	D	Assicoop Imola Spa	0	593	121,673,133	0
83	d	V	Assicoop Imola Spa	0	592	121,673,133	0
84	e	D	Consorzio R54A	0	0	0	0
85	e	D	B. Agricola Mantovana Spa cum put	0	0	0	0
86	b	D	Aurora Assicurazioni Spa	0	18,098,752	0	77,654,320,000
86	b	V	Aurora Assicurazioni Spa	0	90,493,760	388,271,600,000	0
87	b	D	Navale Assicurazioni Spa	0	10,308,042	92,064,400,000	0
88	d	D	AR.CO. Assicurazioni S.p.A.	0	50,000	96,813,500	0
88	d	V	AR.CO. Assicurazioni S.p.A.	0	50,000	96,813,500	0
89	b	D	Meie Assicurazioni Spa	0	118,297,249	500,107,577,101	0
90	b	V	Meie Vita Spa	0	1,250,000	172,941,780,000	0
91	b	D	Il Duomo Assicurazioni e Riassicurazioni SpA	0	50,000,000	260,408,615,400	0
92	b	V	Le Mans Vita Italia Spa	0	1,000,000	85,210,729,322	0
93	b	D	Promoass Srl	0	9,800	100,000,000	0
94	b	D	Meie Servizi Srl	0	40,000	75,000,000	0
95	e	D	Consorzio Energia Fiera District	0	1	2,904,405	0
96	e	D	<b>Engineering SpA</b>	0	50,000	5,132,805,980	0
97	b	D	BNL Vita SpA	0	6,820,000	168,491,929,385	0
97	b	V	BNL Vita SpA	0	4,400,000	108,704,470,615	0
98	e	D	Tecnost ord.	0	4,016,100	0	34,785,809,603

(1) As listed in annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(3) Please indicate:

- D for investments allocated to the non-life business account (item C.II.1)
  - V for investments allocated to the life business account (item C.II.1)
  - V1 for investments allocated to the life business account (item D.1)
  - V2 for investments allocated to the life business account (item D.2)
- Split shareholdings shall be referred to with the same number.

Decreases in the year			Book value		Purchase price	Market price
Through disposals		Other decreases	Quantity	Value		
Quantity	Value					
0	0	0	1	42,500,000	100,000,000	43,000,000
0	0	3	380	379,999,997	380,000,000	380,000,000
0	0	0	121,394	15,146,442	319,191,461	15,000,000
0	0	0	1	350,477	7,294,224	0
0	0	0	42,462	42,462,000	42,462,000	42,000,000
0	0	0	250,000	250,000,000	250,000,000	616,000,000
0	0	0	12,020	2,328,757,854	2,328,757,854	2,329,000,000
0	0	0	18,278	110,254,656,952	110,254,656,952	110,254,000,000
0	0	0	10,430,746	24,901,299,649	24,901,299,649	24,901,000,000
7,200,000	39,655,584,107	0	16,848,032	132,052,987,346	132,052,987,346	100,248,000,000
30,520,000	168,045,495,089	0	11,865,600	69,372,971,478	69,375,453,552	70,603,000,000
0	0	33,933,133	20,080	98,950,368	132,883,501	98,950,368
0	0	0	123,093	158,423,133	158,423,133	158,500,000
0	0	0	123,092	158,423,133	158,423,133	158,500,000
0	0	0	1	6,111,800	6,111,800	6,000,000
0	0	291,000,004	114,875	2,871,813,994	3,392,814,005	2,033,500,000
0	0	0	18,098,752	77,654,320,000	77,654,320,000	77,654,000,000
18,098,752	0	77,654,320,000	72,395,008	310,617,280,000	310,617,280,000	310,617,000,000
0	0	0	10,308,042	92,064,400,000	92,064,400,000	92,064,000,000
0	0	0	50,000	96,813,500	96,813,500	97,000,000
0	0	0	50,000	96,813,500	96,813,500	97,000,000
0	0	0	118,297,249	500,107,577,101	500,107,577,101	500,108,000,000
0	0	0	1,250,000	172,941,780,000	172,941,780,000	172,942,000,000
50,000,000	260,408,615,400	0	0	0	0	0
1,000,000	85,210,729,322	0	0	0	0	0
9,800	100,000,000	0	0	0	0	0
40,000	75,000,000	0	0	0	0	0
0	0	0	1	2,904,405	2,904,405	3,000,000
0	0	1,161,762,000	50,000	3,971,043,980	3,971,043,980	3,810,000,000
0	0	0	6,820,000	168,491,929,385	168,491,929,385	168,492,000,000
0	0	0	4,400,000	108,704,470,615	108,704,470,615	108,704,000,000
4,016,100	0	34,785,809,603	0	0	0	0

(4) Please write a (\*) if the holding is valued by equity method (only for types b and d)

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Analysis of investment movements in group undertakings and in other undertakings where participating interests are held:  
stocks and shares

No. (1)	Type (2)		Name of company (3)	Increases in the year			
				Through purchases		Other increases	
				Quantity	Value		
			<b>Total C.II.1</b>				
	a		Holding companies	0	5,850,600	6,737,770,000	0
	b		Subsidiaries	0	462,363,402	1,876,242,117,013	77,657,349,600
	c		Associated undertakings	0	0	0	0
	d		Affiliated undertakings	0	26,448,750	26,797,023,266	0
	e		Other undertakings	0	22,880,361	71,710,463,406	167,318,801,695
			<b>Total D.I.</b>	0	0	0	0
			<b>Total D.II.</b>	0	20,080	56,304,796	76,578,705

(1) As listed in annexe 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(3) Please indicate:

- D for investments allocated to the non-life business account (item C.II.1)
  - V for investments allocated to the life business account (item C.II.1)
  - V1 for investments allocated to the life business account (item D.1)
  - V2 for investments allocated to the life business account (item D.2)
- Split shareholdings shall be referred to with the same number.

Financial year 2000

Decreases in the year			Book value		Purchase price	Market price
Through disposals		Other decreases	Quantity	Value		
Quantity	Value					
0	0	0	22,566,600	25,445,279,150	25,445,279,150	28,208,000,000
101,148,552	345,794,344,722	117,535,822,788	870,808,974	2,013,064,503,590	2,060,664,694,120	2,244,114,000,000
0	0	0	318,927	1,728,746,414	3,236,426,474	1,729,000,000
239,091	0	754,821,000	89,103,595	100,065,257,331	99,956,348,299	102,462,000,000
42,799,155	244,788,903,416	38,708,485,855	61,492,330	600,438,362,138	607,602,200,540	639,938,000,000
0	0	0	0	0	0	0
0	0	33,933,133	20,080	98,950,368	132,883,501	98,950,368

(4) Please write a (\*) if the holding is valued by equity method (only for types b and d)



Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

Assets - Breakdown of other financial investments per type of portfolio. The item "Other financial investments" includes: stocks and shares in undertakings, unit trust holdings, bonds and other fixed-income securities, participation in investment pools and sundry financial investments (items C.III.1, 2, 3, 5, 7)

## I - Non-Life business

	Long-term portfolio		Short-term portfolio		Total	
	Book value	Market value	Book value	Market value	Book value	Market value
1. Stocks and shares in undertakings: .....	1 0	21 0	41 86,889,259,166	61 87,618,175,300	81 86,889,259,166	101 87,618,175,300
a) listed stocks .....	2 0	22 0	42 86,889,259,166	62 87,618,175,300	82 86,889,259,166	102 87,618,175,300
b) unlisted stocks .....	3 0	23 0	43 0	63 0	83 0	103 0
c) shares .....	4 0	24 0	44 0	64 0	84 0	104 0
2. Unit trust holdings .....	5 3,116,572,293	25 2,871,747,045	45 124,067,321,750	65 125,300,741,443	85 127,183,894,043	105 128,172,488,488
3. Bonds and other fixed-income securities .....	6 636,054,593,530	26 615,000,710,219	46 344,348,711,343	66 344,846,543,868	86 980,403,304,873	106 959,847,254,087
a1) listed state bonds .....	7 376,333,113,380	27 350,475,235,901	47 1,233,244,441	67 1,233,244,441	87 377,566,357,821	107 351,708,480,342
a2) other listed securities .....	8 153,407,203,372	28 154,798,151,262	48 332,400,635,581	68 332,695,322,361	88 485,807,838,953	108 487,493,473,623
b1) unlisted state bonds .....	9 34,856,000,000	29 34,856,000,000	49 0	69 0	89 34,856,000,000	109 34,856,000,000
b2) other unlisted securities .....	10 52,094,027,762	30 55,507,074,040	50 10,714,831,321	70 10,917,977,066	90 62,808,859,083	110 66,425,051,106
c) convertible bonds .....	11 19,364,249,016	31 19,364,249,016	51 0	71 0	91 19,364,249,016	111 19,364,249,016
5. Participation in investment pools .....	12 0	32 0	52 0	72 0	92 0	112 0
7. Sundry financial investments .....	13 792,916,700	33 785,481,423	53 291,403,717,765	73 291,426,590,225	93 292,196,634,465	113 292,212,071,648

## II - Life business

	Long-term portfolio		Short-term portfolio		Total	
	Book value	Market value	Book value	Market value	Book value	Market value
1. Stocks and shares in undertakings: .....	121 230,835,864,176	141 210,806,258,000	161 17,097,845,178	181 17,099,783,640	201 247,933,709,354	221 227,906,041,640
a) listed stocks .....	122 230,835,864,176	142 210,806,258,000	162 17,097,845,178	182 17,099,783,640	202 247,933,709,354	222 227,906,041,640
b) unlisted stocks .....	123 0	143 0	163 0	183 0	203 0	223 0
c) shares .....	124 0	144 0	164 0	184 0	204 0	224 0
2. Unit trust holdings .....	125 15,247,006,714	145 15,247,006,730	165 140,276,101,965	185 140,315,864,993	205 155,523,108,679	225 155,562,871,723
3. Bonds and other fixed-income securities .....	126 2,474,682,859,866	146 2,330,207,768,937	166 1,432,994,021,829	186 1,444,347,558,558	206 3,907,676,881,695	226 3,774,555,327,495
a1) listed state bonds .....	127 1,146,828,169,104	147 1,022,553,843,061	167 31,344,763,462	187 31,407,541,551	207 1,178,172,932,566	227 1,053,961,384,612
a2) other listed securities .....	128 1,200,860,995,357	148 1,176,110,565,635	168 1,354,413,757,315	188 1,365,351,600,379	208 2,555,274,752,672	228 2,541,462,166,014
b1) unlisted state bonds .....	129 22,667,000,000	149 22,667,000,000	169 0	189 0	209 22,667,000,000	229 22,667,000,000
b2) other unlisted securities .....	130 104,326,695,405	150 108,876,360,241	170 6,434,738,650	190 6,787,654,214	210 110,761,434,055	230 115,664,014,455
c) convertible bonds .....	131 0	151 0	171 40,800,762,402	191 40,800,762,414	211 40,800,762,402	231 40,800,762,414
5. Participation in investment pools .....	132 0	152 0	172 0	192 0	212 0	232 0
7. Sundry financial investments .....	133 12,241,026,621	153 9,575,830,218	173 35,100,820,053	193 35,109,706,215	213 47,341,846,674	233 44,685,536,433

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Assets - Changes in long-term financial investments over the year: stocks and shares in undertakings, units in unit trusts, bonds and other fixed-income securities, participation in investment pools and sundry financial investments (items C.III.1, 2, 3, 5, 7)

		Stocks and shares C.III.1	Unit trust holdings C.III.2	Bonds and other fixed-income securities C.III.3	Participation in investment pools C.III.5	Sundry financial investments C.III.7
As at 1 January.....	+ 1	13,071,697,056	7,919,224,443	3,384,978,406,000	0	7,321,626,954
Increases in the year: .....	+ 2	217,764,167,120	13,367,224,635	211,623,924,889	0	7,722,812,895
through: purchases .....	3	0	13,250,289,638	96,289,593,963	0	7,722,812,895
value re-adjustments .....	4	0	0	0	0	0
transfer from short-term portfolio .....	5	217,061,389,107	0	21,257,467,197	0	0
other changes .....	6	702,778,013	116,934,997	94,076,863,729	0	0
Decreases in the year: .....	- 7	0	2,922,870,071	485,864,877,493	0	2,010,496,528
through: disposals .....	8	0	147,407,107	482,370,076,743	0	0
write-downs .....	9	0	0	0	0	0
transfer from short-term portfolio .....	10	0	0	0	0	0
other changes .....	11	0	2,775,462,964	3,494,800,750	0	2,010,496,528
<b>Book value .....</b>	12	<b>230,835,864,176</b>	<b>18,363,579,007</b>	<b>3,110,737,453,396</b>	<b>0</b>	<b>13,033,943,321</b>
Market value .....	13	210,806,258,000	18,118,753,775	2,945,208,479,156	0	10,361,311,641

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Changes in loans and deposits with credit institutions over the year (items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
As at 1 January .....	+ 1	74,196,590,092	<sup>21</sup> 0
Increases in the year: .....	+ 2	35,345,606,203	<sup>22</sup> 0
through: loans granted .....	3	35,069,352,972	
value re-adjustments .....	4	0	
other changes .....	5	276,253,231	
Decreases in the year: .....	- 6	17,007,312,292	<sup>26</sup> 0
through: reimbursements .....	7	17,007,312,292	
write-downs .....	8	0	
other changes .....	9	0	
<b>Book value .....</b>	10	<b>92,534,884,003</b>	<sup>30</sup> <b>0</b>

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

## Assets - Statement of investments relating to benefits linked with unit trusts and market indexes (item D.I)

	Market value		Acquisition cost	
	2000	1999	2000	1999
I. Land and buildings .....	0	0	0	0
II. Investments in group undertakings and other participating interests:				
1. Stocks and shares .....	0	0	0	0
2. Debt securities .....	0	0	0	0
3. Corporate financing .....	0	0	0	0
III. Units in unit trusts .....	337,435,710,858	73,568,509,647	322,213,019,292	71,203,829,782
IV. Other financial investments:				
1. Stocks and shares .....	0	0	0	0
2. Bonds and other fixed-income securities .....	96,431,741,924	95,365,427,209	89,088,076,340	91,498,138,319
3. Deposits with credit institutions .....	0	0	0	0
4. Sundry financial investments .....	0	0	0	0
V. Other assets .....	16,728,059	18,300,632	16,728,059	18,300,632
VI. Cash at bank and in hand .....	30,436,547,033	32,392,204,099	23,144,642,672	23,874,946,754
Auditing / management fees .....	-34,537,626	-19,660,464	-34,537,626	-19,660,464
Purchase of securities to be settled .....	-4,171,903,981	-3,155,147,270	-4,171,903,981	-3,155,147,270
<b>Total .....</b>	<b>460,114,286,267</b>	<b>198,169,633,853</b>	<b>430,256,024,756</b>	<b>183,420,407,753</b>

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

## Assets - Statement of investments relating to benefits linked with unit trusts and market indexes (item D.I) - "INDEX LINKED"

	Market value		Acquisition cost	
	2000	1999	2000	1999
I. Land and buildings .....	0	0	0	0
II. Investments in group undertakings and other participating interests:				
1. Stocks and shares .....	0	0	0	0
2. Debt securities .....	0	0	0	0
3. Corporate financing .....	0	0	0	0
III. Units in unit trusts .....	0	0	0	0
IV. Other financial investments:				
1. Stocks and shares .....	0	0	0	0
2. Bonds and other fixed-income securities .....	96,431,741,924	95,365,427,209	89,088,076,340	91,498,138,319
3. Deposits with credit institutions .....	0	0	0	0
4. Sundry financial investments .....	0	0	0	0
V. Other assets .....	0	0	0	0
VI. Cash at bank and in hand .....	24,320,132,688	28,462,385,985	17,028,228,327	19,945,128,640
	0	0	0	0
	0	0	0	0
<b>Total .....</b>	<b>120,751,874,612</b>	<b>123,827,813,194</b>	<b>106,116,304,667</b>	<b>111,443,266,959</b>

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

Assets - Statement on investments relating to benefits linked with unit trusts and market indexes (item D.I) - "UNIT LINKED"

	Market value		Acquisition cost	
	2000	1999	2000	1999
I. Land and buildings .....	0	0	0	0
II. Investments in group undertakings and other participating interests:				
1. Stocks and shares .....	0	0	0	0
2. Debt securities .....	0	0	0	0
3. Corporate financing .....	0	0	0	0
III. Units in unit trusts .....	337,435,710,858	73,568,509,647	322,213,019,292	71,203,829,782
IV. Other financial investments:				
1. Stocks and shares .....	0	0	0	0
2. Bonds and other fixed-income securities .....	0	0	0	0
3. Deposits with credit institutions .....	0	0	0	0
4. Sundry financial investments .....	0	0	0	0
V. Other assets .....	16,728,059	18,300,632	16,728,059	18,300,632
VI. Cash at bank and in hand .....	6,116,414,345	3,929,818,114	6,116,414,345	3,929,818,114
Auditing / management fees .....	-34,537,626	-19,660,464	-34,537,626	-19,660,464
Purchase of securities to be settled .....	-4,171,903,981	-3,155,147,270	-4,171,903,981	-3,155,147,270
<b>Total .....</b>	<b>339,362,411,655</b>	<b>74,341,820,659</b>	<b>324,139,720,089</b>	<b>71,977,140,794</b>

Company COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.

Financial year 2000

## Assets - Statement of investments arising from pension fund management (item D.II)

	Market value		Acquisition cost	
	2000	1999	2000	1999
I. Investments in group undertakings and other participating interests:				
1. Stocks and shares .....	98,950,368	0	132,883,501	0
2. Debt securities .....	0	0	0	0
II. Other financial investments:				
1. Stocks and shares .....	4,019,517,657	1,240,847,651	4,467,875,835	1,176,388,451
2. Bonds and other fixed-income securities .....	22,351,638,090	1,869,897,958	22,185,033,175	1,906,820,500
3. Units in unit trusts .....	0	0	0	0
4. Deposits with credit institutions .....	0	0	0	0
5. Sundry financial investments .....	0	0	0	0
III. Other assets .....	513,236,634	1,564,690,033	513,236,634	1,564,690,033
IV. Cash at bank and in hand .....	6,598,988,835	3,508,720,079	6,598,988,835	3,508,720,079
Purchase of securities to be settled, payables and sundry liabilities	-828,792,333	-1,154,108,399	-828,792,333	-1,154,108,399
	0	0	0	0
<b>Total.....</b>	<b>32,753,539,251</b>	<b>7,030,047,322</b>	<b>33,069,225,647</b>	<b>7,002,510,664</b>

Company **COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.**

Financial year 2000

Assets - Statement of investments arising from pension fund management (item D.II) - "**UNIPOL PREVIDENZA**"

	Market value		Acquisition cost	
	2000	1999	2000	1999
I. Investments in group undertakings and other participating interests:				
1. Stocks and shares .....	1 98,950,368 <sup>21</sup>	0 <sup>41</sup>	132,883,501 <sup>61</sup>	0
2. Debt securities .....	2 0 <sup>22</sup>	0 <sup>42</sup>	0 <sup>62</sup>	0
II. Other financial investments :				
1. Stocks and shares .....	3 3,183,954,199 <sup>23</sup>	1,154,338,496 <sup>43</sup>	3,536,411,871 <sup>63</sup>	1,098,016,664
2. Bonds and other fixed-income securities .....	4 7,346,531,543 <sup>24</sup>	1,685,417,121 <sup>44</sup>	7,263,584,816 <sup>64</sup>	1,721,488,577
3. Units in unit trusts .....	5 0 <sup>25</sup>	0 <sup>45</sup>	0 <sup>65</sup>	0
4. Deposits with credit institutions .....	6 0 <sup>26</sup>	0 <sup>46</sup>	0 <sup>66</sup>	0
5. Sundry financial investments .....	7 0 <sup>27</sup>	0 <sup>47</sup>	0 <sup>67</sup>	0
III. Other assets .....	8 211,878,973 <sup>28</sup>	1,414,048,544 <sup>48</sup>	211,878,973 <sup>68</sup>	1,414,048,544
IV. Cash at bank and in hand .....	9 3,054,724,675 <sup>29</sup>	2,145,293,388 <sup>49</sup>	3,054,724,675 <sup>69</sup>	2,145,293,388
Purchase of securities to be settled, payables and sundry liabilities	10 -141,786,098 <sup>30</sup>	-981,816,567 <sup>50</sup>	-141,786,098 <sup>70</sup>	-981,816,567
	11 0 <sup>31</sup>	0 <sup>51</sup>	0 <sup>71</sup>	0
<b>Total.....</b>	12 <b>13,754,253,660</b> <sup>32</sup>	<b>5,417,280,982</b> <sup>52</sup>	<b>14,057,697,738</b> <sup>72</sup>	<b>5,397,030,606</b>



Company COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.

