

Compagnia Assicuratrice Unipol

Stock Company

*Head offices - Via Stalingrado 45 – 40128 Bologna – Share Capital ITL 451,220,805,000 fully paid
Company's 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 Consolidated Annual Accounts

Translation from the original Italian text.

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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 (Substitutes)

GENERAL 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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Salvatore Petrillo

(*) According to Article 14 of the Company bylaws, 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 bylaws 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.

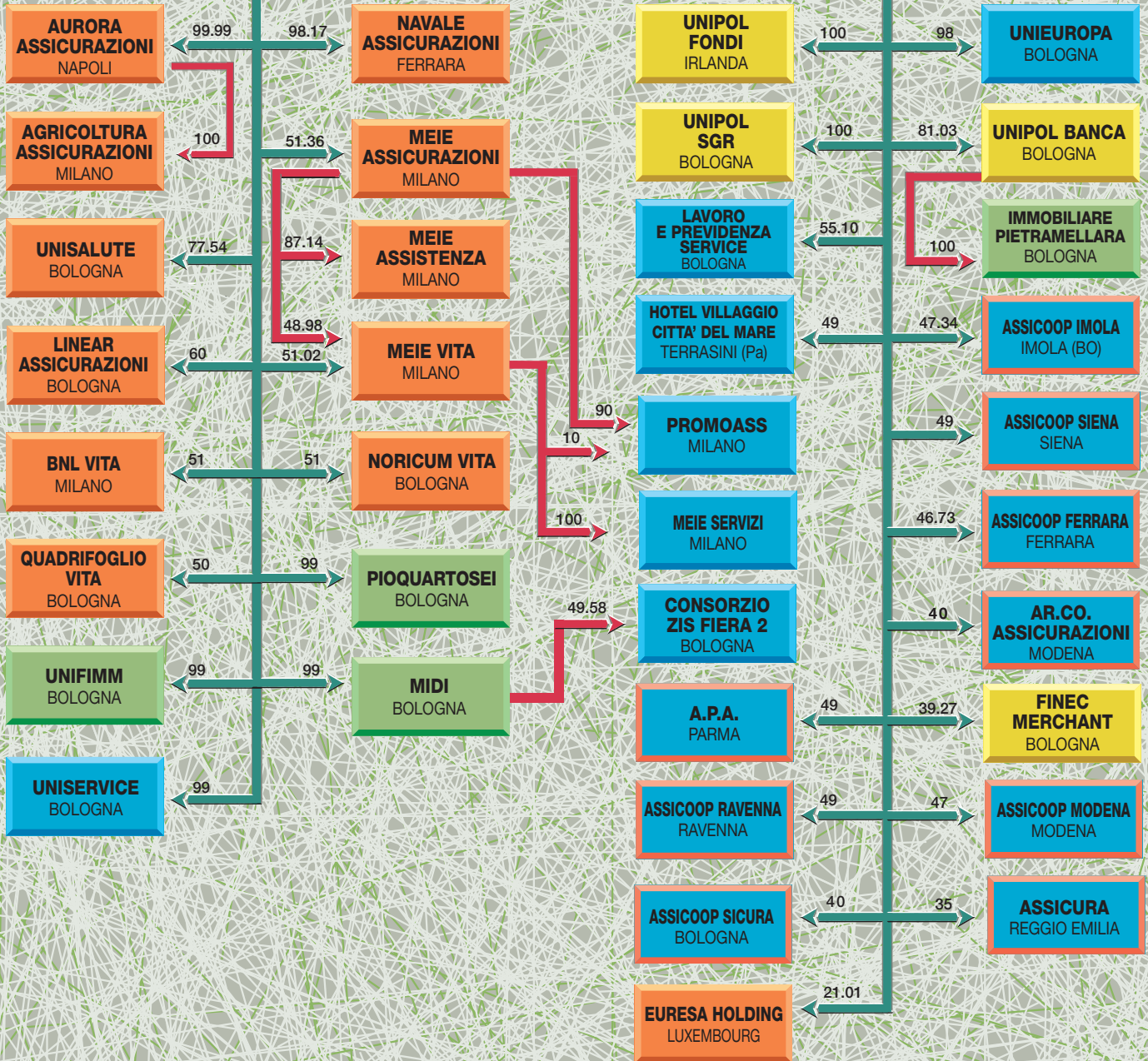
However, the Managing Directors shall submit to the Board of Directors for approval all transactions having economic and financial relevance and shall provide the Directors and Statutory Auditors with adequate information on atypical and unusual transactions, or involving related parties, entered into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

UNIPOL ASSICURAZIONI

BASIS OF CONSOLIDATION AS AT 31 DECEMBER, 2000

LINE-BY-LINE

EQUITY METHOD



INSURANCE

REAL ESTATE

FINANCE BANKS

OTHERS (1)

(1) Mainly service companies linked to insurance and real estate businesses; in orange: companies acting as Unipol agencies