Financial year 2000

Assets - Statement of investments arising from pension fund management (item D.II) - "**UNIPOL FUTURO**"

	Market value		Acquisition cost	
	2000	1999	2000	1999
I. Investments in group undertakings and other participating interests:				
1. Stocks and shares .....	0 <sup>21</sup>	0 <sup>41</sup>	0 <sup>61</sup>	0
2. Debt securities .....	0 <sup>22</sup>	0 <sup>42</sup>	0 <sup>62</sup>	0
II. Other financial investments:				
1. Stocks and shares .....	835,563,458 <sup>23</sup>	86,509,155 <sup>43</sup>	931,463,964 <sup>63</sup>	78,371,787
2. Bonds and other fixed-income securities .....	1,977,959,439 <sup>24</sup>	184,480,837 <sup>44</sup>	1,944,903,188 <sup>64</sup>	185,331,923
3. Units in unit trusts .....	0 <sup>25</sup>	0 <sup>45</sup>	0 <sup>65</sup>	0
4. Deposits with credit institutions .....	0 <sup>26</sup>	0 <sup>46</sup>	0 <sup>66</sup>	0
5. Sundry financial investments .....	0 <sup>27</sup>	0 <sup>47</sup>	0 <sup>67</sup>	0
III. Other assets .....	27,868,215 <sup>28</sup>	150,641,489 <sup>48</sup>	27,868,215 <sup>68</sup>	150,641,489
IV. Cash at bank and in hand .....	2,816,307,441 <sup>29</sup>	1,363,426,691 <sup>49</sup>	2,816,307,441 <sup>69</sup>	1,363,426,691
Purchase of securities to be settled, payables and sundry liabilities .....	-11,224,014 <sup>30</sup>	-172,291,832 <sup>50</sup>	-11,224,014 <sup>70</sup>	-172,291,832
	0 <sup>31</sup>	0 <sup>51</sup>	0 <sup>71</sup>	0
<b>Total.....</b>	<b>5,646,474,539<sup>32</sup></b>	<b>1,612,766,340<sup>52</sup></b>	<b>5,709,318,794<sup>72</sup></b>	<b>1,605,480,058</b>

Company COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.

Financial year 2000

Assets - Statement of investments arising from pension fund management (item D.II) - "DIPENDENTI B.A.M."

	Market value		Acquisition cost	
	2000	1999	2000	1999
I. Investments in group undertakings and other participating interests:				
1. Stocks and shares .....	0 <sup>21</sup>	0 <sup>41</sup>	0 <sup>61</sup>	0
2. Debt securities .....	0 <sup>22</sup>	0 <sup>42</sup>	0 <sup>62</sup>	0
II. Other financial investments:				
1. Stocks and shares .....	0 <sup>23</sup>	0 <sup>43</sup>	0 <sup>63</sup>	0
2. Bonds and other fixed-income securities .....	13,027,147,108 <sup>24</sup>	0 <sup>44</sup>	12,976,545,171 <sup>64</sup>	0
3. Units in unit trusts .....	0 <sup>25</sup>	0 <sup>45</sup>	0 <sup>65</sup>	0
4. Deposits with credit institutions .....	0 <sup>26</sup>	0 <sup>46</sup>	0 <sup>66</sup>	0
5. Sundry financial investments .....	0 <sup>27</sup>	0 <sup>47</sup>	0 <sup>67</sup>	0
III. Other assets .....	273,489,446 <sup>28</sup>	0 <sup>48</sup>	273,489,446 <sup>68</sup>	0
IV. Cash at bank and in hand .....	727,956,719 <sup>29</sup>	0 <sup>49</sup>	727,956,719 <sup>69</sup>	0
Purchase of securities to be settled, payables and sundry liabilities .....	-675,782,221 <sup>30</sup>	0 <sup>50</sup>	-675,782,221 <sup>70</sup>	0
.....	0 <sup>31</sup>	0 <sup>51</sup>	0 <sup>71</sup>	0
<b>Total.....</b>	<b>13,352,811,052<sup>32</sup></b>	<b>0<sup>52</sup></b>	<b>13,302,209,115<sup>72</sup></b>	<b>0</b>

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Liabilities - Non-life insurance business - Changes in sub-items of the provision for unearned premiums (item C.I.1)  
and of the provision for outstanding claims (item C.I.2)

Type	2000	1999	Change
<b>Provision for unearned premiums:</b>			
Provision for deferred premiums ..... 1	764,784,857,467	735,778,516,061	29,006,341,406
Provision for unexpired risks ..... 2	4,114,069,087	11,415,057,086	-7,300,987,999
<b>Book value ..... 3</b>	<b>768,898,926,554</b>	<b>747,193,573,147</b>	<b>21,705,353,407</b>
<b>Provision for outstanding claims:</b>			
Provision for claims to be settled and direct expenses .... 4	2,185,857,035,426	1,947,735,639,944	238,121,395,482
Provision for settlement costs ..... 5	118,823,126,000	103,494,149,000	15,328,977,000
Provision for IBNR claims ..... 6	168,723,216,069	167,042,048,590	1,681,167,479
<b>Book value ..... 7</b>	<b>2,473,403,377,495</b>	<b>2,218,271,837,534</b>	<b>255,131,539,961</b>

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Liabilities - Changes in sub-items of the mathematical provisions (item C.II.1) and in the provision for bonuses and rebates (item C.II.4)

Type	2000	1999	Change
Mathematical provision for pure premiums .....	1 4,451,369,830,048	11 4,232,338,719,661	21 219,031,110,387
Premiums carried forward .....	2 126,398,418,186	12 110,772,128,517	22 15,626,289,669
Provision for mortality risk .....	3 1,057,455,029	13 890,101,930	23 167,353,099
Supplementary provisions .....	4 44,148,071,602	14 39,562,852,068	24 4,585,219,534
<b>Book value .....</b>	<b>5 4,622,973,774,865</b>	<b>15 4,383,563,802,176</b>	<b>25 239,409,972,689</b>
Provision for bonuses and rebates .....	6 326,462,035	16 671,208,753	26 -344,746,718

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Liabilities - Changes in the provision for risks and charges (item E) and in the staff leaving indemnity (item G.VII)

		Provisions for pensions and similar obligations	Provisions for taxation	Other provisions	Staff leaving indemnity
As at 1 January .....	+ 1	0 <sup>11</sup>	6,036,829,240 <sup>21</sup>	6,509,054,134 <sup>31</sup>	43,890,215,259
Amounts allocated .....	+ 2	0 <sup>12</sup>	6,760,459,000 <sup>22</sup>	20,000,000,000 <sup>32</sup>	6,983,220,502
Other increases .....	+ 3	0 <sup>13</sup>	0 <sup>23</sup>	0 <sup>33</sup>	0
Amounts released .....	- 4	0 <sup>14</sup>	5,818,379,000 <sup>24</sup>	3,854,161,877 <sup>34</sup>	4,930,356,127
Other decreases .....	- 5	0 <sup>15</sup>	0 <sup>25</sup>	0 <sup>35</sup>	0
<b>Book value .....</b>	6	<b>0<sup>16</sup></b>	<b>6,978,909,240<sup>26</sup></b>	<b>22,654,892,257<sup>36</sup></b>	<b>45,943,079,634</b>

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Group undertakings and other participating interests: detailed statement of assets and liabilities

I: Assets

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Stocks and shares .....	1 25,445,279,150	2 2,013,064,503,590	3 1,728,746,414	4 100,065,257,331	5 600,438,362,138	6 2,740,742,148,623
Debt securities .....	7 0	8 0	9 0	10 0	11 959,977,590	12 959,977,590
Corporate financing .....	13 0	14 500,000,000	15 0	16 0	17 6,708,597,823	18 7,208,597,823
Participation in investment pools .....	19 0	20 0	21 0	22 0	23 0	24 0
Deposits with credit institutions .....	25 0	26 0	27 0	28 0	29 0	30 0
Sundry financial investments .....	31 0	32 0	33 0	34 0	35 100,126,998,054	36 100,126,998,054
Deposits with ceding undertakings .....	37 0	38 34,582,116,243	39 0	40 0	41 15,289,930,078	42 49,872,046,321
Investments relating to benefits linked with unit trusts and market indexes .....	43 0	44 6,116,414,345	45 0	46 0	47 0	48 6,116,414,345
Investments arising from pension fund management .....	49 0	50 0	51 0	52 0	53 2,915,257,809	54 2,915,257,809
Receivables arising from direct insurance operations.....	55 0	56 3,485,137,881	57 0	58 51,932,870,373	59 1,277,270,954	60 56,695,279,208
Receivables arising from reinsurance operations .....	61 0	62 9,126,387,680	63 0	64 0	65 512,736,934	66 9,639,124,614
Other receivables .....	67 4,891,393	68 1,756,990,499	69 1,320,487,413	70 383,564,898	71 110,651	72 3,466,044,854
Bank deposits and post office accounts .....	73 0	74 74,125,826,406	75 0	76 0	77 5,638,941,189	78 79,764,767,595
Sundry assets .....	79 0	80 0	81 0	82 0	83 0	84 0
<b>Total .....</b>	<b>85 25,450,170,543</b>	<b>86 2,142,757,376,644</b>	<b>87 3,049,233,827</b>	<b>88 152,381,692,602</b>	<b>89 733,868,183,220</b>	<b>90 3,057,506,656,836</b>
of which subordinated assets .....	91 0	92 500,000,000	93 0	94 0	95 959,977,590	96 1,459,977,590

Group undertakings and other participating interests: detailed statement of assets and liabilities

II: Liabilities

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Subordinated liabilities .....	<sup>97</sup> 0	<sup>98</sup> 0	<sup>99</sup> 0	<sup>100</sup> 0	<sup>101</sup> 0	<sup>102</sup> 0
Deposits received from reinsurers .....	<sup>103</sup> 0	<sup>104</sup> 0	<sup>105</sup> 0	<sup>106</sup> 0	<sup>107</sup> 6,440,000	<sup>108</sup> 6,440,000
Payables arising out of direct insurance operations .....	<sup>109</sup> 0	<sup>110</sup> 636,537,807	<sup>111</sup> 0	<sup>112</sup> 0	<sup>113</sup> 2,663,374	<sup>114</sup> 639,201,181
Payables arising out of reinsurance operations .....	<sup>115</sup> 0	<sup>116</sup> 3,872,936,177	<sup>117</sup> 0	<sup>118</sup> 0	<sup>119</sup> 0	<sup>120</sup> 3,872,936,177
Amounts owed to credit institutions .....	<sup>121</sup> 0	<sup>122</sup> 0	<sup>123</sup> 0	<sup>124</sup> 0	<sup>125</sup> 0	<sup>126</sup> 0
Debts secured by a lien on property .....	<sup>127</sup> 0	<sup>128</sup> 0	<sup>129</sup> 0	<sup>130</sup> 0	<sup>131</sup> 0	<sup>132</sup> 0
Sundry loans and other financial debts .....	<sup>133</sup> 0	<sup>134</sup> 0	<sup>135</sup> 0	<sup>136</sup> 0	<sup>137</sup> 0	<sup>138</sup> 0
Sundry creditors .....	<sup>139</sup> 43,379,432	<sup>140</sup> 891,451,998	<sup>141</sup> 268,187,000	<sup>142</sup> 34,792,500	<sup>143</sup> 40,982,014	<sup>144</sup> 1,278,792,944
Sundry liabilities .....	<sup>145</sup> 0	<sup>146</sup> 0	<sup>147</sup> 0	<sup>148</sup> 8,065,805,311	<sup>149</sup> 0	<sup>150</sup> 8,065,805,311
<b>Total .....</b>	<sup>151</sup> <b>43,379,432</b>	<sup>152</sup> <b>5,400,925,982</b>	<sup>153</sup> <b>268,187,000</b>	<sup>154</sup> <b>8,100,597,811</b>	<sup>155</sup> <b>50,085,388</b>	<sup>156</sup> <b>13,863,175,613</b>

Company **COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.**

Financial year 2000

Analysis of "guarantees, commitments and other memorandum accounts" - Classes I,II,III and IV

	2000	1999
I. Guarantees issued:		
a) surety bonds and endorsements in favour of holding companies, subsidiaries and associated undertakings .....	1 0 <sup>31</sup>	0
b) surety bonds and endorsements in favour of affiliated undertakings and other participating interests .....	2 0 <sup>32</sup>	0
c) surety bonds and endorsements in favour of third parties .....	3 2,184,427,306 <sup>33</sup>	3,844,418,090
d) other personal guarantees in favour of holding companies, subsidiaries and associated undertakings .....	4 0 <sup>34</sup>	0
e) other personal guarantees in favour of affiliated undertakings and other participating interests .....	5 0 <sup>35</sup>	0
f) other personal guarantees in favour of third parties .....	6 15,817,218 <sup>36</sup>	15,817,218
g) collateral securities for commitments of holding companies, subsidiaries and associated undertakings .....	7 0 <sup>37</sup>	0
h) collateral securities for commitments of affiliated undertakings and other participating interests .....	8 0 <sup>38</sup>	0
i) collateral securities for commitments of third parties .....	9 0 <sup>39</sup>	0
l) guarantees issued for commitments of the company .....	10 0 <sup>40</sup>	0
m) assets held in deposit on inward reinsurance operations .....	11 0 <sup>41</sup>	0
<b>Total .....</b>	<b>12 2,200,244,524<sup>42</sup></b>	<b>3,860,235,308</b>
II. Guarantees received:		
a) from group undertakings, affiliated companies and other participating interests .....	13 0 <sup>43</sup>	0
b) from third parties .....	14 53,545,272,456 <sup>44</sup>	199,099,964,613
<b>Total .....</b>	<b>15 53,545,272,456<sup>45</sup></b>	<b>199,099,964,613</b>
III. Guarantees issued by third parties in favour of the company:		
a) by group undertakings, affiliated companies and other participating interests .....	16 0 <sup>46</sup>	0
b) by third parties .....	17 18,185,563,714 <sup>47</sup>	17,628,686,481
<b>Total .....</b>	<b>18 18,185,563,714<sup>48</sup></b>	<b>17,628,686,481</b>
IV. Commitments:		
a) commitments arising from purchase with resale agreements .....	19 320,834,442,240 <sup>49</sup>	903,548,860,075
b) commitments arising from sales with repurchase agreements .....	20 0 <sup>50</sup>	0
c) other commitments .....	21 2,481,564,177,515 <sup>51</sup>	2,431,350,020,805
<b>Total .....</b>	<b>22 2,802,398,619,755<sup>52</sup></b>	<b>3,334,898,880,880</b>



Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

## Statement of commitments arising from operations on derivatives

Derivatives	2000		1999	
	Purchase	Sale	Purchase	Sale
Futures:				
on shares	0 <sup>21</sup>	0 <sup>41</sup>	0 <sup>61</sup>	0
on debt securities	0 <sup>22</sup>	0 <sup>42</sup>	0 <sup>62</sup>	0
on currencies	0 <sup>23</sup>	0 <sup>43</sup>	0 <sup>63</sup>	0
on interest rates	0 <sup>24</sup>	0 <sup>44</sup>	0 <sup>64</sup>	0
others	0 <sup>25</sup>	0 <sup>45</sup>	0 <sup>65</sup>	0
Options:				
on shares	19,364,249,016 <sup>26</sup>	0 <sup>46</sup>	19,364,249,016 <sup>66</sup>	21,020,147,120 <sup>67</sup>
on debt securities	0 <sup>27</sup>	0 <sup>47</sup>	0 <sup>68</sup>	0
on currencies	0 <sup>28</sup>	0 <sup>48</sup>	12,616,000,000 <sup>68</sup>	12,616,000,000 <sup>69</sup>
on interest rates	924,826,650,000 <sup>29</sup>	206,494,850,000 <sup>49</sup>	500,440,500,000 <sup>69</sup>	396,742,630,000 <sup>70</sup>
others	27,107,780,000 <sup>30</sup>	32,000,000,000 <sup>50</sup>	32,000,000,000 <sup>70</sup>	32,000,000,000 <sup>71</sup>
Swaps:				
on currencies	0 <sup>31</sup>	58,426,642,365 <sup>51</sup>	0 <sup>71</sup>	124,435,400,000 <sup>72</sup>
on interest rates	102,000,000,000 <sup>32</sup>	447,601,050,000 <sup>52</sup>	110,000,000,000 <sup>72</sup>	645,464,900,000 <sup>73</sup>
others	0 <sup>33</sup>	0 <sup>53</sup>	0 <sup>73</sup>	0
Other operations	0 <sup>34</sup>	509,343,803,700 <sup>54</sup>	0 <sup>74</sup>	438,568,290,242 <sup>75</sup>
<b>Total .....</b>	<b>1,073,298,679,016<sup>35</sup></b>	<b>1,253,866,346,065<sup>55</sup></b>	<b>674,420,749,016<sup>75</sup></b>	<b>1,670,847,367,362<sup>76</sup></b>

Note: - Indicate only operations on derivative contracts at 31 December which entail commitments for the Company.

Should the contract not correspond to any of the above mentioned lines, or should it include elements of more than one line, it shall be put in the most similar category.

Entries cannot be off-set unless they relate to purchase/sale operations referring to the same type of contract (same content, maturity, underlying asset etc.).

- The value to be attributed to derivative contracts which entail or may entail swap transactions on sums at the end of the contract is their swap price; in all other cases, indicate the nominal value of the capital of reference.

- Swap contracts on two currencies shall be indicated only once, with reference only to the currency to be purchased. Swap contracts on both interest rates and currencies shall be entered only under swaps on currencies.

Swap contracts on interest rates shall be conventionally classified as "purchases" or "sales" according to the commitment of the company to purchase or sell the fixed interest rate.

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Non-Life insurance business - summary of the technical account

	Gross premiums written	Earned premiums	Gross amount of claims	Operating expenses	Reinsurance balance
<b>Direct insurance business:</b>					
Accident and health (classes 1 and 2) .....	1 260,585,606,877	2 257,309,603,779	3 154,942,979,465	4 76,333,918,326	5 1,517,222,545
Land vehicles - Motor T.P.L. (class 10) .....	6 1,043,137,204,549	7 1,033,802,822,404	8 924,255,932,762	9 161,311,127,504	10 59,620,195
Land vehicles - own damage or loss (class 3) .....	11 186,553,958,300	12 184,824,364,043	13 98,270,213,407	14 37,771,038,499	15 -211,892,537
Marine, aviation and transport (classes 4, 5, 6, 7, 11 and 12) .....	16 15,552,123,896	17 16,080,629,889	18 8,184,444,322	19 4,291,418,530	20 -1,369,943,090
Fire and other damage to property (classes 8 and 9) ..	21 200,832,619,916	22 196,866,289,264	23 126,856,830,496	24 56,073,054,491	25 2,863,806,499
General T.P.L. (class 13) .....	26 212,479,594,754	27 209,040,984,815	28 227,100,200,838	29 55,212,993,700	30 1,993,264,019
Credit and bonds (classes 14 and 15) .....	31 37,210,374,570	32 39,773,537,933	33 3,406,741,005	34 10,753,942,570	35 -10,079,782,787
Miscellaneous pecuniary losses (class 16) .....	36 23,946,997,778	37 23,515,555,754	38 8,064,295,774	39 6,819,389,813	40 73,668,116
Legal protection (class 17) .....	41 13,431,800,373	42 12,592,993,797	43 4,947,727,753	44 3,817,988,384	45 -36,737,974
Assistance (class 18) .....	46 9,380,976,761	47 9,223,408,941	48 2,572,980,132	49 2,422,098,787	50 -1,453,683,386
<b>Total direct insurance business.....</b>	<b>51 2,003,111,257,774</b>	<b>52 1,983,030,190,619</b>	<b>53 1,558,602,345,954</b>	<b>54 414,806,970,604</b>	<b>55 -6,644,458,400</b>
<b>Inward reinsurance .....</b>	<b>56 112,148,100,488</b>	<b>57 99,543,421,877</b>	<b>58 67,754,300,361</b>	<b>59 29,562,338,685</b>	<b>60 159,526,071</b>
<b>Total Italian portfolio .....</b>	<b>61 2,115,259,358,262</b>	<b>62 2,082,573,612,496</b>	<b>63 1,626,356,646,315</b>	<b>64 444,369,309,289</b>	<b>65 -6,484,932,329</b>
<b>Foreign portfolio .....</b>	<b>66 58,991,970,691</b>	<b>67 57,082,053,652</b>	<b>68 42,542,776,904</b>	<b>69 15,036,598,550</b>	<b>70 -6,558,563,573</b>
<b>Grand total .....</b>	<b>71 2,174,251,328,953</b>	<b>72 2,139,655,666,148</b>	<b>73 1,668,899,423,219</b>	<b>74 459,405,907,839</b>	<b>75 -13,043,495,902</b>

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

## Life assurance business - Summary of premium income and reinsurance balance

	Direct business	Inward reinsurance	Total
Gross premiums:	1 867,264,430,859	11 12,106,587,615	21 879,371,018,474
a) 1. from individual policies .....	2 706,464,727,498	12 8,884,586,029	22 715,349,313,527
2. from group policies .....	3 160,799,703,361	13 3,222,001,586	22 164,021,704,947
b) 1. regular premiums .....	4 380,622,233,957	14 11,606,587,615	24 392,228,821,572
2. single premiums .....	5 486,642,196,902	15 500,000,000	25 487,142,196,902
c) 1. from contracts without bonuses .....	6 565,984,746,102	16 11,794,127,482	26 577,778,873,584
2. from contracts with bonuses .....	7 1,042,639,960	17 312,460,133	27 1,355,100,093
3. from contracts when the investment risk is borne by policyholders and from pension funds .....	8 300,237,044,797	18 0	28 300,237,044,797
Balance on reinsurance .....	9 14,847,400,038	19 391,077,905	29 15,238,477,943

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

Investment income (items II.2 and III.3)

	Non-Life insurance business	Life assurance business	Total
<b>Income from stocks and shares:</b>			
Dividends and other income from stocks and shares of group undertakings and participating interests .....	1 9,086,658,651 41	7,635,653,248 81	16,722,311,899
Dividends and other income from stocks and shares of other companies ..	2 770,813,050 42	236,563,604 82	1,007,376,654
<b>Total .....</b>	<b>3 9,857,471,701 43</b>	<b>7,872,216,852 83</b>	<b>17,729,688,553</b>
<b>Income from investments in land and buildings .....</b>	<b>4 31,168,581,583 44</b>	<b>1,115,615,649 84</b>	<b>32,284,197,232</b>
<b>Income from other investments:</b>			
Income from debt securities of group undertakings and participating interests .....	5 0 45	54,046,738 85	54,046,738
Interest on financing to group undertakings and participating interests .....	6 388,026,889 46	0 86	388,026,889
Income from unit trust holdings .....	7 0 47	2,505,677,696 87	2,505,677,696
Income from bonds and other fixed-income securities .....	8 60,746,114,223 48	243,001,344,043 88	303,747,458,266
Interest on corporate financing .....	9 1,944,888,761 49	2,939,841,579 89	4,884,730,340
Income from participation in investment pools .....	10 0 50	0 90	0
Interest on deposits with credit institutions .....	11 0 51	0 91	0
Income from sundry financial investments .....	12 10,158,657,723 52	21,942,614,829 92	32,101,272,552
Interest on deposits with ceding undertakings .....	13 951,494,065 53	2,881,398,377 93	3,832,892,442
<b>Total .....</b>	<b>14 74,189,181,661 54</b>	<b>273,324,923,262 94</b>	<b>347,514,104,923</b>
<b>Value re-adjustments on investments relating to:</b>			
Land and buildings .....	15 0 55	0 95	0
Stocks and shares of group undertakings and participating interests .....	16 0 56	18,046 96	18,046
Debt securities issued by group undertakings and participating interests .....	17 0 57	0 97	0
Other stocks and shares .....	18 0 58	0 98	0
Other debt securities .....	19 97,299,632 59	992,433,772 99	1,089,733,404
Other financial investments .....	20 21,848,871 60	0 100	21,848,871
<b>Total .....</b>	<b>21 119,148,503 61</b>	<b>992,451,818 101</b>	<b>1,111,600,321</b>
<b>Profits on disposal of investments:</b>			
Capital gains arising from divestiture of land and buildings .....	22 606,515,011 62	0 102	606,515,011
Profit on stocks and shares of group undertakings and participating interests .....	23 249,080,185 63	0 103	249,080,185
Profits on debt securities issued by group undertakings and participating interests .....	24 0 64	0 104	0
Profits on other stocks and shares .....	25 9,836,911,245 65	79,282,297,064 105	89,119,208,309
Profits on other debt securities .....	26 3,109,698,881 66	17,215,365,128 106	20,325,064,009
Profits on other financial investments .....	27 364,933,144 67	4,925,456,919 107	5,290,390,063
<b>Total .....</b>	<b>28 14,167,138,466 68</b>	<b>101,423,119,111 108</b>	<b>115,590,257,577</b>
<b>GRAND TOTAL .....</b>	<b>29 129,501,521,914 69</b>	<b>384,728,326,692 109</b>	<b>514,229,848,606</b>

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

Profits and unrealized capital gains relating to investments for the benefit of life assurance policyholders who bear the investment risk and to investments arising from pension fund management (item II.3)

## I. Investments relating to benefits linked with unit trusts and market indexes

	Amounts
<b>Income arising from:</b>	
Land and buildings .....	0
Investments in group undertakings and participating interests .....	0
Unit trust holdings .....	0
Other financial investments .....	2,146,527,958
- of which bonds .....	2,146,527,236
Other assets .....	97,675,168
<b>Total .....</b>	<b>2,244,203,126</b>
<b>Profits on disposal of investments</b>	
Capital gains arising from disposal of land and buildings .....	0
Profits on investments in group undertakings and participating interests .....	0
Profits on unit trusts .....	1,080,632,458
Profits on other financial investments .....	71,019,228
- of which bonds .....	71,019,228
Other income .....	0
<b>Total .....</b>	<b>1,151,651,686</b>
<b>Unrealised capital gains .....</b>	<b>17,033,602,690</b>
<b>GRAND TOTAL .....</b>	<b>20,429,457,502</b>

## II. Investments arising from pension fund management

	Amounts
<b>Income arising from:</b>	
Investments in group undertakings and participating interests .....	602,005
Other financial investments .....	374,034,806
- of which bonds .....	329,377,251
Other assets .....	28,460,140
<b>Total .....</b>	<b>403,096,951</b>
<b>Profits on disposal of investments</b>	
Profits on investments in group undertakings and participating interests .....	0
Profits on other financial investments .....	307,238,799
- of which bonds .....	7,516,284
Other income .....	0
<b>Total .....</b>	<b>307,238,799</b>
<b>Unrealised capital gains .....</b>	<b>481,297,499</b>
<b>GRAND TOTAL .....</b>	<b>1,191,633,249</b>

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

## Investment charges (items II.9 and III.5)

	Non-Life insurance business	Life assurance business	Total
<b>Investment management charges and other charges</b>			
Charges relating to stocks and shares .....	1 869,781,322	31 201,604,341	61 1,071,385,663
Charges relating to investments in land and buildings .....	2 16,049,077,779	32 283,493,801	62 16,332,571,580
Charges relating to debt securities .....	3 8,350,457,911	33 3,790,980,889	63 12,141,438,800
Charges relating to unit trusts .....	4 0	34 0	64 0
Charges relating to participation in investment pools .....	5 0	35 0	65 0
Charges relating to sundry financial investments .....	6 9,830,737,038	36 54,083,490,891	66 63,914,227,929
Interest on deposits received from reinsurers .....	7 3,523,215,785	37 4,447,296,958	67 7,970,512,743
<b>Total .....</b>	<b>8 38,623,269,835</b>	<b>38 62,806,866,880</b>	<b>68 101,430,136,715</b>
<b>Value adjustments on investments relating to:</b>			
Land and buildings .....	9 7,701,455,291	39 0	69 7,701,455,291
Stocks and shares of group undertakings and participating interests .....	10 8,549,817,461	40 1,942,460,595	70 10,492,278,056
Debt securities issued by group undertakings and participating interests .....	11 0	41 0	71 0
Other stocks and shares .....	12 23,366,641,843	42 10,087,511,383	72 33,454,153,226
Other debt securities .....	13 886,003,830	43 12,278,172,122	73 13,164,175,952
Other financial investments .....	14 261,549,915	44 19,955,190,763	74 20,216,740,678
<b>Total .....</b>	<b>15 40,765,468,340</b>	<b>45 44,263,334,863</b>	<b>75 85,028,803,203</b>
<b>Capital losses on disposal of investments</b>			
Capital losses arising from disposal of land and buildings .....	16 0	46 0	76 0
Losses on stocks and shares.....	17 1,746,889,529	47 1,126,017,041	77 2,872,906,570
Losses on debt securities .....	18 145,680,726	48 440,956,322	78 586,637,048
Losses on other financial investments .....	19 823,273,986	49 664,000,000	79 1,487,273,986
<b>Total .....</b>	<b>20 2,715,844,241</b>	<b>50 2,230,973,363</b>	<b>80 4,946,817,604</b>
<b>GRAND TOTAL .....</b>	<b>21 82,104,582,416</b>	<b>51 109,301,175,106</b>	<b>81 191,405,757,522</b>

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Investment charges and unrealized capital losses relating to investments for the benefit of life assurance policyholders who bear the investment risk and to investments arising from pension fund management (item II.10)

## I. Investments relating to benefits linked with unit trusts and market indexes

	Amounts
<b>Management charges arising from:</b>	
Land and buildings .....	0
Investments in group undertakings and participating interests .....	0
Unit trust holdings .....	14,152,914
Other financial investments .....	2,883,390,229
Other assets .....	24,117,505
<b>Total .....</b>	<b>2,921,660,648</b>
<b>Losses on disposal of investments</b>	
Capital losses arising from disposal of land and buildings .....	0
Losses on investments in group undertakings and participating interests .....	0
Losses on unit trust holdings .....	18,642,939
Losses on other financial investments .....	17,322,797
Other charges .....	0
<b>Total .....</b>	<b>35,965,736</b>
<b>Unrealised capital losses .....</b>	<b>1,405,970,427</b>
<b>GRAND TOTAL .....</b>	<b>4,363,596,811</b>

## II. Investments arising from pension fund management

	Amounts
<b>Management charges arising from:</b>	
Investments in group undertakings and participating interests .....	0
Other financial investments .....	184,499,791
Other assets .....	7,684,252
<b>Total .....</b>	<b>192,184,043</b>
<b>Losses on disposal of investments</b>	
Losses on investments in group undertakings and participating interests .....	0
Losses on other financial investments .....	9,211,127
Other charges .....	0
<b>Total .....</b>	<b>9,211,127</b>
<b>Unrealised capital losses .....</b>	<b>801,691,122</b>
<b>GRAND TOTAL .....</b>	<b>1,003,086,292</b>

Non-Life insurance business - Summary of technical accounts by accounting class - Italian Portfolio

	Accounting class <u>1</u>		Accounting class <u>2</u>	
	<b>Accident</b>		<b>Health</b>	
	(name)		(name)	
<b>Gross direct insurance business</b>				
Premiums written .....	+	1 182,874,028,384	1	77,711,578,493
Change in provision for unearned premiums (+ or -) .....	-	2 794,193,679	2	2,481,809,419
Charges relating to claims .....	-	3 112,655,971,614	3	42,287,007,851
Change in sundry technical provisions (+ or -) (1) .....	-	4 0	4	-118,860,511
Balance on other technical items (+ or -) .....	+	5 -395,656,064	5	-3,494,755,771
Operating expenses .....	-	6 55,745,840,005	6	20,588,078,321
<b>Technical balance on direct insurance business (+ or -) .....</b>	<b>A</b>	<b>7 13,282,367,022</b>	<b>7</b>	<b>8,978,787,642</b>
<b>Balance on outward reinsurance (+ or -) .....</b>	<b>B</b>	<b>8 104,060,963</b>	<b>8</b>	<b>1,413,161,582</b>
<b>Balance on net inward reinsurance (+ or -) .....</b>	<b>C</b>	<b>9 38,964,215</b>	<b>9</b>	<b>-2,843,928</b>
Change in equalization provisions (+ or -) .....	<b>D</b>	10 0	10	0
Allocated investment return transferred from the non-technical account .	<b>E</b>	11 2,074,584,498	11	657,485,943
<b>Balance on the technical account (+ or -) .....</b>	<b>(A + B + C - D + E)</b>	<b>12 15,499,976,698</b>	<b>12</b>	<b>11,046,591,239</b>

	Accounting class <u>7</u>		Accounting class <u>8</u>	
	<b>Goods in transit</b>		<b>Fire and natural forces</b>	
	(name)		(name)	
<b>Gross direct insurance business</b>				
Premiums written .....	+	1 12,503,009,284	1	82,824,165,093
Change in provision for unearned premiums (+ or -) .....	-	2 -124,783,822	2	936,416,375
Charges relating to claims .....	-	3 5,763,042,406	3	55,155,219,528
Change in sundry technical provisions (+ or -) (1) .....	-	4 0	4	0
Balance on other technical items (+ or -) .....	+	5 -41,283,163	5	-372,466,901
Operating expenses .....	-	6 3,809,359,935	6	24,217,399,911
<b>Technical balance on direct insurance business (+ or -) .....</b>	<b>A</b>	<b>7 3,014,107,602</b>	<b>7</b>	<b>2,142,662,378</b>
<b>Balance on outward reinsurance (+ or -) .....</b>	<b>B</b>	<b>8 -1,412,269,047</b>	<b>8</b>	<b>4,400,296,288</b>
<b>Balance on net inward reinsurance (+ or -) .....</b>	<b>C</b>	<b>9 914,304,573</b>	<b>9</b>	<b>989,197,108</b>
Change in equalization provisions (+ or -) .....	<b>D</b>	10 12,460,489	10	34,392,380
Allocated investment return transferred from the non-technical account .	<b>E</b>	11 183,476,304	11	1,599,663,397
<b>Balance on the technical account (+ or -) .....</b>	<b>(A + B + C - D + E)</b>	<b>12 2,687,158,943</b>	<b>12</b>	<b>9,097,426,791</b>

	Accounting class <u>13</u>		Accounting class <u>14</u>	
	<b>General T.P.L.</b>		<b>Credit</b>	
	(name)		(name)	
<b>Gross direct insurance business</b>				
Premiums written .....	+	1 212,479,594,754	1	266,494,337
Change in provision for unearned premiums (+ or -) .....	-	2 3,438,609,939	2	-250,371,940
Charges relating to claims .....	-	3 227,100,200,838	3	-86,862,950
Change in sundry technical provisions (+ or -) (1) .....	-	4 0	4	0
Balance on other technical items (+ or -) .....	+	5 -272,484,085	5	899,481
Operating expenses .....	-	6 55,212,993,700	6	55,336,046
<b>Technical balance on direct insurance business (+ or -) .....</b>	<b>A</b>	<b>7 -73,544,693,808</b>	<b>7</b>	<b>549,292,662</b>
<b>Balance on outward reinsurance (+ or -) .....</b>	<b>B</b>	<b>8 1,993,264,019</b>	<b>8</b>	<b>-343,425,718</b>
<b>Balance on net inward reinsurance (+ or -) .....</b>	<b>C</b>	<b>9 269,543,814</b>	<b>9</b>	<b>-1,764,656</b>
Change in equalization provisions (+ or -) .....	<b>D</b>	10 0	10	2,000,000
Allocated investment return transferred from the non-technical account .	<b>E</b>	11 7,930,156,879	11	24,187,035
<b>Balance on the technical account (+ or -) .....</b>	<b>(A + B + C - D + E)</b>	<b>12 -63,351,729,096</b>	<b>12</b>	<b>226,289,323</b>

(1) This item includes changes in both "Other technical provisions" and "Provisions for bonuses and rebates"



## Notes to the accounts - Annexe 25

Financial year 2000

Accounting class <b>3</b> <b>Land vehicles- own damage</b> (name)	Accounting class <b>4</b> <b>Railway rolling stock</b> (name)	Accounting class <b>5</b> <b>Aircraft-Hull</b> (name)	Accounting class <b>6</b> <b>Marine-Hull</b> (name)
1 186,553,958,300	1 631,175,771	1 50,864,710	1 1,290,851,431
2 1,729,594,257	2 0	2 12,469,992	2 -446,922,455
3 98,270,213,407	3 142,940,022	3 30,693,866	3 701,933,934
4 0	4 0	4 0	4 0
5 -9,344,179	5 -560	5 -13,707,220	5 -120,025,143
6 37,771,038,499	6 50,017,590	6 1,584,909	6 262,688,920
7 48,773,767,958	7 438,217,599	7 -7,591,277	7 653,125,889
8 -211,892,537	8 -41,571,083	8 22,844,421	8 85,716,605
9 563,545,735	9 0	9 55,595,321	9 80,395,925
10 68,615,869	10 0	10 0	10 745,696
11 1,239,183,003	11 9,146,337	11 3,096,495	11 20,141,935
12 <b>50,295,988,290</b>	12 <b>405,792,853</b>	12 <b>73,944,960</b>	12 <b>838,634,658</b>

Accounting class <b>9</b> <b>Other damage to property</b> (name)	Accounting class <b>10</b> <b>Land vehicles - T.P.L.</b> (name)	Accounting class <b>11</b> <b>Aircraft - T.P.L.</b> (name)	Accounting class <b>12</b> <b>Marine - T.P.L.</b> (name)
1 118,008,454,823	1 1,043,137,204,549	1 20,814,589	1 1,055,408,111
2 3,029,914,277	2 9,334,382,145	2 7,220,863	2 23,509,429
3 71,701,610,968	3 924,255,932,762	3 -15,848,796	3 1,561,682,890
4 0	4 0	4 0	4 0
5 -292,813,599	5 2,527,757,306	5 -9,961	5 -934
6 31,855,654,580	6 161,311,127,504	6 638,757	6 167,128,419
7 11,128,461,399	7 -49,236,480,556	7 28,793,804	7 -696,913,561
8 -1,536,489,789	8 59,620,195	8 -24,663,986	8 0
9 390,982,250	9 -3,088,248,333	9 0	9 0
10 18,795,141	10 0	10 0	10 0
11 1,144,696,105	11 19,081,832,942	11 31,766	11 32,416,589
12 <b>11,108,854,824</b>	12 <b>-33,183,275,752</b>	12 <b>4,161,584</b>	12 <b>-664,496,972</b>

Accounting class <b>15</b> <b>Bonds</b> (name)	Accounting class <b>16</b> <b>Pecuniary losses</b> (name)	Accounting class <b>17</b> <b>Legal protection</b> (name)	Accounting class <b>18</b> <b>Assistance</b> (name)
1 36,943,880,233	1 23,946,997,778	1 13,431,800,373	1 9,380,976,761
2 -2,312,791,423	2 431,442,024	2 838,806,576	2 157,567,820
3 3,493,603,955	3 8,064,295,774	3 4,947,727,753	3 2,572,980,132
4 0	4 0	4 0	4 0
5 -546,216,303	5 -4,042,991	5 -4,911,421	5 -20,340,283
6 10,698,606,524	6 6,819,389,813	6 3,817,988,384	6 2,422,098,787
7 24,518,244,874	7 8,627,827,176	7 3,822,366,239	7 4,207,989,739
8 -9,736,357,069	8 73,668,116	8 -36,737,974	8 -1,453,683,386
9 -173,317,760	9 56,152,244	9 67,019,563	9 0
10 0	10 0	10 0	10 0
11 928,989,076	11 118,745,848	11 218,525,242	11 37,574,459
12 <b>15,537,559,121</b>	12 <b>8,876,393,384</b>	12 <b>4,071,173,070</b>	12 <b>2,791,880,812</b>

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

Non-Life insurance business - Summary of aggregated technical accounts  
Italian portfolio

	Direct insurance risks		Inward reinsurance risks		Retention Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Accepted risks 3	Retroced risks 4	
Written premiums .....	+ 1 2,003,111,257,774	11 151,527,916,413	21 112,148,100,488	31 19,858,999,401	41 1,943,872,442,448
Change in provision for unearned premiums (+ or -) .....	- 2 20,081,067,155	12 16,267,766	22 12,604,678,611	32 1,346,915,550	42 31,322,562,450
Charges relating to claims .....	- 3 1,558,602,345,954	13 87,506,558,505	23 67,754,300,361	33 11,688,472,377	43 1,527,161,615,433
Change in sundry technical provisions (+ or -) (1) .....	- 4 -118,860,511	14 0	24 0	34 0	44 -118,860,511
Balance on other technical items (+ or -) .....	+ 5 -3,059,401,791	15 -325,910,219	25 703,630	35 0	45 -2,732,787,942
Operating expenses .....	- 6 414,806,970,604	16 57,034,721,523	26 29,562,338,685	36 4,755,651,084	46 382,578,936,682
<b>Technical balance (+ or -) .....</b>	<b>7 6,680,332,781</b>	<b>17 6,644,458,400</b>	<b>27 2,227,486,461</b>	<b>37 2,067,960,390</b>	<b>47 195,400,452</b>
Change in equalization provisions (+ or -) .....	-				48 137,009,575
Allocated investments return transferred from the non-technical account ...	+ 9 34,966,236,636		29 337,697,217		49 35,303,933,853
<b>Balance on the technical account (+ or -) .....</b>	<b>10 41,646,569,417</b>	<b>20 6,644,458,400</b>	<b>30 2,565,183,678</b>	<b>40 2,067,960,390</b>	<b>50 35,362,324,730</b>