GROUP HIGHLIGHTS

	(ITLbn)			(€m)		
	2000	1999	1998	2000	1999	1998
Gross premiums	6,265.2	3,585.0	3,061.9	3,235.7	1,851.5	1,581.3
<i>% increase</i>	74.8	17.1	25.6	74.8	17.1	25.6
% of direct business market	4.6	2.9	3.0	4.6	2.9	3.0
Technical provisions	24,207.5	9,412.7	7,884.9	12,502.1	4,861.3	4,072.2
<i>% increase</i>	157.2	19.4	22.8	157.2	19.4	22.8
Technical provisions-to-premiums ratio⁽¹⁾	258.2	262.6	257.5	258.2	262.6	257.5
Investments, cash and cash equivalents	24,152.2	9,948.8	8,258.8	12,473.6	5,138.1	4,265.3
<i>% increase</i>	142.8	20.5	21.9	142.8	20.5	21.9
Net investment income and capital gains	846.1	502.9	543.3	437.0	259.7	280.6
<i>% increase</i>	68.2	-7.4	11.6	68.2	-7.4	11.6
Payments (claims, amounts due out of maturity, surrender, annuity)	3,548.3	1,908.5	1,741.9	1,832.5	985.7	899.6
<i>% increase</i>	85.9	9.6	13.5	85.9	9.6	13.5
Loss ratio - Non-Life business	83.2	83.3	85.2	83.2	83.3	85.2
Operating expenses	971.1	518.3	508.3	501.5	267.7	262.5
<i>% increase</i>	87.4	2.0	4.1	87.4	2.0	4.1
Expense ratio	15.5	14.5	16.6	15.5	14.5	16.6
Capital & reserves - Group	2,126.5	1,271.9	1,148.5	1,098.2	656.9	593.2
<i>% increase</i>	67.2	10.7	2.7	67.2	10.7	2.7
Profit before taxation	183.3	135.7	118.6	94.7	70.1	61.3
<i>% increase</i>	35.1	14.4	13.9	35.1	14.4	13.9
Group net profit	83.9	73.4	62.2	43.3	37.9	32.1
<i>% increase</i>	14.3	17.9	29.2	14.3	17.9	29.2
Net profit-to-premiums ratio	1.34	2.0	2.0	1.34	2.0	2.0
Staff number	2,607	1,545	1,574			

Without the acquisitions in the year 2000 of the Meie Group companies, as well as of Aurora, Agricoltura, Navale and BNL Vita, the variations are as follows:

Gross premiums	+13.7%
Operating expenses	+6.4%
Investments, cash and cash equivalents	+28.3%
Net investment income and capital gains	+10.6%
Staff number	+17

⁽¹⁾ It should be noted that BNL Vita (which was acquired at year-end) was only consolidated with its assets and liabilities. Thus this ratio does not include the relative technical provisions.

Board Report

The Group

In order to further its plans for expansion and fulfil its predetermined economic objectives, Unipol Assicurazioni implemented important strategies during 2000 which significantly altered the way in which the Group is organized.

On 15 June the acquisition of the control of Aurora Assicurazioni spa and Navale Assicurazioni spa was completed, interests now being 99.99% and 98.17% respectively for a total cash outlay of ITL480bn. Subsequently, on 27 June, controlling interests were acquired in Meie Assicurazioni spa (51.23%) and Meie Vita spa (51.02%), and in the associated companies Meie Servizi srl and Promoass srl for a total price of ITL670bn.

Finally, on 28 December, control of BNL Vita spa (51%), a company specializing in bancassurance, was acquired at a price of ITL277bn.

These acquisitions are part of the strategic plan for extending the Group's operations.

In particular, the expansion plan aims at more sustained growth of Life business, with, at the same time, continuing accelerated growth in the banking and managed savings sector, and at offering an integrated range of services to holders of insurance policies.

The structure of the new Group, as regards the sectors in which it operates, can be summarized as follows:

- insurance sector, where a distinction is drawn between traditional companies operating in all Life and Non-life branches through a network of tied agents (the Parent Company, Unipol Assicurazioni, Meie and Aurora) and the specialized companies: Linear (sale of motor-vehicle products by telephone and over the Internet), Unisalute (sale of health care products mainly through

directly-managed collective agreements and over the Internet) and Navale (specializing in marine and tourism, selling mostly through brokers);

- bancassurance sector in which Noricum Vita (selling through outlets of Carisbo and Banca Popolare dell'Adriatico), Quadrifoglio Vita (network of outlets at Banca Agricola Mantovana) and BNL Vita (selling through outlets and financial advisers of BNL) operate;
- banking and managed savings sector in which Unipol Banca operates, a company offering customers an integrated range of products and services (including asset management on an individual basis following acquisition of this business from Unipol SGR) through its own network of outlets, finance shops and financial advisers, and through the Group's network of agencies.

The new acquisitions were financed by an increase in the capital of the Parent Company, which began in June and ended in July, with the issue of shares and debentures with capital content for ITL815.1bn and ITL407.6bn respectively, as detailed in the Parent Company's Board Report.

With regard to the acquisitions made, as from the second half-year the Parent Company has introduced an industrial plan for integrating the companies (Meie Assicurazioni, Meie Vita, Aurora Assicurazioni and associated companies), with the aim of achieving greater management efficiency and better results.