(1) This item includes changes in both "Other technical provisions" and "Provision for bonuses and rebates"

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

## Life assurance business - Summary of technical accounts by accounting class - Italian portfolio

	Accounting class <b>I</b>		Accounting class <b>II</b>		Accounting class <b>III</b>	
	<b>Life assurance</b>		<b>Marriage - birth</b>		<b>Linked to inv. funds</b>	
	name		name		name	
<b>Gross direct insurance business</b>						
Premium written .....	+	1 527,095,554,121	1 0	1 276,982,165,302		
Charges relating to claims .....	-	2 409,177,901,967	2 0	2 13,155,805,130		
Change in mathematical provisions and sundry technical provisions (+ or -) (*) .....	-	3 264,185,295,999	3 0	3 271,572,519,641		
Balance on other technical items (+ or -) .....	+	4 -1,448,876,628	4 0	4 2,206,368,209		
Operating expenses .....	-	5 69,085,187,918	5 0	5 7,011,923,104		
Investment returns net of share allocated to the non-technical account (**) .....	+	6 230,440,413,873	6 0	6 17,709,116,753		
<b>Gross result of direct insurance business (+ or -) .....</b>	<b>A</b>	<b>7 13,638,705,482</b>	<b>7 0</b>	<b>7 5,157,402,389</b>		
<b>Balance on outward reinsurance (+ or -) .....</b>	<b>B</b>	<b>8 14,847,400,038</b>	<b>8 0</b>	<b>8 0</b>		
<b>Balance on net inward reinsurance (+ or -) .....</b>	<b>C</b>	<b>9 683,819,246</b>	<b>9 0</b>	<b>9 0</b>		
<b>Balance on the technical account (+ or -) .....</b>	<b>(A + B + C)</b>	<b>10 29,169,924,766</b>	<b>10 0</b>	<b>10 5,157,402,389</b>		

	Accounting class <b>IV</b>		Accounting class <b>V</b>		Accounting class <b>VI</b>	
	<b>Health</b>		<b>Capital redemption</b>		<b>Pension funds</b>	
	name		name		name	
<b>Gross direct insurance business</b>						
Premium written .....	+	1 0	1 39,931,831,941	1 23,254,879,495		
Charges relating to claims .....	-	2 0	2 47,028,537,646	2 183,720,323		
Change in mathematical provisions and sundry technical provisions (+ or -) (*) .....	-	3 0	3 1,943,602,755	3 23,129,119,126		
Balance on other technical items (+ or -) .....	+	4 0	4 -603,164,780	4 116,704,375		
Operating expenses .....	-	5 0	5 1,537,249,089	5 369,064,953		
Investment returns net of share allocated to the non-technical account (**) .....	+	6 0	6 16,186,043,792	6 188,720,911		
<b>Gross result of direct assurance business (+ or -) .....</b>	<b>A</b>	<b>7 0</b>	<b>7 5,005,321,463</b>	<b>7 -121,599,621</b>		
<b>Balance on outward reinsurance (+ or -) .....</b>	<b>B</b>	<b>8 0</b>	<b>8 0</b>	<b>8 0</b>		
<b>Balance on net inward reinsurance (+ or -) .....</b>	<b>C</b>	<b>9 0</b>	<b>9 0</b>	<b>9 0</b>		
<b>Balance on the technical account (+ or -) .....</b>	<b>(A + B + C)</b>	<b>10 0</b>	<b>10 5,005,321,463</b>	<b>10 -121,599,621</b>		

(\*) The item "Sundry technical provisions" includes "Other technical provisions" and "Technical provisions when the investment risk is borne by policyholders and provisions arising from pension fund management".

(\*\*) Algebraic sum of items relating to each accounting class and to the Italian portfolio is included under items II.2, II.3, II.9, II.10 and II.12 of the profit and loss account.

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

Life assurance business - Summary of aggregated technical portfolio  
Italian portfolio

	Direct insurance risks		Inward reinsurance risks		Retention Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Accepted risks 3	Retroceded risks 4	
Written premiums .....	+ 1 867,264,430,859	11 11,397,829,346	21 6,516,876,030	31 1,555,761,107	41 860,827,716,436
Charges relating to claims .....	- 2 469,545,965,066	12 39,136,905,987	22 7,584,964,718	32 1,508,003,503	42 436,486,020,294
Change in mathematical provisions and sundry technical provisions (+ or -) (*) .....	- 3 560,830,537,521	13 -8,898,580,059	23 -192,304,278	33 335,337,208	43 569,201,476,094
Balance on other technical items (+ or -) .....	+ 4 271,031,176	14 5,860,557,441	24 0	34 0	44 -5,589,526,265
Operating expenses .....	- 5 78,003,425,064	15 1,867,460,897	25 785,197,759	35 100,684,635	45 76,820,477,291
Investments returns net of share allocated to the non-technical account (**) .....	+ 6 264,524,295,329		26 1,956,537,176		46 266,480,832,505
<b>Balance on the technical account (+ or -) .....</b>	<b>7 23,679,829,713</b>	<b>17 -14,847,400,038</b>	<b>27 295,555,007</b>	<b>37 -388,264,239</b>	<b>47 39,211,048,997</b>

(\*) The item "Sundry technical provisions" includes "Other technical provisions" and "Technical provisions when the investment risk is borne by policyholders and provisions arising from pension fund management".

(\*\*) Algebraic sum of items relating to each accounting class and to the Italian portfolio is included under items II.2, II.3, II.9, II.10 and II.12 of the profit and loss account.

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

## Summary of both Life and Non-Life technical accounts - Foreign portfolio

## Section I: Non-Life insurance business

		All accounting classes
<b>Gross direct insurance business</b>		
Premiums written .....	+ 1	0
Change in provision for unearned premiums (+ or -) .....	- 2	0
Charges relating to claims .....	- 3	0
Change in sundry technical provisions (+ or -) (1) .....	- 4	0
Balance on other technical items (+ or -) .....	+ 5	0
Operating expenses .....	- 6	0
<b>Technical balance on direct insurance business (+ or -) .....</b>	<b>A 7</b>	<b>0</b>
<b>Balance on outward reinsurance (+ or -) .....</b>	<b>B 8</b>	<b>0</b>
<b>Balance on net inward reinsurance (+ or -) .....</b>	<b>C 9</b>	<b>-6,558,563,573</b>
Change in equalization provisions (+ or -) .....	D 10	0
Allocated investment return transferred from the non-technical account .....	E 11	472,788,680
<b>Balance on the technical account (+ or -) .....</b>	<b>(A + B + C - D + E) 12</b>	<b>-6,085,774,893</b>

## Section II: Life assurance business

		All accounting classes
<b>Gross direct insurance business</b>		
Premiums written .....	+ 1	0
Charges relating to claims .....	- 2	0
Change in mathematical provisions and sundry technical provisions (+ or -) (2) .....	- 3	0
Balance on other technical items (+ or -) .....	+ 4	0
Operating expenses .....	- 5	0
Investment returns net of share allocated to the non-technical account (3) .....	+ 6	166,575,143
<b>Gross result of direct assurance business (+ or -) .....</b>	<b>A 7</b>	<b>166,575,143</b>
<b>Balance on outward reinsurance (+ or -) .....</b>	<b>B 8</b>	<b>0</b>
<b>Balance on net inward reinsurance (+ or -) .....</b>	<b>C 9</b>	<b>-459,316,484</b>
<b>Balance on the technical account (+ or -) .....</b>	<b>(A + B + C) 10</b>	<b>-292,741,341</b>

(1) This item includes changes in both "Other technical provisions" and "Provision for bonuses and rebates".

(2) The item "Sundry technical provisions" includes "Other technical provisions" and "Technical provisions when the investment risk is borne by policyholders and provisions arising from pension fund management".

(3) Algebraic sum of items relating to the foreign portfolio and entered under items II.2, II.3, II.9, II.10 and II.12 of the profit and loss account.

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2000

## Transactions with group undertakings and other participating interests

## I: Income

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
<b>Investment income</b>						
Income from land and buildings .....	1 43,111,774	2 1,315,755,254	3 2,914,683,600	4 102,515,041	5 0	6 4,376,065,669
Dividends and other income from stocks and shares .....	7 420,665,334	8 4,352,848,591	9 16,120,900	10 1,860,626,710	11 10,072,050,364	12 16,722,311,899
Income from debt securities .....	13 0	14 0	15 0	16 0	17 54,046,738	18 54,046,738
Interest on corporate financing .....	19 0	20 0	21 0	22 0	23 388,026,889	24 388,026,889
Income from other financial investments .....	25 0	26 0	27 0	28 0	29 2,656,461,114	30 2,656,461,114
Interest on deposits with ceding undertakings .....	31 0	32 2,191,777,381	33 0	34 0	35 640,661,045	36 2,832,438,426
<b>Total .....</b>	<b>37 463,777,108</b>	<b>38 7,860,381,226</b>	<b>39 2,930,804,500</b>	<b>40 1,963,141,751</b>	<b>41 13,811,246,150</b>	<b>42 27,029,350,735</b>
<b>Income and unrealised capital gains on investments for the benefit of policyholders who bear the risk thereof and on investments arising from pension fund management</b>						
	43 0	44 61,955,775	45 0	46 0	47 3,280,770	48 65,236,545
<b>Other income</b>						
Interest on receivables .....	49 0	50 2,357,360,890	51 0	52 763,135,728	53 183,559,860	54 3,304,056,478
Operating expenses and charges recovered .....	55 24,960,244	56 2,246,286,143	57 4,300,000	58 654,465,753	59 6,924,540	60 2,936,936,680
Other income and sums recovered .....	61 252,200	62 399,104	63 2,500	64 156,800	65 0	66 810,604
<b>Total .....</b>	<b>67 25,212,444</b>	<b>68 4,604,046,137</b>	<b>69 4,302,500</b>	<b>70 1,417,758,281</b>	<b>71 190,484,400</b>	<b>72 6,241,803,762</b>
<b>Capital gains on disposal of investments (*) .....</b>	<b>73 0</b>	<b>74 249,080,185</b>	<b>75 0</b>	<b>76 0</b>	<b>77 0</b>	<b>78 249,080,185</b>
<b>Extraordinary income .....</b>	<b>79 0</b>	<b>80 15,424,082</b>	<b>81 0</b>	<b>82 232,952,046</b>	<b>83 47,761</b>	<b>84 248,423,889</b>
<b>GRAND TOTAL .....</b>	<b>85 488,989,552</b>	<b>86 12,790,887,405</b>	<b>87 2,935,107,000</b>	<b>88 3,613,852,078</b>	<b>89 14,005,059,081</b>	<b>90 33,833,895,116</b>

Transactions with group undertakings and other participating interests

II: Charges

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
<b>Investment management charges and interest payable:</b>						
Charges relating to investments .....	91 0	92 652,373,564	93 0	94 0	95 113,669	96 652,487,233
Interest payable on subordinated liabilities .....	97 0	98 0	99 0	100 0	101 0	102 0
Interest on deposits received from reinsurers .....	103 0	104 0	105 0	106 0	107 0	108 0
Interest on payables arising from direct insurance operations .....	109 0	110 512,510	111 0	112 0	113 0	114 512,510
Interest on payables arising from reinsurance operations .....	115 0	116 0	117 0	118 0	119 15,440,715	120 15,440,715
Interest on amounts owed to credit institutions .....	121 0	122 34,458,832	123 0	124 0	125 2,166,575	126 36,625,407
Interest on payables secured by a lien on property .....	127 0	128 0	129 0	130 0	131 0	132 0
Interest on other payables .....	133 0	134 538,100	135 60,273	136 172,827	137 0	138 771,200
Losses on receivables .....	139 0	140 0	141 0	142 0	143 0	144 0
Operating charges and expenses on behalf of third parties ..	145 4,910,952	146 288,005,431	147 0	148 369,267,353	149 0	150 662,183,736
Sundry charges .....	151 5,000	152 5,014	153 0	154 5,000	155 2	156 15,016
<b>Total .....</b>	157 <b>4,915,952</b>	158 <b>975,893,451</b>	159 <b>60,273</b>	160 <b>369,445,180</b>	161 <b>17,720,961</b>	162 <b>1,368,035,817</b>
<b>Charges and unrealised capital losses on investments for the benefit of policyholders who bear the risk thereof and on investments arising from pension fund management .....</b>	163 0	164 0	165 0	166 0	167 33,933,133	168 33,933,133
<b>Losses on disposal of investments (*) .....</b>	169 0	170 0	171 0	172 0	173 0	174 0
<b>Extraordinary charges .....</b>	175 0	176 98,490	177 0	178 0	179 0	180 98,490
<b>GRAND TOTAL .....</b>	181 <b>4,915,952</b>	182 <b>975,991,941</b>	183 <b>60,273</b>	184 <b>369,445,180</b>	185 <b>51,654,094</b>	186 <b>1,402,067,440</b>

(\*) With reference to the other party

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

Direct insurance business - Summary of premiums written

	Non-Life insurance business		Life assurance business		Total	
	Establishment	Freedom of service	Establishment	Freedom of service	Establishment	Freedom of service
Premiums written:						
in Italy .....	1 2,001,557,436,481 5	0 11	867,264,430,859 15	0 21	2,868,821,867,340 25	0 25
in other countries of the European Union .....	2 0 6	52,176,289 12	0 16	0 22	0 26	52,176,289 26
in countries outside the E.U. ....	3 0 7	1,501,645,004 13	0 17	0 23	0 27	1,501,645,004 27
<b>Total .....</b>	<b>4 2,001,557,436,481 8</b>	<b>1,553,821,293 14</b>	<b>867,264,430,859 18</b>	<b>0 24</b>	<b>2,868,821,867,340 28</b>	<b>1,553,821,293 28</b>



Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2000

## Statement of charges relating to staff, board members and auditors

## I: Staff costs

	Non-Life business	Life business	Total
<b>Costs arising from subordinate work:</b>			
Italian portfolio			
- Wages and salaries .....	1 68,078,313,292	31 12,635,212,100	61 80,713,525,392
- Social security contributions .....	2 19,530,127,556	32 3,642,462,771	62 23,172,590,327
- Allocation to the fund for staff leaving indemnity and similar obligations .....	3 6,264,203,842	33 1,126,111,011	63 7,390,314,853
- Sundry costs relating to staff .....	4 11,302,392,097	34 2,296,957,854	64 13,599,349,951
<b>Total .....</b>	5 <b>105,175,036,787</b>	35 <b>19,700,743,736</b>	65 <b>124,875,780,523</b>
Foreign portfolio:			
- Wages and salaries .....	6 0	36 0	66 0
- Social security contributions .....	7 0	37 0	67 0
- Sundry costs relating to staff .....	8 0	38 0	68 0
<b>Total .....</b>	9 <b>0</b>	39 <b>0</b>	69 <b>0</b>
<b>Grand total .....</b>	10 <b>105,175,036,787</b>	40 <b>19,700,743,736</b>	70 <b>124,875,780,523</b>
<b>Costs arising from non-subordinate work:</b>			
Italian portfolio .....	11 73,035,141,437	41 211,420,475	71 73,246,561,912
Foreign portfolio .....	12 0	42 0	72 0
<b>Total .....</b>	13 <b>73,035,141,437</b>	43 <b>211,420,475</b>	73 <b>73,246,561,912</b>
<b>Total labour costs .....</b>	14 <b>178,210,178,224</b>	44 <b>19,912,164,211</b>	74 <b>198,122,342,435</b>

## II: Description of accounting items

	Non-Life business	Life business	Total
Investment management charges .....	15 4,988,017,584	45 1,803,749,143	75 6,791,766,727
Charges relating to claims .....	16 106,590,137,542	46 812,444,810	76 107,402,582,352
Other acquisition commissions .....	17 22,840,153,014	47 8,053,629,347	77 30,893,782,361
Other operating expenses .....	18 43,176,900,930	48 9,107,838,156	78 52,284,739,086
Operating charges and expenses on behalf of third parties ..	19 502,230,354	49 134,502,755	79 636,733,109
<i>Other technical charges</i> .....	20 112,738,800	50 0	80 112,738,800
<b>Total .....</b>	21 <b>178,210,178,224</b>	51 <b>19,912,164,211</b>	81 <b>198,122,342,435</b>

## III: Average number of staff in the financial year

	Number
Managers .....	91 54
White-collars .....	92 1,261
Blue-collars .....	93 0
Others .....	94 3
<b>Total .....</b>	95 <b>1,318</b>

## IV: Board members and statutory auditors

	Number	Fees
Board members (1) .....	96 26	98 825,957,653
Statutory auditors .....	97 3	99 140,000,000

(1) including 2 members replaced

The undersigned declare that the financial statements are free from irregularity or error.

The Company legal representatives (\*)

The Chairman ..... (\*\*)

*Giovanni Consorte* ..... (\*\*)

..... (\*\*)

The Statutory Auditors

U. Melloni .....

O. Caffagni .....

L. Roffinella .....

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy

(\*\*) Please indicate the functions of the signatory

# **Notes to the Accounts**

## **Additional Annexes**

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ASSETS		<i>(in ITLm)</i>		<i>(in EUROM)</i>	
		2000	1999	2000	1999
<b>Intangible assets</b>					
	Deferred acquisition commissions	77,575	71,893	40,064	37,130
	Formation costs, goodwill and other deferred costs	11,079	5,608	5,722	2,897
	<b>Total intangible assets</b>	<b>88,655</b>	<b>77,502</b>	<b>45,786</b>	<b>40,026</b>
<b>Investments</b>					
I	Land and buildings	692,966	722,837	357,887	373,314
II	Investments in group undertakings and other participating interests				
	Stocks and shares	2,740,742	1,261,861	1,415,475	651,697
	Debt securities	960	960	496	496
	Corporate financing	7,209	22,320	3,723	11,527
III	Other financial investments				
	Stocks and shares	334,823	70,434	172,922	36,376
	Units and shares of mutual funds	282,707	107,859	146,006	55,705
	Bonds	4,888,080	4,498,768	2,524,483	2,323,420
	Financing	92,535	74,197	47,790	38,319
	Sundry financial investments	339,538	915,174	175,357	472,648
IV	Deposits with ceding undertakings	75,914	72,961	39,206	37,681
V	Cash at bank and in hand	252,086	234,115	130,191	120,910
VI	Own shares	7,226	13,025	3,732	6,727
	<b>Total investments and liquid assets</b>	<b>9,714,786</b>	<b>7,994,510</b>	<b>5,017,268</b>	<b>4,128,820</b>
<b>Investments for the benefit of life assurance policyholders who bear the risk thereof</b>					
	Relating to benefits linked to mutual funds/market indices	460,114	198,170	237,629	102,346
	Deriving from pension fund management	32,754	7,030	16,916	3,631
	<b>Total</b>	<b>492,868</b>	<b>205,200</b>	<b>254,545</b>	<b>105,977</b>
<b>Debtors</b>					
I	Arising out of direct insurance and reinsurance operations				
	Policyholders, out of premiums	283,838	268,273	146,590	138,552
	Intermediaries	144,289	130,498	74,519	67,396
	Insurance and reinsurance companies	209,526	168,861	108,211	87,210
	Policyholders and third parties - amounts recoverable	38,895	30,437	20,088	15,719
II	Other debtors	98,182	91,322	50,707	47,164
	<b>Total debtors</b>	<b>774,729</b>	<b>689,391</b>	<b>400,114</b>	<b>356,041</b>
<b>Other assets</b>					
	Tangible assets and stocks	10,794	8,865	5,574	4,578
	Other assets	184,563	143,727	95,319	74,229
	<b>Total other assets</b>	<b>195,357</b>	<b>152,592</b>	<b>100,893</b>	<b>78,807</b>
	<b>TOTAL ASSETS</b>	<b>11,266,395</b>	<b>9,119,195</b>	<b>5,818,607</b>	<b>4,709,671</b>

**BALANCE SHEET**  
**31 DECEMBER 2000 AND 1999**

LIABILITIES	( in ITLm)		(in EUROm)	
	2000	1999	2000	1999
<b>Capital and reserves</b>				
Share capital	451,147	281,729	232,998	145,501
Reserves and undistributed profits	1,613,191	935,917	833,144	483,361
Profit (loss) for the financial year	115,384	76,014	59,591	39,258
<b>Total capital and reserves</b>	<b>2,179,722</b>	<b>1,293,659</b>	<b>1,125,732</b>	<b>668,119</b>
<b>Technical provisions, net of outward reinsurance</b>				
Non-life business: provision for unearned premiums	727,380	705,275	375,661	364,244
Non-life business: provision for claims outstanding	2,345,733	2,094,480	1,211,470	1,081,709
Non-life business: other provisions	5,192	5,174	2,681	2,672
Life business: mathematical provisions	4,346,766	4,095,102	2,244,917	2,114,944
Life business: provision for amounts payable	21,922	19,617	11,322	10,131
Life business: other provisions	57,351	55,086	29,619	28,450
<b>Total technical provisions</b>	<b>7,504,345</b>	<b>6,974,734</b>	<b>3,875,671</b>	<b>3,602,150</b>
<b>Technical provisions, where the investment risk is borne by policyholders:</b>				
Contracts where benefits are linked to mutual funds and market indices	460,114	198,169	237,629	102,346
Deriving from pension fund management	32,754	7,030	16,916	3,631
<b>Total</b>	<b>492,868</b>	<b>205,199</b>	<b>254,545</b>	<b>105,976</b>
<b>Provisions for risks and charges</b>				
Provision for taxation	6,979	6,037	3,604	3,118
Other allocations	22,655	6,509	11,700	3,362
<b>Total provisions for risks and charges</b>	<b>29,634</b>	<b>12,546</b>	<b>15,305</b>	<b>6,479</b>
<b>Creditors and other liabilities</b>				
I Arising from direct insurance and reinsurance operations:				
Intermediaries	4,425	4,562	2,285	2,356
Insurance and reinsurance undertakings - accounts payable	35,755	32,874	18,466	16,978
Insurance and reinsurance undertakings - deposit accounts	145,029	146,566	74,901	75,695
Sundry creditors	7,567	7,186	3,908	3,711
II Sundry borrowings and other financial payables	430,777	31,663	222,478	16,352
III Staff leaving indemnity	45,943	43,890	23,728	22,667
IV Other creditors				
Policyholders' tax due	39,252	39,024	20,272	20,154
Sundry taxes	98,356	69,712	50,797	36,003
Sundry creditors	33,610	36,728	17,358	18,968
V Other liabilities	219,113	220,852	113,162	114,060
<b>Total creditors and other liabilities</b>	<b>1,059,827</b>	<b>633,057</b>	<b>547,355</b>	<b>326,947</b>
<b>TOTAL LIABILITIES</b>	<b>11,266,395</b>	<b>9,119,195</b>	<b>5,818,607</b>	<b>4,709,671</b>

## RECLASSIFIED PROFIT AND LOSS ACCOUNT

(Amounts in ITLm)

(in EUROM)

	31 December 2000			31 December 1999			31 December 2000			31 December 1999		
	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total
<b>TECHNICAL ACCOUNT</b>												
<b>Gross direct insurance business</b>												
(+) Premiums written	867,264	2,003,111	2,870,376	695,581	1,920,431	2,616,013	447,905	1,034,521	1,482,425	359,238	991,820	1,351,058
(-) Change in technical provisions and provision for unearned premiums	561,793	23,469	585,262	477,612	17,845	495,457	290,142	12,121	302,263	246,666	9,216	255,882
(-) Charges relating to claims	469,546	1,558,602	2,028,148	364,206	1,548,837	1,913,042	242,500	804,951	1,047,451	188,097	799,907	988,004
(+) Balance on other technical items	377	96	473	219	244	463	195	50	244	113	126	239
(-) Operating expenses	78,000	414,593	492,592	68,823	399,004	467,827	40,283	214,119	254,403	35,544	206,068	241,612
(+) Net investment income (1)	267,500	35,777	303,277	238,144	70,225	308,369	138,152	18,477	156,629	122,991	36,268	159,259
<b>Balance on gross direct insurance business</b>	<b>25,803</b>	<b>42,320</b>	<b>68,123</b>	<b>23,305</b>	<b>25,215</b>	<b>48,519</b>	<b>13,326</b>	<b>21,856</b>	<b>35,183</b>	<b>12,036</b>	<b>13,022</b>	<b>25,058</b>
<b>Balance on outward reinsurance</b>	14,847	(6,644)	8,203	15,182	(10,709)	4,473	7,668	(3,432)	4,236	7,841	(5,531)	2,310
<b>Balance on net inward reinsurance</b>	(1,732)	(6,399)	(8,131)	(1,369)	(5,991)	(7,359)	(895)	(3,305)	(4,199)	(707)	(3,094)	(3,801)
<b>Balance on the technical account</b>	<b>38,918</b>	<b>29,277</b>	<b>68,195</b>	<b>37,118</b>	<b>8,515</b>	<b>45,633</b>	<b>20,100</b>	<b>15,120</b>	<b>35,220</b>	<b>19,170</b>	<b>4,398</b>	<b>23,567</b>
<b>NON-TECHNICAL ACCOUNT</b>												
(+) Investment income (2)			36,654			24,036			18,930			12,414
(+) Other income			43,092			35,501			22,255			18,335
(-) Other charges			28,516			25,282			14,727			13,057
<b>Balance on ordinary activities</b>			<b>119,425</b>			<b>79,888</b>			<b>61,678</b>			<b>41,259</b>
(+) Extraordinary income			110,194			52,147			56,911			26,932
(-) Extraordinary charges			27,269			1,449			14,083			748
<b>Profit before taxation</b>			<b>202,351</b>			<b>130,586</b>			<b>104,505</b>			<b>67,442</b>
(-) Taxation			86,967			54,572			44,915			28,184
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>			<b>115,384</b>			<b>76,014</b>			<b>59,591</b>			<b>39,258</b>

(1) Investment income for life business: after transfers to the non-technical account.

Investment income for non-life business: after transfers from the non-technical account.

(2) Investment income for life business: after transfers from the technical account.

Investment income for non-life business: after transfers to the technical account.

## STATEMENT 'C'

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES  
FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999**
*(Amounts in ITLm)*

	Share capital	Reserves and undistributed profits					Profit for the fin yr.	TOTAL
		Share premium  reverse	Revaluation reserve	Legal reserve	Reserves for own shares and holding company's shares	Other reserves		
<b>BALANCES AS AT 31 DECEMBER 1998</b>	<b>257,753</b>	<b>504,359</b>	<b>40,082</b>	<b>48,116</b>	<b>25,083</b>	<b>234,254</b>	<b>58,484</b>	<b>1,168,131</b>
Resolutions adopted by the General Shareholders' Meeting of 30.4.1999: profit allocation for the financial year 1998								
-legal reserve				3,443			(3,443)	
-extraordinary reserve						15,357	(15,357)	
-dividends paid							(39,685)	(39,685)
Reserve for own shares					6,650	(6,650)		
Warrant conversion	23,976	65,186						89,161
Reserve ex Legsl. Decree 173/1997, Article 20						37		37
Profit for the fin. year 1999							76,014	76,014
<b>BALANCES AS AT 31 DECEMBER 1999</b>	<b>281,729</b>	<b>569,544</b>	<b>40,082</b>	<b>51,559</b>	<b>31,733</b>	<b>242,998</b>	<b>76,014</b>	<b>1,293,659</b>
Resolutions adopted by the General Shareholders' Meeting of 28.4.00: profit allocation for the financial year 1999								
-legal reserve				4,787			(4,787)	
-extraordinary reserve						25,042	(25,042)	
-dividends paid							(46,186)	(46,186)
Reserve for own shares					(5,800)	5,800		
Reserve for holding company's shares					6,738	(6,738)		
Reserve ex Legsl. Decree 173/1997, Article 20						(3)		(3)
Capital increase	169,419	647,449						816,868
Profit for the fin. year 2000							115,384	115,384
<b>BALANCES AS AT 31 DECEMBER 2000</b>	<b>451,147</b>	<b>1,216,993</b>	<b>40,082</b>	<b>56,346</b>	<b>32,671</b>	<b>267,099</b>	<b>115,384</b>	<b>2,179,722</b>

## STATEMENT 'D'

**CASH FLOW**  
**FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000 AND 1999**

*(Amounts in ITLm)*

	2000	1999
<b>CASH INFLOW</b>		
Net profit for the year	115,384	76,014
Net increase in technical provisions of Life and Non-life business	817,280	723,595
Write-down of securities and shareholdings	57,111	28,332
Increase (decrease) of funds and provisions	27,661	(4,083)
Decrease in securities	0	138,677
Decrease in buildings	22,702	0
Decrease in corporate financing	0	23,230
(Increase) decrease of receivables and other assets, net of payables and other liabilities	303,566	41,620
Decrease in other investments	553,223	0
<b>OTHER CASH INFLOW</b>		
Paid-up capital increase	816,868	89,161
<b>TOTAL CASH INFLOW</b>	<b>2,713,793</b>	<b>1,116,547</b>
<b>CASH FLOWS WERE INVESTED AS FOLLOWS:</b>		
Increase in securities	401,387	0
Increase in shareholdings	1,956,264	472,757
Increase in buildings	0	52,279
Increase in class "D" investments	287,668	76,837
Write-ups of securities and shareholdings	1,090	95
Increase in corporate financing	3,227	0
Other liquid investments	0	380,853
Dividends paid	46,186	39,685
<b>TOTAL CASH FLOW INVESTED</b>	<b>2,695,822</b>	<b>1,022,505</b>
Increase (decrease) in cash and cash equivalents	17,971	94,041
<b>TOTAL</b>	<b>2,713,793</b>	<b>1,116,547</b>
<b>Cash at bank and in hand as at 1 January</b>	<b>234,115</b>	<b>140,073</b>
<b>Cash at bank and in hand as at 31 December</b>	<b>252,086</b>	<b>234,115</b>



**LAND AND BUILDINGS VALUATION - SUMMARY STATEMENT**

Within the meaning of Law 72/1983 Article 10 (Visentini-Bis), and Law 413/1991 on the compulsory write-up of property belonging to companies, we detail here below the land and buildings valued in conformity with the aforementioned laws or previous laws, as per type of property owned at year-end and relative amounts.

We also detail the property owned and relative amounts, for which the valuation criteria laid down by Article 2426 Civil Code, 1st paragraph, were departed from in the past.

**LAND AND BUILDINGS AT MARKET VALUE**

	<b>Law 576/75</b>	<b>Law 72/83</b>	<b>Law 413/91</b>	<b>Total</b>
Buildings for the use of the company	3,100,032	3,873,636,000	8,456,799,688	12,333,535,720
Buildings for the use of third parties	57,548,417	8,202,013,396	10,784,343,276	19,043,905,089
Land		280,417,359		280,417,359
<b>Total buildings</b>	<b>60,648,449</b>	<b>12,356,066,755</b>	<b>19,241,142,964</b>	<b>31,657,858,168</b>
Città del Mare facilities		50,693,720		50,693,720
<b>TOTAL</b>	<b>60,648,449</b>	<b>12,406,760,475</b>	<b>19,241,142,964</b>	<b>31,708,551,888</b>

**VALUATION DEPARTING FROM THE CRITERIA LAID DOWN BY ARTICLE 2426 CIVIL CODE**

	<b>Out of mergers</b>	<b>Others</b>	<b>Total</b>
Buildings for the use of the company	2,453,084,590	10,251,370,427	12,704,455,017
Buildings for the use of third parties	6,810,823,781	1,383,305,462	8,194,129,243
<b>TOTAL</b>	<b>9,263,908,371</b>	<b>11,634,675,889</b>	<b>20,898,584,260</b>

**STATEMENT OF HOLDINGS HIGHER THAN 10% AS AT 31 DECEMBER 2000,  
WITHIN THE MEANING OF CONSOB CIRC. 11971 OF 14 MAY 1999, ARTICLE 126**

Company	Registered office	% Holding			Total % Holding (*)
		Dir.	Ind.	Through	
Sofircoop S.r.l. in liq.	Bologna	100.00%			100.00%
Immobiliare Pietramellara S.r.l.	Bologna		100.00%	Unipol Banca SpA	100.00%
Unipol Fondi LTD	Irlanda	100.00%			100.00%
Meie Vita S.p.A.	Milano	51.02%	48.98%	Meie Assicurazioni S.p.A.	100.00%
Meie Servizi S.r.l.	Milano		100.00%	Meie Vita S.p.A.	100.00%
Promoass S.r.l.	Milano		90.00%	Meie Assicurazioni S.p.A.	
			10.00%	Meie Vita S.p.A.	100.00%
Unipol SGR S.p.A.	Bologna	100.00%			100.00%
Agricoltura Assicurazioni Società Mutua	Milano		100.00%	Aurora Assicurazioni S.p.A.	100.00%
Aurora Assicurazioni S.p.A.	Napoli	99.99%			99.99%
Midi S.r.l.	Bologna	99.00%			99.00%
Pioquartosei S.r.l.	Bologna	99.00%			99.00%
Unifimm S.r.l.	Bologna	99.00%			99.00%
Uniservice S.p.A.	Bologna	99.00%			99.00%
Navale Assicurazioni S.p.A.	Ferrara	98.17%			98.17%
Unieuropa S.r.l.	Bologna	98.00%			98.00%
Unintesa S.p.A. in liq.	Bologna	97.43%			97.43%
Meie Assistenza S.p.A.	Milano		87.14%	Meie Assicurazioni S.p.A.	87.14%
Unipol Banca S.p.A.	Bologna	81.03%			81.03%
Unisalute S.p.A.	Bologna	77.54%			77.54%
Linear Assicurazioni S.p.A.	Bologna	60.00%			60.00%
Meie Assicurazioni S.p.A.	Milano	51.36%			51.36%
Lavoro e Previdenza Service S.p.A.	Bologna	55.10%			55.10%
BNL Vita S.p.A.	Milano	51.00%			51.00%
Noricum Vita S.p.A.	Bologna	51.00%			51.00%
Quadrifoglio Vita S.p.A.	Bologna	50.00%			50.00%
Hotel Villaggio Cdm S.p.A.	Terrasini (PA)	49.00%			49.00%
A.P.A. S.p.A.	Parma	49.00%			49.00%
Assicoop Genova S.p.A. in liq.	Genova	49.00%			49.00%
Assicoop Siena S.p.A.	Siena	49.00%			49.00%
Assicoop Ravenna S.p.A.	Ravenna	49.00%			49.00%
Assicoop Imola S.p.A.	Genova	47.34%			47.34%
Assicoop Modena S.p.A.	Modena	47.00%			47.00%
Assicoop Ferrara S.p.A.	Ferrara	46.73%			46.73%
Assicoop Sicura S.r.l.	Bologna	40.00%			40.00%
AR.CO. Assicurazioni S.p.A.	Modena	40.00%			40.00%
Finec Merchant S.p.A.	Bologna	39.27%			39.27%
Assicura S.p.A.	Reggio Emilia	35.00%			35.00%
Fincooper Scarl	Bologna	23.04%		0.33% Noricum Vita SpA 0.02% Quadrifoglio Vita SpA 0.34% Unisalute SpA	23.73%
Euresa Holding s.a.	Lussemburgo	21.01%			21.01%
Commerfin S.c.p.a.	Roma	20.00%			20.00%
Sofimer S.p.A. in liq.	Napoli	20.00%			20.00%
Artigianfin S.p.A.	Roma	19.01%			19.01%
Syneteristiki Insurance s.a.	Grecia	16.39%			16.39%
Atlantis s.a.	Spagna	12.50%			12.50%
Atlantis Vida s.a.	Spagna	12.50%			12.50%

(\*) Complete title for all shareholdings listed here below.

# **Statements of Solvency Margin**

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Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

**STATEMENT OF SOLVENCY MARGIN**  
**(Legislative Decree No. 175 / 17 March 1995, Article 72 (2))**

**Financial Year 2000**

(amounts in ITL million)

Lines of business

Third party liability for land vehicles, aircraft, sea, lake, river and canal vessels; general third party liability; credit, bonds

Personal accident, health, land vehicles, railway rolling stock, aircraft, sea, lake, river and canal vessels; goods in transit; fire and natural forces; pecuniary losses; assistance

Other damage to property; legal protection

(Please tick the appropriate box bearing in mind Legislative Decree No. 175/1995, Article 12, paragraph 4 concerning lines of business transacted)

**I -BASIS OF CALCULATION OF THE SOLVENCY MARGIN FOR THE FIN. YEAR 2000 TAKEN FROM THE ACCOUNTS**

<i>Items of the balance sheet- Non-life insurance business</i>		
(1) Subscribed share capital unpaid	(same as item 1)	0
(2) Deferred acquisition commissions	(same as item 4)	21,308
(3) Other intangible assets	(same as items 6, 7, 8 e 9)	5,466
(4) Stocks and shares of holding companies	(same as item 17)	25,445
(5) Own stocks or shares	(same as item 91)	7,226
(6) Subscribed share capital or equivalent funds	(same as item 101)	262,501
(7) Share premium reserve	(same as item 102)	683,613
(8) Revaluation reserves (1)	(same as item 103)	-40,082
(9) Legal reserve	(same as item 104)	32,170
(10) Statutory reserves	(same as item 105)	0
(11) Reserve for own shares and holding company's shares	(same as item 106)	32,671
(12) Other reserves (2)		113,060
(13) Losses brought forward	(same as item 108 (*) )	0
(14) Loss for the financial year	(same as item 109 (*) )	0
(15) Profits brought forward	(same as item 108)	0
(16) Profits for the financial year	(same as item 109)	46,465
(17) Subordinated liabilities (3)	(included in item 111)	0
<i>Items of the profit and loss account - financial year 2000</i>		
(18) Gross premiums written	(same as item 1)	2,174,251
(19) Claims paid - gross amount	(same as item 8)	1,445,343
(20) Claims paid - reinsurers' share	(same as item 9)	87,840
(21) Change in the sums recoverable - gross amount	(same as item 11)	54,279
(22) Change in the sums recoverable - reinsurers' share	(same as item 12)	4,324
(23) Change in the provision for outstanding claims - gross amount	(see annexe)	323,990
(24) Change in the provision for outstanding claims - reinsurers' share	(same as item 15)	20,210
(25) Charges directly related to premiums (4)		964
(1) State the amount of the supplementary provision, if any, allocated in accordance with Legislative Decree 175 / 1995, Article 28 (4)		
(2) Specify the other reserves of item 107 excluding, for the first three years, the organisation fund referred to in Legislative Decree 175 / 1995, Article 12:		
EXTRAORDINARY RESERVE		69,654
RESERVE FOR OWN SHARES AND HOLDING COMPANY'S SHARES		42,774
RESERVE ACCORDING TO REGIONAL LAW No. 46 / 18.04.1967 (SICILY)		631
(3) State the subordinated liabilities as defined by Legislative Decree 175/1995, Article 33, paragraph 2, letters g) and h), and specify:		
- loans having a fixed maturity date		
- loans with no fixed maturity date		
- securities with unlimited duration and other financial instruments		
(4) Specify the charges:		
FEES DUE TO THE SUPERVISORY AUTHORITY		934
FEES DUE TO THE NATIONAL REGISTER FOR INJURIES AT WORK		30

(\*) state the absolute value of the loss

**continued: I - BASIS OF CALCULATION OF THE SOLVENCY MARGIN FOR THE FINANCIAL YEAR 2000 TAKEN FROM THE ACCOUNTS**

<i>Items of the profit and loss account - financial years prior to 2000</i>			
(26)	Claims paid in the fin. year 1999: gross amount	(same as item 8)	1,437,759
(27)	Change in the sums recoverable in the fin. year 1999: gross amount	(same as item 11)	39,633
(28)	Change in the provision for outstanding claims in the fin. year 1999: gross amount	(see annexe)	231,386
(29)	Claims paid in the fin. year 1998: gross amount	(same as item 8)	1,400,146
(30)	Change in the sums recoverable in the fin. year 1998: gross amount	(same as item 11)	42,931
(31)	Change in the provision for outstanding claims in the fin. year 1998: gross amount	(see annexe)	129,052
<i>Items to be filled in by companies which only or mainly write "special risks" (**)</i>			
(32)	Claims paid in the fin. year 1997: gross amount	(same as item 8)	
(33)	Change in the provision for outstanding claims in the fin. year 1997: gross amount	(see annexe)	
(34)	Claims paid in the fin. year 1996: gross amount	(same as item 8)	
(35)	Change in the provision for outstanding claims in the fin. year 1996: gross amount	(same as item 8)	
(36)	Claims paid in the fin. year 1995: gross amount	(same as item 8)	
(37)	Change in the provision for outstanding claims in the fin. year 1995: gross amount	(see annexe)	
(38)	Claims paid in the fin. year 1994: gross amount	(same as item 8)	
(39)	Change in the provision for outstanding claims in the fin. year 1994: gross amount	(see annexe)	

(\*\*) "Special risks" cover credit, storm, hail and frost

**II - ITEMS COVERING THE SOLVENCY MARGIN**

(40) = (6) - (1)	Paid-up share capital or equivalent fund		262,501
(41)	One half of the subscribed share capital or equivalent fund unpaid provided at least 50% of that share capital or fund has been paid up		0
	Reserves not covering specific commitments or rectifying asset items:		
(42) = (9)	legal reserve		32,170
(43)	free reserves		869,426
	Profits carried forward:		
(44)	undistributed profits from prior fin. years (*)		0
(45)	undistributed profit for the fin. year (*)		4,646
(46)	Receivables of undefined-contribution mutual insurance companies towards their members within the limits provided for by Legislative Decree 175 / 1995, Article 33, paragraph 2 letter f)		0
(47)	Total subordinated liabilities (the amount shall not exceed 50% of the amount at line (79))		0
	of which:		
(48)	loans having a fixed maturity date (the amount shall not exceed 25% of the amount at line (79))	0	
(49)	loans with no fixed maturity date	0	
(50)	securities with unlimited duration and other financial instruments	0	
(51)	<i>Total (40) to (47)</i>		1,168,744
(52) = 0,4 x (2)	Deferred acquisition commissions		8,523
(53) = (3)	Other intangible assets		5,466
(54) = (4) + (5)	Own stocks or shares and stocks or shares of holding companies		32,671
(55) = (13) + (14)	Loss for the financial year and losses carried forward		0
(56)	<i>Total (53) to (55)</i>		46,661
(57) = (51) - (56)	<i>Total of the items covering the solvency margin and corresponding to the shareholders' equity of the Company</i>		1,122,084

(41) = (1) / 2 se (40) ≥ (6) / 2

(43) = (7) + (8) + (10) + (11) + (12)

(\*) State only the amounts which, based on the resolution of the shareholders' general meeting, are included to all affects in the shareholders' equity of the company

### III - AMOUNT OF THE SOLVENCY MARGIN TO BE COVERED

EURO = ITL 1,936.27

<i>(A) Calculation based upon the annual amount of premiums and contributions</i>				
(58) = (18) - (25)	Gross premiums written in the fin. year, net of charges directly related to premiums		2,173,287	
	to be divided:			
(59)	less than Euro10,000,000 = ITL	19,363	× 0.18 =	3,485
(60)	more than Euro10,000,000 = ITL	2,153,925	× 0.16 =	344,628
(61)	<i>Total a), (59) + (60)</i>			348,113
(62)	Retention level (g) in relation to claims paid in the year after reinsurance cessions			
	(minimum 0.500)		0.938	
(63)	<i>Solvency margin a) × g), (61) × (62)</i>			326,530
<i>(B) Calculation based on the average cost of claims for the last three financial years or for the last seven financial years if the undertaking only or mainly writes "special risks"</i>				
(64)	Claims paid in the aforementioned period: gross amount			4,283,247
(65)	Change in the provision for outstanding claims in the aforementioned period :gross amount			684,427
(66)	Change in the sums recoverable in the aforementioned period: gross amount			136,842
(67)	Cost of claims			4,830,832
(68)	Annual average : 1/3 or 1/7 di (67)			1,610,277
	to be divided:			
(69)	less than Euro7,000,000 = ITL	13,554	× 0.26 =	3,524
(70)	more than Euro7,000,000 = ITL	1,596,724	× 0.23 =	367,246
(71)	<i>Total b), (69) + (70)</i>			370,770
(72)	<i>Solvency margin b) × g), (62) × (71)</i>			347,783
<i>(C) Situation of the solvency margin and of the minimum guarantee fund</i>				
(73) = (63)	Solvency margin calculated upon the annual amount of premiums or contributions			326,530
(74) = (72)	Solvency margin calculated upon the average cost of claims			347,783
(75)	<i>The higher between (73) and (74)</i>			347,783
(76)	Minimum guarantee fund: 1/3 of (75)			115,928
(77)	Minimum guarantee fund pursuant to Legislative Decree 175 / 1995, Article 39, paragraphs 2, 3, 4, 5			775
(78)	<i>(The higher between (76) and (77))</i>			115,928
(79)	<i>Solvency margin to be covered (the higher between (75) and (78))</i>			347,783
(80) = (57)	<i>Total items covering the solvency margin (part II)</i>			1,122,084
(81) = (80) - (79)	<i>Surplus (deficit)</i>			774,301

(62) = 1 - [(20) - (22) + (24)] / [(19) - (21) + (1 Annexe)]

(64) = (19) + (26) + (29); if the undertaking writes "special risks", items : (32) + (34) + (36) + (38) should be added in

(65) = (23) + (28) + (31); if the undertaking writes "special risks" items : (33) + (35) + (37) + (39) should be added in

(66) = (21) + (27) + (30)

(67) = (64) + (65) - (66)

(\*) If the undertaking has been operational for less than 3 (7) years, the average must be based on the number of years of activity

	Financial years						
	2000	1999	1998	1997	1996	1995	1994
(1) Change in the provision for claims outstanding: gross amount (item 14 profit and loss account)	277,836	242,914	174,191				
Provision for outstanding claims of the fin. year and of prior financial years - portfolio movements *:							
- costs							
(2) - out of risks written as direct insurance business	0	0	0				
(3) - out of risks ceded on direct insurance business	46,758	45,237	46,445				
(4) - out of risks accepted as inward reinsurance business	68,858	45,745	45,139				
(5) - out of risks ceded on inward reinsurance business	3,233	4,933	1,751				
- income							
(6) - from risks written as direct insurance business	0	0	0				
(7) - from risks ceded on direct insurance business	58,395	47,814	48,564				
(8) - from risks accepted as inward reinsurance business	44,138	31,692	34,854				
(9) - from risks ceded on inward reinsurance business	6,995	9,297	2,581				
Change in exchange difference on provision for claims outstanding as at 1 January							
- out of risks written as direct insurance business:							
(10) - costs	0	0	16				
(11) - income	229	80	0				
- out of risks accepted as inward reinsurance business:							
(12) - costs	121	18	1,177				
(13) - income	1,908	2,461	145				
(14) total change in exchange differences (11 + 13 - 10 - 12)	2,016	2,524	-1,048	0	0	0	0

Change in the provision for claims outstanding: gross amount to be used to calculate the solvency margin:

	Amount	Corresponding items of the statement of the solvency margin
(15) financial year 2000	(1+6+8+14)	323,990
(16) financial year 1999	(1-2-4+6+8+14) **	231,386
(17) financial year 1998	(1-2-4) ***	129,052

\* Costs and income of portfolio movements relating to the financial year and to prior financial years must be indicated without offsetting: the balance between withdrawals and cessions must therefore not be calculated.

\*\* In the case of "special risks", the amount must also be calculated for the financial years 1998, 1997, 1996, 1995 (items 31, 33, 35, 37 sect. I)

\*\*\* In the case of "special risks", the amount must also be calculated for the financial year 1994 (item 39 sect. I)



The undersigned declare that the financial statements are free from irregularity or error.

The Company legal representatives (\*)

The Chairman (\*\*)

Giovanni Consorte (\*\*)

\_\_\_\_\_ (\*\*)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy

(\*\*) Please indicate the functions of the signatory

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

**STATEMENT OF SOLVENCY MARGIN**  
**(Legislative Decree No. 174 / 17 March 1995, Article 61 (2))**

**Financial Year 2000**

(amounts in ITL million)

*Lines of business for which the solvency margin has been calculated*

- |   |                                     |
|---|-------------------------------------|
| I - Life assurance  | <input checked="" type="checkbox"/> |
| II - Marriage assurance, birth assurance  | <input type="checkbox"/>            |
| III - The assurance referred to in Items I and II, linked to investment funds   | <input checked="" type="checkbox"/> |
| IV - Permanent health insurance, referred to in EEC Directive 79/267 of 5 March 1979, Article 1 (1) (d)                                     | <input type="checkbox"/>            |
| V - Capital redemption operations, referred to in Legislative Decree 174 / 17 March 1995, Article 40  | <input checked="" type="checkbox"/> |
| VI - Management of group pension funds set up to provide benefits<br>on death, on survival or upon termination or reduction of working life | <input checked="" type="checkbox"/> |
| Supplementary insurance (insurance against personal injury)   | <input type="checkbox"/>            |

**I - BASIS OF CALCULATION OF THE SOLVENCY MARGIN FOR THE FINANCIAL YEAR 2000 TAKEN FROM THE ACCOUNTS**

<i>Items of the balance sheet - Life assurance business</i>		
(1) Subscribed share capital unpaid	(same as item 1)	0
(2) Deferred acquisition commissions	(same as item 3)	56,267
(3) Other intangible assets	(same as items 6, 7, 8 e 9)	5,613
(4) Stocks and shares of holding companies	(same as item 17)	0
(5) Own stocks or shares	(same as item 91)	0
(6) Subscribed share capital or equivalent funds	(same as item 101)	188,646
(7) Share premium reserve	(same as item 102)	533,380
(8) Revaluation reserves (1)	(same as item 103)	0
(9) Legal reserve	(same as item 104)	24,176
(10) Statutory reserves	(same as item 105)	0
(11) Reserve for own shares and holding company's shares	(same as item 106)	0
(12) Other reserves (2)		154,038
(13) Losses brought forward	(same as item 108 (*) )	0
(14) Loss for the financial year	(same as item 109 (*) )	0
(15) Profits brought forward	(same as item 108)	0
(16) Profit for the financial year	(same as item 109)	68,919
(17) Subordinated liabilities (3)	(included in item 111)	0
(18) Profit for the financial year 2000		0
(19) Profit for the financial year 1999	If used to cover the solvency margin, according to Legislative Decree 174/1995, Article 33 (2) (b/1)	0
(20) Profit for the financial year 1998		0
(21) Profit for the financial year 1997		0
(22) Profit for the financial year 1996		0
(23) Average contract residual life at 31.12.2000		0
(24) Mathematical provision based on pure premiums		5,065,179
(25) Mathematical provision based on pure premiums, relating to ceded risks		80,261
(26) Mathematical provision based on pure premiums, increased by the pro-rata amortization of acquisition costs included in gross premiums		4,913,957
(27) Mathematical provision, same as at Item (26), relating to reinsurance cessions		77,865
(28) Sum of the differences between "Life" capital amounts and mathematical provisions, for all contracts for which premium payments are still ongoing		4,217,605
CAUTION: all items relating to outward reinsurance business do not include the amounts due by CONSAP out of former legal cessions		
(1) State the amount of the supplementary provisions, if any, allocated in accordance with Legislative Decree 174/1995, Article 27 (4)		
(2) Specify the other reserves of item 107 excluding, for the first three years, the organisation fund referred to in Legislative Decree 174 / 1995, Article 10 (5):		
EXTRAORDINARY RESERVE		154,004
OTHER RESERVES		34
(3) State the subordinated liabilities as defined by Legislative Decree 174/1995, Article 33 (2) (g) and (h) and specify:		
- loans having a fixed maturity date		
- loans with no fixed maturity date		
- securities with unlimited duration and other financial instruments		

(\*) State the absolute value of the loss

<i>III - Life assurance, marriage assurance, birth assurance</i>		
(29)	Mathematical provisions relating to direct business	4,273,404
(30)	Mathematical provisions relating to inward reinsurance	50,735
(31)	Mathematical provisions relating to outward reinsurance	80,261
(32)	Non-negative sums at risk at the charge of the Company	6,094,995
(33)	Non-negative sums at risk at the charge of the Company after cessations and retrocessions	5,163,080
(34)	Non-negative sums at risk at the charge of the Company, relating to term assurance contracts on death having a period of validity of up to three years	699,840
(35)	Non-negative sums at risk at the charge of the Company, relating to term assurance contracts on death having a period of validity of more than three but less than, or equal to, five years	27,904
<i>Supplementary insurance - insurance against personal injury</i>		
(36)	Gross premiums written	0
(37)	Claims paid in the financial year 2000: gross amount	0
(38)	Claims paid in the financial year 2000: reinsurers' share	0
(39)	Change in the provision for outstanding claims in the fin. year 2000: gross amount (same as item 15 of the Annexe)	0
(40)	Change in the provision for outstanding claims in the fin. year 2000: reinsurers' share	0
(41)	Claims paid in the financial year 1999: gross amount	0
(42)	Change in the provision for outstanding claims in the fin. year 1999: gross amount (same as item 16 of the Annexe)	0
(43)	Claims paid in the financial year 1998: gross amount	0
(44)	Change in the provision for outstanding claims in the fin. year 1998: gross amount (same as item 17 of the Annexe)	0
<i>IV/V - Permanent health insurance and capital redemption operations</i>		
(45)	Mathematical provisions relating to direct business	280,221
(46)	Mathematical provisions relating to inward reinsurance	0
(47)	Mathematical provisions relating to outward reinsurance	0
<i>III/VI - Assurance business linked to investment funds and management of pension funds</i>		
Where the investment risk is borne by the Company:		
(48)	Provisions relating to direct business	147,508
(49)	Provisions relating to inward reinsurance	0
(50)	Provisions relating to outward reinsurance	0
Where the investment risk is not borne by the Company and contracts fix the amount of management fees for more than five years:		
(51)	Provisions relating to direct business	285,590
(52)	Assets relating to pension funds managed in the name and on behalf of third parties	0
Where the mortality risk is borne by the Company:		
(53)	Non-negative sums at risk at the charge of the Company	18,139
(54)	Non-negative sums at risk at the charge of the Company after cessations and retrocessions	18,139

## II - ITEMS COVERING THE SOLVENCY MARGIN

<i>Items A)</i>		
(55) = (6) - (1)	Paid-up share capital or equivalent fund	188,646
(56)	One half of the subscribed share capital or equivalent fund unpaid provided at least 50% of that share capital or fund has been paid up	0
Reserves not covering specific commitments or rectifying asset items:		
(57) = (9)	legal reserve	24,176
(58)	free reserves	687,419
Profits carried forward:		
(59)	undistributed profits from prior fin. years (*)	0
(60)	undistributed profit for the fin. year (*)	36,763

(\*) State only the amounts which, based on the resolution of the shareholders' general meeting, are included to all affects in the shareholders' equity of the company

**continued II - ITEMS COVERING THE SOLVENCY MARGIN**

(61)	Receivables of undefined-contribution mutual insurance companies towards their members within the limits provided for by Legislative Decree 174 / 1995, Article 33 (2) (a) (6)	0
(62)	Total subordinated liabilities (the amount shall not exceed 50% of the amount at line (117) of which:	0
(63)	loans having a fixed maturity date (the amount shall not exceed 25% of the amount at line (117)	0
(64)	loans with no fixed maturity date	0
(65)	securities with unlimited duration and other financial instruments	0
(66)	<i>Total (55) to (62)</i>	937,003
(67)	Deferred acquisition commissions, referred to in Legislative Decree 174 / 1995, Article 33 (3)	0
(68) = (3)	Other intangible assets	5,613
(69) = (4) + (5)	Own stocks or shares and stocks or shares of holding companies	0
(70) = (13) + (14)	Loss for the financial year and losses carried forward	0
(71)	<i>Total (67) to (70)</i>	5,613
(72)	<i>Total items A) = (66) - (71)</i>	931,390
<i>Items B)</i>		
(73)	50% of future profits	0
(74)	Difference between the mathematical provision based on pure premiums taken from the accounts, less the said mathematical provision relating to ceded risks and the corresponding mathematical provision based on pure premiums increased by the pro-rata amortization of acquisition costs included in tariff premiums (within the limits referred to in Legislative Decree 174 / 1995, Article 33 (2) (b) (2)	0
(75)	<i>Total items B) = (73) + (74)</i>	0
(76)	<i>Total of the items covering the solvency margin and corresponding to the shareholders' equity of the Company (of which items B ..... 0.000 %) Total items A) and B) = (72) + (75)</i>	931,390

(56) = (1) / 2 se (55) ≥ (6) / 2; (56) = 0 se (55) < (6) / 2

(58) = (7) + (8) + (10) + (11) + (12)

(67) = (2) - [(24) - (25) - (26) + (27)] provided it is positive

(73) =  $[1 / 2] \times \frac{[(18) + (19) + (20) + (21) + (22) \times (23)]}{5}$  in cui (23) ≤ 10

(74) = [(24) - (25) - (26) + (27)] - (2) provided it is positive and [(24) - (25) - (26) + (27)] ≤ [3,5 / 100] x (28)

**III - AMOUNT OF THE SOLVENCY MARGIN TO BE COVERED**

EURO = ITL 1,936.27

<i>A) Life assurance, marriage assurance, birth assurance</i>		
(77)	4/100 of mathematical provisions relating to direct business and inward reinsurance	172,966
(78)	retention rate relating to said provisions (minimum 0.85)	0.981
(79)	<i>(77) x (78)</i>	169,679
Contracts whose sums at risk are not negative (excluding term assurance policies on death referred to in the following items)		
(80)	0.3/100 of sums at risk	16,102
Contracts whose sums at risk are not negative (term assurance policies on death having a period of validity of up to three years):		
(81)	0.1/100 of sums at risk	700
Contracts whose sums at risk are not negative (term assurance policies having a period of validity of more than three but less than, or equal to, five years):		
(82)	0.15/100 of sums at risk	42
(83)	<i>Total (80) + (81) + (82)</i>	16,843
(84)	retention rate relating to sums at risk (minimum 0.50)	0.847
(85)	<i>(83) x (84)</i>	14,266
(86)	<i>Margin A), (79) + (85)</i>	183,946

(77) = [4 / 100] x [(29) + (30)]

(78) = [(29) + (30) - (31)] / [(29) + (30)]

(80) = [0,3 / 100] x [(32) - (34) - (35)]

(81) = [0,1 / 100] x (34)

(82) = [0,15 / 100] x (35)

(84) = (33) / (32)

**continued: III - AMOUNT OF THE SOLVENCY MARGIN TO BE COVERED**

<i>B) Supplementary insurance - insurance against personal injury (item B of the table referred to in Annexe I to Legislative Decree 174 / 1995)</i>				
<i>b1) Calculation based upon the annual amount of premiums and contributions</i>				
(87) = (36)	Gross premiums written		0	
	to be divided:			
(88)	less than Euro10,000,000	= ITL 0 x 0.18 =	0	
(89)	more than Euro10,000,000	= ITL 0 x 0.16 =	0	
(90)		Total (88) + (89)	0	
(91)	Retention level in relation to claims of the year borne by the Company after reinsurance cessions (minimum 0.50)	0.000		
(92)		Solvency margin, (90) x (91)	0	
<i>b2) Calculation based on the average cost of claims for the last three financial years</i>				
(93)	Claims paid in the aforementioned period: gross amount		0	
(94)	Change in the provision for outstanding claims in the aforementioned period: gross amount		0	
(95)	Cost of claims		0	
(96)	Annual average: 1/3 of (95)		0	
	to be divided:			
(97)	less than Euro7,000,000	= ITL 0 x 0.26 =	0	
(98)	more than Euro7,000,000	= ITL 0 x 0.23 =	0	
(99)		Total (97) + (98)	0	
(100)		Solvency margin, (99) x (91)	0	
(101)		Margin B), (the higher between (92) and (100))	0	
<i>C) Permanent health insurance and capital redemption operations</i>				
(102)	4/100 of mathematical provisions relating to direct business and inward reinsurance		11,209	
(103)	retention rate relating to said provisions (minimum 0.85)	1.000		
(104)		Margin C), (102) x (103)		11,209
<i>D) Assurance business linked to investment funds and management of pension funds</i>				
Where the investment risk is borne by the Company				
(105)	4/100 of mathematical provisions relating to direct business and inward reinsurance		5,900	
(106)	retention rate relating to said provisions (minimum 0.85)	1.000		
(107)		(105) x (106)	5,900	
Where the investment risk is not borne by the Company, provided contracts fix the management fees for more than five years				
(108)	1/100 of gross provisions relating to direct business and inward reinsurance		2,856	
Where the mortality risk is borne by the Company				
(109)	0.3/100 of non-negative sums at risk		54	
(110)	retention rate of sums at risk (minimum 0.50)	1.000		
(111)		(109) x (110)	54	
(112)		Margin D), (107) + (108) + (111)		8,811
Situation of the solvency margin				
(113)	Global solvency margin to be covered (86) + (101) + (104) + (112)			203,965
(114)	Guarantee fund: 1/3 of (113)		67,988	
(115)	Minimum guarantee fund pursuant to Legislative Decree 174 / 1995, Article 36 (2)		1,549	
(116)		Guarantee fund (the higher between (114) and (115))	67,988	
(117)		Solvency margin to be covered (the higher between (113) and (116))		203,965
(118) = (76)		Total items covering the solvency margin		931,390
(119) = (118) - (117)		Surplus (deficit)		727,425

(91) = 1 - [(38) + (40)] / [(37) + (1 All.)]

(93) = (37) + (41) + (43)

(94) = (39) + (42) + (44)

(95) = (93) + (94)

(102) = [4 / 100] x [(45) + (46)]

(103) = [(45) + (46) - (47)] / [(45) + (46)]

(105) = [4 / 100] x [(48) + (49)]

(106) = [(48) + (49) - (50)] / [(48) + (49)]

(108) = [1 / 100] x [(51) + (52)]

(109) = [0.3 / 100] x (53)

(110) = (54) / (53)

## Annexe to the statement of solvency margin - supplementary insurance (insurance against personal injury)

(amounts in ITL million)

	Financial years		
	2000	1999	1998
(1) Change in the provision for claims outstanding: gross amount (item 48 profit and loss account)	0	0	0
Portfolio movements relating to the provision for claims outstanding of the fin. year and of prior financial years*:			
- costs			
(2) - out of risks written as direct insurance business	0	0	0
(3) - out of risks ceded on direct insurance business	0	0	0
(4) - out of risks accepted as inward reinsurance business	0	0	0
(5) - out of risks ceded on inward reinsurance business	0	0	0
- income			
(6) - from risks written as direct insurance business	0	0	0
(7) - from risks ceded on direct insurance business	0	0	0
(8) - from risks accepted as inward reinsurance business	0	0	0
(9) - from risks ceded on inward reinsurance business	0	0	0
Change in exchange difference on provision for claims outstanding as at 1 January			
- out of risks written as direct insurance business:			
(10) - costs	0	0	0
(11) - income	0	0	0
- out of risks accepted as inward reinsurance business:			
(12) - costs	0	0	0
(13) - income	0	0	0
(14) total change in exchange differences (11 + 13 - 10 - 12)	0	0	0

Change in the provision for claims outstanding: gross amount to be used to calculate the solvency margin:

	Amount	Corresponding items of the statement of the solvency margin
(15) financial year 2000	(1+6+8+14)	0
(16) financial year 1999	(1-2-4+6+8+14)	0
(17) financial year 1998	(1-2-4)	0
		item 39 sect. I
		item 42 sect. I
		item 44 sect. I

\* Costs and income of portfolio movements relating to the financial year and to prior financial years must be indicated without offsetting: the balance between withdrawals and allocations must therefore not be calculated.

The undersigned declare that the financial statements are free from irregularity or error.

The Company legal representatives (\*)

The Chairman (\*\*)

Giovanni Consorte (\*\*)

\_\_\_\_\_ (\*\*)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

The Actuary undersigned, who has been charged to carry out the investigation and valuation referred to in Legislative Decree 174 / 1995, Article 24 (3), declares that the basis of calculation and the amount of the solvency margin to be covered are in accordance with Article 35 of the said Legislative Decree.

The Actuary

Dott. Fabrizio Tei

\_\_\_\_\_

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy

(\*\*) Please indicate the functions of the signatory



**STATEMENT OF SOLVENCY MARGIN  
BY UNDERTAKINGS TRANSACTING BOTH  
LIFE ASSURANCE BUSINESS AND NON-LIFE INSURANCE BUSINESS**

(Legs. Decree 17 March 1995, No. 174, Article 61 (2),  
Legs. Decree 17 March 1995, No. 175, Article 72 (2))

(amounts in ITL million)

Corresponding items from the statements of solvency margin Life assurance business and Non-Life insurance business	Life assurance business	Non-Life insurance business	Total
Solvency margin to be covered Life business (117); Non-Life business (79) (a)	203,965 <sup>11</sup>	347,783 <sup>21</sup>	551,748 <sup>21</sup>
Items covering the solvency margin			
Life business, items A (72); Non-Life business (57) (b)	931,390 <sup>12</sup>	1,122,084 <sup>22</sup>	2,053,474 <sup>22</sup>
Life business, items B (75) (c)	0 <sup>3</sup>		0 <sup>23</sup>
Total of the items covering the solvency margin (b + c) 4	931,390 <sup>14</sup>	1,122,084 <sup>24</sup>	2,053,474 <sup>24</sup>
Surplus / deficit of the items covering the solvency margin in respect of the solvency margin to be covered d = [(b + c) - a] 5	727,425 <sup>15</sup>	774,301 <sup>25</sup>	1,501,726 <sup>25</sup>
Utilisation of explicit items of the solvency margin still available (see Legs. Decree 174/95, Article 33 (2) (a), and Legs. Decree 175/95, Article 33 (2)), in conformity with Legs. Decree 174/1995, Article 21 (3) (e) 6	0 <sup>16</sup>	0 <sup>26</sup>	0 <sup>26</sup>
f = (d + e) 7	727,425 <sup>17</sup>	774,301 <sup>27</sup>	1,501,726 <sup>27</sup>

N.B. (e) always  $\leq$  (d)  
(e) always  $\leq$  (b)

The undersigned declare that the financial statements are free from irregularity or error.

The Company legal representatives (\*)

The Chairman (\*\*)

*Giovanni Consorte* (\*\*)

\_\_\_\_\_ (\*\*)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy

(\*\*) Please indicate the functions of the signatory

# **Statement of Assets Covering Technical Provisions**

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**FORM 1**

**Company COMPAGNIA UNIPOL ASSICURAZIONI S.p.A.**

**STATEMENT OF ASSETS  
COVERING TECHNICAL PROVISIONS  
(pursuant to Legislative Decree No. 174 of 17 March 1995, Article 31 (6))**

Financial year **2000**

(amounts in ITL)

TECHNICAL PROVISIONS		As at 31 December 2000	As at 31 December 1999
Technical provisions (a)	1	4,648,756,053,867	2 4,405,202,670,569
Legal cessions (b)	3	195,976,202,111	4 211,810,009,541
Technical provisions to be covered (a)-(b)	9	4,452,779,851,756	10 4,193,392,661,028

ASSETS DESCRIPTION	Ceiling	As at 31 December 2000		As at 31 December 1999	
		Values	%	Values	%
<b>A INVESTMENTS</b>					
A.1 <i>Debt securities and equivalent assets</i>					
A.1.1a Securities issued or guaranteed by zone A countries according to directive 89/647/EEC, or issued by local or public bodies of Member States or international organisations of which one or more of the Member States are members. They are traded in regulated markets.		<sup>13</sup> 1,166,065,807,012	<sup>14</sup> 26.2%	<sup>15</sup> 1,270,530,190,277	<sup>16</sup> 30.3%
A.1.1b Securities issued or guaranteed by zone A countries according to directive 89/647/EEC, or issued by local or public bodies of Member States or international organisations of which one or more of the Member States are members. They are not traded in regulated markets.		<sup>17</sup>	<sup>18</sup>	<sup>19</sup>	<sup>20</sup>
A.1.2a Bonds and equivalent securities traded in regulated markets.		<sup>21</sup> 2,573,741,903,061	<sup>22</sup> 57.8%	<sup>23</sup> 2,206,163,644,619	<sup>24</sup> 52.6%
A.1.2b Bonds and equivalent securities not traded in regulated markets and issued by undertakings or credit institutions having their registered office in zone A countries, whose financial statements have been audited by independent, duly authorized, auditors for at least three years.		<sup>25</sup> 72,749,301,153	<sup>26</sup> 1.6%	<sup>27</sup> 112,583,999,846	<sup>28</sup> 2.7%
A.1.3 Bonds or equivalent securities, other than those indicated at previous items, provided their maturity date is within a year.		<sup>29</sup>	<sup>30</sup>	<sup>31</sup>	<sup>32</sup>
A.1.4 Units in undertakings for collective investment in transferable securities (UCITS).		<sup>33</sup>	<sup>34</sup>	<sup>35</sup> 94,939,989,525	<sup>36</sup> 2.3%
A.1.5 Repo securities, with obligation to repurchase and deposit of securities with a credit institution.	<b>20%</b>	<sup>37</sup>	<sup>38</sup>	<sup>39</sup> 131,609,357,328	<sup>40</sup> 3.1%
A.1.6 Banker's acceptances granted to or issued by credit institutions having their registered office in zone A countries.		<sup>41</sup>	<sup>42</sup>	<sup>43</sup>	<sup>44</sup>
A.1.7 Financial bills referred to in Law No. 43 of 13 January 1994.		<sup>45</sup>	<sup>46</sup>	<sup>47</sup>	<sup>48</sup>
<b>Sub-total A.1.6+A.1.7</b>	<b>10%</b>	<sup>49</sup>	<sup>50</sup>	<sup>51</sup>	<sup>52</sup>
A.1.8 Accrued income from interest on admissible securities		<sup>53</sup>	<sup>54</sup>	<sup>55</sup>	<sup>56</sup>
<b>Total A.1</b>		<sup>57</sup> 3,812,557,011,226	<sup>58</sup> 85.6%	<sup>59</sup> 3,815,827,181,595	<sup>60</sup> 91.0%
<i>to carry forward</i>		3,812,557,011,226		3,815,827,181,595	

	<i>carried forward</i>		3,812,557,011,226		3,815,827,181,595					
A.2	Mortgage and interest-bearing loans backed by mortgages, banking or insurance guarantees or other suitable guarantees granted by local bodies.	<b>20%</b>	61	62	63	64				
A.3	<i>Equities and equivalent assets</i>									
A.3.1a	Equities traded in a regulated market.		65	317,306,680,831	66	7.1%	67	250,746,265,479	68	6.0%
A.3.1b	Shares of the Bank of Italy, shares of co-operative companies and equities not traded in regulated markets, issued by undertakings having their registered office in zone A countries, whose financial statements have been audited by independent, duly authorized, auditors for at least three years.		69	322,916,159,699	70	7.3%	71	126,819,213,954	72	3.0%
A.3.2	Warrants traded in regulated markets.	<b>3%</b>	73		74		75		76	
A.3.3	Units in undertakings for collective investment in transferable securities (UCITS).		77		78		79		80	
A.3.4	Shares of closed investment funds in transferable securities, located in Member States and traded in regulated markets.	<b>5%</b>	81		82		83		84	
	<b>Total A.3</b>	<b>35%</b>	85	640,222,840,530	86	14.4%	87	377,565,479,433	88	9.0%
A.4	<i>Land and buildings</i>									
A.4.1	Land, buildings and beneficial use of property, for the portions free from mortgages.		89		90		91		92	
A.4.2	Leased buildings.	<b>10%</b>	93		94		95		96	
A.4.3	Shareholdings in property companies where the Company holds more than 50% of the capital and whose sole purpose is the construction or management of non-luxury residential buildings or industrial or commercial buildings or buildings used for agricultural business. The amount is taken from the accounts up to the market value of the buildings and in respect of the shareholding held, net of all liabilities shown in the accounts of the relevant property companies.		97		98		99		100	
A.4.4	Shares of closed property funds whose assets are composed for not less than 90% of buildings divested by the State or public social security bodies, regions, local bodies or their consortia, as well as by societies fully owned, even indirectly, by the aforementioned bodies.		101		102		103		104	
A.4.5	Shares of closed property investment funds located in Member States.	<b>5%</b>	105		106		107		108	
	<b>Total A.4</b>	<b>40%</b>	109		110		111		112	
	<b>TOTAL A</b>		113	4,452,779,851,756	114	100.0%	115	4,193,392,661,028	116	100.0%
<b>B</b>	<b>RECEIVABLES</b>									
B.1	Receivables from reinsurers net of payables, including their shares of technical provisions, duly documented, up to 90% of their amount.		117		118		119		120	
B.2	Deposits and receivables net of payables with ceding undertakings, duly documented, up to 90% of their amount.		121		122		123		124	
	<i>to carry forward</i>			4,452,779,851,756				4,193,392,661,028		

		<i>carried forward</i>		4,452,779,851,756		4,193,392,661,028	
B.3.1	Receivables from policyholders net of payables, deriving from direct insurance business, provided they have become due less than three months before.		125		126	127	128
B.3.2	Receivables from intermediaries net of payables, deriving from direct insurance and reinsurance business, provided they have become due less than three months before.		129		130	131	132
B.4	Advance payments on assurance policies		133		134	135	136
B.5	Tax credits assessed once and for all or for which the assessment term is overdue.	5%	137		138	139	140
B.6	Receivables from guarantee funds net of payables.	5%	141		142	143	144
<b>TOTAL B</b>			145		146	147	148
<b>C</b>	<b>OTHER ASSETS</b>						
C.1	Tangible fixed assets used by the Company to carry on its activity, other than land and buildings, up to 30% of the value taken from the accounts, adjusted with its relevant amortization fund.		149		150	151	152
C.2	Tangible fixed assets which are not used by the Company, other than land and buildings and duly documented, up to 10% of the value taken from the accounts.		153		154	155	156
<b>Sub-total C.1 + C.2</b>			5%	157	158	159	160
C.3	Deferred acquisition commissions up to 90% of their amount.		161		162	163	164
C.4	Accrued income from rents up to 30% of their amount.		165		166	167	168
C.5	Revertible interest	5%	169		170	171	172
<b>TOTALE C</b>				173	174	175	176
<b>TOTAL B + C - C3</b>			25%	177	178	179	180
D	Bank deposits, deposits with other credit institutions or any other institution authorized by the competent supervisory authority to receive deposits, net of payables.	15%	181		182	183	184
E	Other assets items authorized by ISVAP pursuant to Legislative Decree 174 / 1995, Article 26 (5)		185		186	187	188
<b>GRAND TOTAL COVERING ASSETS</b>				189	4,452,779,851,756	190	100.0%
<b>Sub-total A.1.1b + A.1.2b + A.1.3 + A.3.1b</b>			10%	193	395,665,460,852	194	8.9%
<b>Sub-total A.1.1b + A.1.2b + A.1.3 + A.3.1b</b>				195	239,403,213,800	196	5.7%
<b>Sub-total A.1.1b + A.1.2b + A.1.3 + A.3.1b</b>				197	4,193,392,661,028	198	100.0%

### Commitments and corresponding assets divided per currency

(amounts in ITL)

CURRENCY	EXCHANGE RATE (1)	TECHNICAL PROVISIONS	CORRESPONDING ASSETS
<u>European Union</u>			
EURO	1,936.270	4,452,779,851,756	4,182,318,404,132
Pound sterling	3,102.490		6,720,788,818
Greek drachma			
Danish krone			
Swedish krone	219.250		21,973,187
<u>Non-EU Countries</u>			
Norwegian krone			
Swiss franc	1,271.180		13,774,475,069
Icelandic krone			
US dollar	2,080.890		249,944,210,550
Canadian dollar			
Australian dollar			
New Zealand dollar			
Yen			
Riyal			
Turkish lira			
<b>TOTAL (2)</b>		4,452,779,851,756	4,452,779,851,756

(1) The amounts of technical provisions and corresponding assets are converted at the exchange rate at 31.12.2000

for the currency in which this communication is presented.

(2) The total amount of technical provisions corresponds to item 9 of the annual statement of assets allocated to the cover of technical provisions. The total amount of assets corresponds to item 189 of the same statement.







**Company COMPAGNIA UNIPOL ASSICURAZIONI S.p.A.**

**STATEMENT OF ASSETS  
COVERING TECHNICAL PROVISIONS  
(pursuant to Legislative Decree No. 174 of 17 March 1995, Article 31 (6))**

**Financial year 2000**

(amounts in ITL)

TECHNICAL PROVISIONS	As at 31 December 2000	As at 31 December 1999
Technical provisions to be covered	5 3,161,058,828,611	6 2,893,229,054,670

ASSETS DESCRIPTION	Ceiling	As at 31 December 2000		As at 31 December 1999	
		Values	%	Values	%
<b>A INVESTMENTS</b>					
A.1 <i>Debt securities and equivalent assets</i>					
A.1.1a Securities issued or guaranteed by zone A countries according to directive 89/647/EEC, or issued by local or public bodies of Member States or international organisations of which one or more of the Member States are members. They are traded in regulated markets.	9	377,566,357,821	10 11.9%	11 447,046,034,329	12 15.5%
A.1.1b Securities issued or guaranteed by zone A countries according to directive 89/647/EEC, or issued by local or public bodies of Member States or international organisations of which one or more of the Member States are members. They are not traded in regulated markets.	13	34,856,000,000	14 1.1%	15 34,856,000,000	16 1.2%
A.1.2a Bonds and equivalent securities traded in regulated markets.	17	485,807,838,949	18 15.4%	19 219,828,450,292	20 7.6%
A.1.2b Bonds and equivalent securities not traded in regulated markets and issued by undertakings or credit institutions having their registered office in zone A countries, whose financial statements have been audited by independent, duly authorized, auditors for at least three years.	21	82,173,108,099	22 2.6%	23 65,026,943,966	24 2.2%
A.1.3 Bonds or equivalent securities, other than those indicated at previous items, provided their maturity date is within a year.	25		26	27	28
A.1.4 Units in undertakings for collective investment in transferable securities (UCITS).	29	124,067,321,750	30 3.9%	31	32
A.1.5 Repo securities, with obligation to repurchase and deposit of securities with a credit institution.	20%	33 291,186,855,525	34 9.2%	35 578,645,810,934	36 20.0%
A.1.6 Banker's acceptances granted to or issued by credit institutions having their registered office in zone A countries.	37		38	39	40
A.1.7 Financial bills referred to in Law No. 43 of 13 January 1994.	41		42	43	44
<b>Sub-total A.1.6+A.1.7</b>	<b>10%</b>	45	46	47	48
A.1.8 Accrued income from interest on admissible securities	49	15,625,714,545	50 0.5%	51 17,778,263,414	52 0.6%
<b>Total A.1</b>	<b>85%</b>	53 1,411,283,196,689	54 44.6%	55 1,363,181,502,935	56 47.1%
<i>to carry forward</i>		1,411,283,196,689		1,363,181,502,935	

	<i>carried forward</i>		1,411,283,196,689		1,363,181,502,935	
A.2	Mortgage and interest-bearing loans backed by mortgages, banking or insurance guarantees or other suitable guarantees granted by local bodies.	<b>20%</b>	<sup>57</sup> 36,513,048,437	<sup>58</sup> 1.2%	<sup>59</sup> 28,937,508,935	<sup>60</sup> 1.0%
A.3	<i>Equities and equivalent assets</i>					
A.3.1a	Equities traded in a regulated market.		<sup>61</sup> 240,666,006,635	<sup>62</sup> 7.6%	<sup>63</sup> 113,122,685,133	<sup>64</sup> 3.9%
A.3.1b	Shares of the Bank of Italy, shares of co-operative companies and equities not traded in regulated markets, issued by undertakings having their registered office in zone A countries, whose financial statements have been audited by independent, duly authorized, auditors for at least three years.		<sup>65</sup> 196,378,595,222	<sup>66</sup> 6.2%	<sup>67</sup> 185,720,286,800	<sup>68</sup> 6.4%
A.3.2	Warrants traded in regulated markets.	<b>3%</b>	<sup>69</sup>	<sup>70</sup>	<sup>71</sup>	<sup>72</sup>
A.3.3	Units in undertakings for collective investment in transferable securities (UCITS).		<sup>73</sup>	<sup>74</sup>	<sup>75</sup> 4,999,991,296	<sup>76</sup> 0.2%
A.3.4	Shares of closed investment funds in transferable securities, located in Member States and traded in regulated markets.	<b>5%</b>	<sup>77</sup> 1,000,000,000	<sup>78</sup> 0.0%	<sup>79</sup>	<sup>80</sup>
	<b>Total A.3</b>	<b>25%</b>	<sup>81</sup> 438,044,601,857	<sup>82</sup> 13.9%	<sup>83</sup> 303,842,963,229	<sup>84</sup> 10.5%
A.4	<i>Land and buildings</i>					
A.4.1	Land, buildings and beneficial use of property, for the portions free from mortgages.		<sup>85</sup> 636,774,989,490	<sup>86</sup> 20.1%	<sup>87</sup> 637,091,942,542	<sup>88</sup> 22.0%
A.4.2	Leased buildings.	<b>10%</b>	<sup>89</sup>	<sup>90</sup>	<sup>91</sup>	<sup>92</sup>
A.4.3	Shareholdings in property companies where the Company holds more than 50% of the capital and whose sole purpose is the construction or management of non-luxury residential buildings or industrial or commercial buildings or buildings used for agricultural business. The amount is taken from the accounts up to the market value of the buildings and in respect of the shareholding held, net of all liabilities shown in the accounts of the relevant property companies.		<sup>93</sup> 143,683,499,070	<sup>94</sup> 4.5%	<sup>95</sup> 188,269,137,029	<sup>96</sup> 6.5%
A.4.4	Shares of closed property investment funds located in Member States.	<b>5%</b>	<sup>97</sup>	<sup>98</sup>	<sup>99</sup>	<sup>100</sup>
	<b>Total A.4</b>	<b>40%</b>	<sup>101</sup> 780,458,488,560	<sup>102</sup> 24.7%	<sup>103</sup> 825,361,079,571	<sup>104</sup> 28.5%
	<b>TOTAL A</b>		<sup>105</sup> 2,666,299,335,543	<sup>106</sup> 84.3%	<sup>107</sup> 2,521,323,054,670	<sup>108</sup> 87.1%
<b>B</b>	<b>RECEIVABLES</b>					
B.1	Receivables from reinsurers net of payables, including their shares of technical provisions, duly documented, up to 90% of their amount.		<sup>109</sup> 138,598,000,000	<sup>110</sup> 4.4%	<sup>111</sup> 128,506,000,000	<sup>112</sup> 4.4%
	<i>to carry forward</i>		2,804,897,335,543		2,649,829,054,670	

	<i>carried forward</i>		2,804,897,335,543			2,649,829,054,670	
B.2	Deposits and receivables net of payables with ceding undertakings, duly documented, up to 90% of their amount.						
		113		114	115		116
B.3.1	Receivables from policyholders net of payables, deriving from direct insurance business, provided they have become due less than three months before.						
		117	200,000,000,000	118	6.3%	119	193,000,000,000
120							6.7%
B.3.2	Receivables from intermediaries net of payables, deriving from direct insurance and reinsurance business, provided they have become due less than three months before.						
		121	40,000,000,000	122	1.3%	123	30,000,000,000
124							1.0%
B.4	Receivables deriving from rescue or subrogation.						
		125		126		127	128
B.5	Tax credits assessed once and for all or for which the assessment term is overdue.						
		129		130		131	132
B.6	Receivables from guarantee funds net of payables.						
		133		134		135	136
<b>TOTAL B</b>		137	378,598,000,000	138	12.0%	139	351,506,000,000
140							12.1%
<b>C</b>	<b>OTHER ASSETS</b>						
C.1	Tangible fixed assets used by the Company to carry on its activity, other than land and buildings, up to 30% of the value taken from the accounts, adjusted with its relevant amortization fund.						
		141	1,300,000,000	142	0.0%	143	1,000,000,000
144							0.0%
C.2	Tangible fixed assets which are not used by the Company, other than land and buildings and duly documented, up to 10% of the value taken from the accounts.						
		145	500,000,000	146	0.0%	147	400,000,000
148							0.0%
<b>Sub-total C.1 + C.2</b>		149	1,800,000,000	150	0.1%	151	1,400,000,000
152							0.0%
C.3	Deferred acquisition commissions up to 90% of their amount.						
		153	19,100,000,000	154	0.6%	155	19,000,000,000
156							0.7%
C.4	Accrued income from rents up to 30% of their amount.						
		157		158		159	160
<b>TOTAL C</b>		161	20,900,000,000	162	0.7%	163	20,400,000,000
164							0.7%
<b>TOTAL B + C - B1</b>		165	260,900,000,000	166	8.3%	167	243,400,000,000
168							8.4%
<b>D</b>	Bank deposits, deposits with other credit institutions or any other institution authorized by the competent supervisory authority to receive deposits, net of payables.						
		169	95,261,493,068	170	3.0%	171	172
<b>E</b>	Other assets items authorized by ISVAP pursuant to Legislative Decree 175 / 1995, Article 27 (5)						
		173		174		175	176
<b>GRAND TOTAL COVERING ASSETS</b>		177	3,161,058,828,611	178	100.0%	179	2,893,229,054,670
180							100.0%
Sub-total A.1.1b + A.1.2b + A.1.3 + A.3.1b		181	313,407,703,321	182	9.9%	183	285,603,230,766
184							9.9%

### Commitments and corresponding assets divided per currency

(amounts in ITL)

CURRENCY	EXCHANGE RATE (1)	TECHNICAL PROVISIONS	CORRESPONDING ASSETS
<u>European Union</u>			
EURO	1,936.270	3,158,560,864,508	2,985,105,195,606
Pound sterling	3,102.490	46,537	211,419,181
Greek drachma	5.682	1,544,584	2,023,624,584
Danish krone			
Swedish krone			
<u>Non-EU Countries</u>			
Norwegian krone			
Swiss franc			
Icelandic krone			
US dollar	2,080.890	2,496,372,982	173,718,589,240
Canadian dollar			
Australian dollar			
New Zealand dollar			
Yen			
Riyal			
Turkish lira			
<b>TOTAL (2)</b>		3,161,058,828,611	3,161,058,828,611

(1) The amounts of technical provisions and corresponding assets are converted at the exchange rate at 31.12.2000

for the currency in which this communication is presented.

(2) The total amount of technical provisions corresponds to item 5 of the annual statement of assets allocated to the cover of technical provisions. The total amount of assets corresponds to item 177 of the same statement.

**FORM 2**

**Company COMPAGNIA ASSICURATRICE UNIPOL - Società per Azioni**

**STATEMENT OF ASSETS COVERING  
TECHNICAL PROVISIONS RELATING TO CLASS "D.I" OF THE BALANCE SHEET  
FOR THE CONTRACTS REFERRED TO  
IN LEGISLATIVE DECREE No. 174 OF 17 MARCH 1995, ARTICLE 30 (1) and (2)**

Financial year **2000**







**FORM 3**

**Company COMPAGNIA ASSICURATRICE UNIPOL - Società per Azioni**

**STATEMENT OF INVESTMENTS DERIVING FROM THE MANAGEMENT  
OF PENSION FUNDS REFERRED TO IN CLASS "D.II" OF THE BALANCE SHEET**

Financial year **2000**

## SECTION I - Open pension funds

amounts in ITL

Fund Serial No.	Name of fund	Sub-funds per type of investment (1)	As at 31 December 2000		As at 31 December 1999	
			Provisions	Investments	Provisions	Investments
1	UNIPOL PREVIDENZA	A: Bond fund with guarantee	101,133,488	101,133,488	77,257,375	77,257,375
1	UNIPOL PREVIDENZA	B: Mixed bond fund with guarantee	5,227,551,448	5,227,551,448	1,749,151,144	1,749,151,144
1	UNIPOL PREVIDENZA	C: Mixed bond fund	3,706,756,907	3,706,756,907	1,768,997,690	1,768,997,690
1	UNIPOL PREVIDENZA	D: Balanced	4,718,811,817	4,718,811,817	1,821,874,773	1,821,874,773
2	UNIPOL FUTURO	A: Bond fund with guarantee	85,708,047	85,708,047	16,361,999	16,361,999
2	UNIPOL FUTURO	B: Mixed bond fund with guarantee	2,332,222,882	2,332,222,882	1,068,753,263	1,068,753,263
2	UNIPOL FUTURO	C: Mixed bond fund	932,374,279	932,374,279	154,544,694	154,544,694
2	UNIPOL FUTURO	D: Balanced	2,296,169,331	2,296,169,331	373,106,384	373,106,384
TOTAL			1 19,400,728,199	2 19,400,728,199	3 7,030,047,322	4 7,030,047,322

## SECTION II - Closed pension funds

amounts in ITL

Fund Serial No.	Name of fund	Sub-funds (1)	As at 31 December 2000		As at 31 December 1999	
			Provisions	Investments	Provisions	Investments
1	BAM staff	1: "No-risk"	13,352,811,052	13,352,811,052	-	-
TOTAL			5 13,352,811,052	6 13,352,811,052	7 -	8 -
GRAND TOTAL (2)			9 32,753,539,251	10 32,753,539,251	11 7,030,047,322	12 7,030,047,322

(1) Specify for each fund the amount of provisions and relevant assets of each sub-fund.

(2) The grand total corresponds to the sum of the totals shown in each section.

# **Statutory Auditors' Report**

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# Statutory Auditors' Report To the Shareholders' Meeting

Within the meaning of Legislative Decree 58/1998, Article 153 and Article 2429 (3) Civil Code

## To the General Shareholders' Meeting of *Unipol Assicurazioni*

During the period ending **31 December 2000**, supervisory activities complied with the rules of conduct recommended by the National Councils of Professional and Chartered Accountants. These are understood as activities carried out, in accordance with the highest professional ethics, in order to verify over time that management and executive activities are capable, from a legitimacy point of view, of achieving sound management objectives. In particular:

- with regard to **the observance of the law and the articles of association**, we found, in addition to the information received from the independent Auditors for the aspects for which they are responsible, that the Company has an appropriate organisational structure, capable of ensuring respect for regulations and the performance of related duties. In particular, we checked:
  - for the *Technical Provisions*, respect for the legislation and regulations governing admissible assets, through the use of significant sampling. We then ensured that there were no constraints of any kind, full and free ownership and availability of investments and respect by the Company for the requirement of admissibility of said assets, investment criteria and matching rules,
  - for *Money Laundering Prevention*, respect for performing the duties with regard to the provisions for the fight against money

laundering, within the meaning of Law No. 197 of 5 July 1991. We considered the internal procedure and organisational structure implemented appropriate for guaranteeing regular updating of the records and identifying suspect operations,

- for *Financial Derivatives*, respect for the regulations, including with regard to regulations for the technical provisions for the contracts referred to in Legislative Decree No. 174/1995 Article 30, 1<sup>st</sup> and 2<sup>nd</sup> paragraphs,
- for *Securities classed as fixed assets*, respect for the resolutions taken by the Board of Directors,
- with regard to **the respect for sound management principles**, we checked the compliance of management decisions with the general criteria of economic rationality, as laid down by business economics. In this way, we made sure that the Directors had not carried out operations unconnected to the business purpose, nor in a conflict of interests with the Company, nor clearly imprudent or reckless, nor in contrast with the resolutions taken by the General Shareholders' Meeting and the Board of Directors. During our quarterly inspections, attending General Shareholders' Meetings and meetings of the Board of Directors and on the basis of the information received from said Directors, the independent Auditors and the internal auditing department, we did not find any actions or resolutions that did not comply with the

principle of reasonableness, nor were inconsistent or incompatible with the resources and assets available to the Company,

- with regard to the **adequacy of the organisational structure and the auditing system**, we analysed all guidelines and procedures, as well as using meetings with the independent Auditors and the internal auditing department for the mutual exchange of data and information. We checked the adoption of the principle of separation and contrast of responsibility in tasks and duties, the definition of authorisations and powers and the supervision of staff work by the managers,
- with regard to the **adequacy of the guidance notes given by the Company to subsidiaries**, we found that there is a unit responsible for relations with subsidiaries and affiliates. The procedures applied by them are considered reliable and effective for gathering the information required to carry out the information obligations laid down by the law,
- with regard to **supervision of the annual accounts**, in addition to the information gathered from the independent Auditors, who are normally responsible for carrying out all the necessary accounting checks in order to express an opinion on the annual accounts according to the terms now laid down by Art. 156 of the Consolidated Tax Act, we checked general compliance of the form and content of the annual accounts and the correct choice of principles, with the law,
- again, with regard to the **Board Report**, we believe that its content matches the mandatory requirements laid down by Article 2428 of the Civil Code. The information it contains is considered complete and clear in the light of the principles of truth, accuracy and clarity laid down by the law,
- during the supervisory activities, no significant facts came to light that would

warrant being indicated to the supervisory authorities or mentioned in the present report. We have not received any complaints from Shareholders.

Overall, we would point out the increase in turnover and resulting income, which is the product of sound management and valid strategic decisions, through soundly financed significant acquisitions, all of which affirm the Company's vitality.

As a result, we would invite the General Shareholders' Meeting to approve the annual accounts as at 31/12/2000, which shows a profit of ITL 115,383,657,247, as well as the Directors' proposal with respect to the allocation thereof.

Bologna, 6 April 2001

**The Board of Statutory Auditors**

# **Report of Independent Auditors**

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Revisione e organizzazione contabile

KPMG S.p.A.  
Via Passarotti 6  
40128 BOLOGNA BO

Telefono (051) 6311975  
Telefax (051) 6311912

(Translation from the Italian original which remains the definitive version)

**Report of the auditors in accordance with article 156 of legislative decree no. 58 of 24 February 1998, article 62 of legislative decree no. 174/95 and article 73 of legislative decree no. 175/95**

To the shareholders of  
Compagnia Assicuratrice Unipol S.p.A.

- 1 We have audited the financial statements of Compagnia Assicuratrice Unipol S.p.A. as at and for the year ended 31 December 2000. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange, integrated, where necessary, in accordance with the specific procedures for the audit of the financial statements of insurance companies. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. With respect to the examination of technical reserves accounted for under "liabilities" in the balance sheet, we also referred to the attached report issued by a qualified actuary in accordance with article 73 of legislative decree no. 175/1995 and article 62 of legislative decree no. 174/1995. This report states that the company's technical reserves are adequate and comply with the provisions of relevant legislation and regulations and correct actuarial techniques.

The financial statements of certain subsidiaries and associated companies representing 35.0% and 8.2% of the caption "Investments in group companies and other" and "Total assets" respectively, have been audited by other auditors who provided us with their reports thereon. Our opinion, expressed herein, with respect to the figures relating to such companies included in the financial statements is based, inter alia, on the audits performed by the other auditors.

Reference should be made to the report of other auditors dated 10 April 2000 for their opinion on the prior year figures which are presented for comparative purposes as required by law.





- 3 In our opinion, the financial statements of Compagnia Assicuratrice Unipol S.p.A. as at and for the year ended 31 December 2000 comply with the Italian regulations governing their preparation; therefore they are clearly stated and give a true and fair view of the financial position and results of the company.
  
- 4 The company holds controlling interests in a number of companies and, in accordance with current legislation, has prepared consolidated financial statements. Such statements are presented in addition to its own financial statements in order to furnish adequate information on the financial position and results of both the company and the group. We have audited the consolidated financial statements and these (with our audit report thereon) are presented together with the statutory financial statements.

Bologna, 9 April 2001

KPMG S.p.A.

(Signed on the original)

Franco Garilli  
*Director*

**Prof. RICCARDO OTTAVIANI**

ATTUARIO

ORDINARIO NELL'UNIVERSITA' DI ROMA

00198 ROMA- VIA TEVERE, 46  
TEL 0685.35.4000 FAX 0685.35.33.73

**ACTUARY'S REPORT**

For the purposes al Article 62 of Legislative Decree No. 174 dated March 17, 1995 and Article 73 of Legislative Decree No. 175 dated March 17, 1995, as replaced respectively by Article 79 letter R) and by Article 80 letter I) of Legislative Decree No. 173/1997.

(translation from the original italian text)

To : KPMG S.p.a.

RE: "COMPAGNIA ASSICURATRICE UNIPOL S.p.a."

Financial Statements as at and for the year ended December 31, 2000

1. In complying with my assignment, I have applied actuarial auditing standards to items related to technical reserves accounted for in the balance sheet's liabilities side of financial statments of Compagnia Assicuratrice UNIPOL S.p.a. as at and for the year ended Dicember 31, 2000, in order to express my opinion on their sufficiency in conformity with laws and rules in force and with correct actuarial techniques in observance of the principles included in article 2 of the legislative measure No. 845 issued by ISVAP on April 1<sup>st</sup>, 1998.
2. In my opinion, the technical reserves – Property Casualty insurance -, of Compagnia Assicuratrice UNIPOL S.p.a. as at December 31, 2000, taken as whole, are sufficient in conformity with laws and rules in force and with correct actuarial techniques, in observance of the principles included in article 2 of the above mentioned legislative measure.
3. In my opinion, the technical reserves – Life insurance - of Compagnia Assicuratrice UNIPOL S.p.a. as at December 31, 2000, taken as whole, are sufficient in conformity with laws and rules in force and with correct actuarial techniques, in observance of the principles included in article 2 of the above mentioned legislative measure.

Rome, March 30, 2001

The Actuary  
Riccardo Ottaviani



## Information on compliance with the recommendations of the code of self-regulation for listed companies

At the end of 1999, the Italian Stock Exchange's "Committee for *corporate governance* of listed companies" issued a "Code of Self-regulation" to which Italian listed companies were invited to conform through adopting internal regulations consistent with the aims and rules of the said Code.

The Code is an instrument which, through improving the efficiency and reliability of management and auditing principles, makes the businesses more transparent and access to the financial market more expedient.

Unipol Assicurazioni's Board of Directors makes clear that the Company has always paid careful attention to "*corporate governance*" issues. Indeed, for quite some time the Company has been adopting statutory provisions that meet the new regulations introduced by the "Consolidated Financial Brokerage Act" (Legislative Decree No. 58 of 24 February 1998), in particular regarding the appointment of members of the Board of Statutory Auditors, holding Board Meetings at least once a quarter and reporting significant transactions carried out by the Company and its subsidiaries to the Board of Directors and the Board of Statutory Auditors, especially those where there is a potential conflict of interests.

With regard to the recommendations contained in the Code of Self-regulation, the Board of Directors specifies that the Company has had regulations in place for quite some time aimed at ensuring that the proceedings of its own Ordinary and Extraordinary General Shareholders' Meetings are methodical and efficient.

Among other things, these regulations control

procedures for and maximum duration of speeches, voting procedures and the Chairman's powers to keep order in the General Shareholders' Meeting so as to guarantee that its duties are carried out properly.

As regards relations with institutional investors and other shareholders, the Board of Directors reports that for quite some time the Company has been paying particular attention to said relations and has set up a suitable corporate structure (in terms of both quantity and quality) dedicated to this role within the framework of its own Shareholdings/Group Management Control/Foreign Relations Department.

It is also pointed out that most members of the Board of Directors (twenty-two out of twenty-four) are non-executive directors. These are directors who are actively involved in taking board decisions because they have the right skills and professional and personal qualities and not because they hold a position in management.

Moreover, nine out of the twenty-two non-executive directors are "independent" in that they do not have any economic relations with the Company and its subsidiaries that might affect their independent judgement and do not have any direct or indirect shareholdings of a size that would enable them to exercise control over the Company.

As regards the responsibilities and roles of the directors, within the meaning of Article 14 of the Company's rules, the Chairman is the legal representative of the Company. The Vice-Chairman becomes the legal representative only

in the event of the absence or impediment of the Chairman.

Within the meaning of Article 13 of the Company's rules, the Board of Directors has granted the Chairman – Managing Director and the Vice-Chairman – Managing Director separate powers to manage corporate business and in particular everything to do with carrying out the resolutions of the Board of Directors and the General Shareholders' Meeting and co-ordinating activities to carry out corporate objectives.

The Managing Directors must, however, submit to the Board of Directors for approval transactions of significant economic and financial importance and provide Directors and Statutory Auditors with an appropriate briefing on atypical, unusual and intra-group transactions, which might be carried out in exercising the powers given.

Moreover, during the meeting of 26 March 2001, the Board of Directors approved the inclusion of further recommendations contained in the Code of Self-regulation and therefore the provision of the following.

- Charging the Managing Directors with managing information concerning events that occur within the Company's sphere of business and that of its subsidiaries, which is not yet in the public domain and which is capable, if made public, of significantly affecting the price of the financial instruments (price sensitive) as well as adopting an internal procedure for announcing said information.
- Within the framework of the Board, setting up the following Advisory Committees:
  - Committee for remunerating Directors who hold a position in management, for the purpose of simply making proposals, the power to establish remuneration remaining the exclusive task of the Board of Directors,
  - Committee for internal auditing, for the purpose of giving assessments, advice and making proposals, made up of an appropriate number of non-executive

directors and possibly including the Chairman of the Board of Statutory Auditors and the Managing Directors,

- Committee for nominating Directors, mainly made up of non-executive Directors, with the aim of making the selection procedures more transparent.
- Submitting the nominations for Directors at least ten days before the date set for the General Shareholders' Meeting and giving extensive information on the candidates' personal and professional details.

The aforementioned decisions will be implemented at the required pace dating from the General Shareholders' Meeting to approve the accounts for the year 2000.

The Company's Board of Directors will therefore provide necessary information on a yearly basis to prove that the decisions made have been carried out.

## Summary of the Resolutions adopted by the General Shareholders' Meeting

The General Shareholders' Meeting, convened in second call on 27 April 2001, decided:

### *In the ordinary meeting*

1. to approve the annual accounts as at 31 December 2000 and the Board Report, as well as the allocation of profits for the period, distributing dividends, before legal deductions, of ITL70 per preference share and ITL160 per ordinary share, setting the date for payment of these as from 24 May 2001,
2. to appoint the Board of Directors for the three year period 2001-2003 (see list of Directors, Statutory Auditors and principal Officials on page 5), confirming the number of members as 25 and setting related remuneration,
3. to update remuneration for the Board of Statutory Auditors,
4. to renew for a period of 18 months the authorisation to acquire and/or dispose of company's own shares, on one or more occasions, both ordinary and preference, for a maximum of 10,000,000 shares in each category, up to the maximum limit of ITL50 billion, as well as setting the related terms,  
to authorise the further acquisition of 90,833,400 shares maximum in the parent company at the maximum price of ITL1,300 each.

### *In the extraordinary meeting*

1. to incorporate within Compagnia Assicuratrice Unipol, the property company Pioquartosei S.r.l., (wholly owned) subsidiary

which had its registered offices in Bologna,

2. to redenominate the Share Capital in Euros with a free increase in the nominal value of shares to 1 Euro, with resulting amendments to Articles 5 (Capital) and 19 (Corporate Profits) of the Company's rules,
3. to amend Article 17 (Statutory Auditors) of the Company's rules, as required by Decree No. 162 of the Minister for Justice of 30 March 2000, regarding professional qualifications of members of the Board of Statutory Auditors.

The Board of Directors, convened after the General Shareholders' Meeting, re-appointed Chairman Giovanni Consorte and Deputy Chairman Ivano Sacchetti in office. It also reconfirmed the responsibilities and powers already conferred on them by the outgoing Board of Directors.