Under this plan, the voluntary take-over bid of all Meie Assicurazioni's ordinary shares in circulation was promoted between 13 November and 29 December 2000.

The operation ended on 12 January 2001 with the purchase of 52,958,308 shares, i.e. 22.99% of the share capital; Unipol's share therefore rose to 74.36%.

Following the operations described, as at 31/12/2000 as shown in the attached table and diagram the Unipol Group was composed of twelve insurance companies, three property companies and a service company, all fully consolidated, with the exception of BNL Vita spa of which only the Statement of Assets and Liabilities is consolidated. Twenty-one companies have been valued using the equity method.

It should be noted that the Group, with a production that has reached 6,265bn in consolidated premiums (ITL8,309bn if the recent acquisition of BNL Vita is also taken into consideration), is now further up in the ranking of the main insurance groups operating in our country, now being presumably in fourth position (eighth position at the end of 1999).

Key aspects of the Group's activity

In the 2000 financial year the Group achieved higher profits in all branches of activity.

Amongst the principal aspects of its activity as at 31/12/2000 the following should be mentioned:

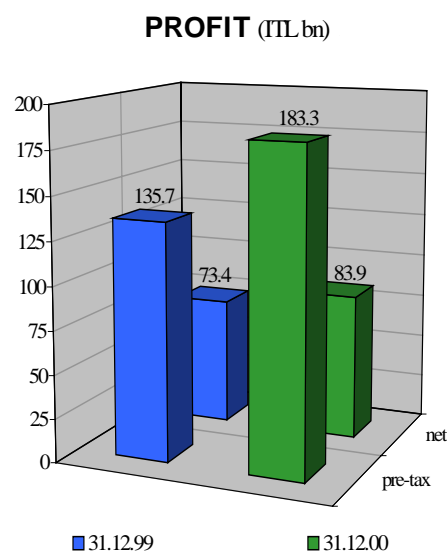
- following the changes made to the basis of consolidation, income from premiums reached ITL6,265.2bn, an increase of 74.8%. In consistent terms, excluding the premiums relating to the newly-acquired companies (ITL2,187.8bn), the increase in premium income was 13.7% compared with the premiums recorded as at 31/12/99, with a significant increase in Life business (+22.5%);
- the technical result of insurance business was negative to the amount of ITL92.1bn (+82.1bn in Life business; -174.2bn in Non-life business) compared with a negative amount of ITL17bn at the end of 1999. However in consistent terms the technical result was positive to the amount of ITL57.5bn and shows a significant improvement over the previous financial year. It should be noted that Legislative Decree 173/97 does not provide for the allocation of part of the profit from investments to the Non-life business technical account;
- the level of investments and available cash reached ITL24,152bn, an increase of ITL14,203bn. Using the same basis of consolidation as at 31/12/99, the increase was ITL2,817bn (+28.3%);
- net ordinary and extraordinary income, including net value adjustments to investments (ITL147.8bn), is ITL698.3bn (ITL465.7bn as at 31/12/99 and ITL461.3bn using the same basis of consolidation);
- net management costs totalling ITL839.9bn were 14.5% of earned premiums as at 31/12/2000 (13.4% in 1999) and 12.8% in consistent terms;
- the result of the ordinary activity for the period amounts to ITL101.4bn and to

ITL137.9bn using the same basis of consolidation (ITL82.1bn at the end of 1999);

- the result for the financial year, net of tax, amounts to ITL83.9bn (ITL73.4bn at the end of 1999).

To sum up, the most significant items in the consolidated accounts are the following (in bns of lire):

	2000	1999	Var.% 00/99
Gross premiums	6,265.2	3,585.0	74.8
Net premiums	5,811.2	3,381.5	71.9
Net investment income and net capital gains	846.1	502.9	68.2
Gross technical provisions	24,207.5	9,412.7	157.2
Net technical provisions	22,637.4	8,948.7	153.0
Claims paid	3,548.3	1,908.5	85.9
Operating expenses	971.1	518.3	87.4
Depreciation of consolidation differences (goodwill)	21.6	4.5	382.6
Investments / liquid assets	24,152.2	9,948.8	142.8
Relevant net assets	2,126.5	1,271.9	67.2
Results:			
Balance on the technical account	-92.1	-17.0	441.4
Ordinary operating profit	101.4	82.1	23.5
Pre-tax profit	183.3	135.7	35.1
Profit for the year	83.9	73.4	14.3

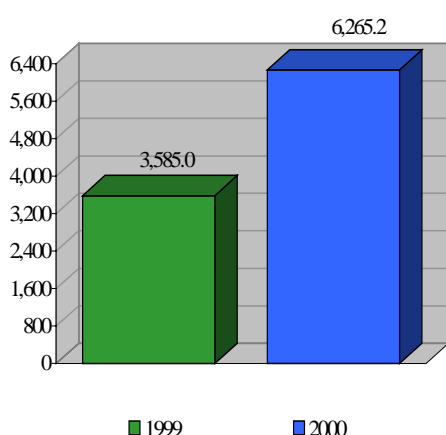


Insurance activities

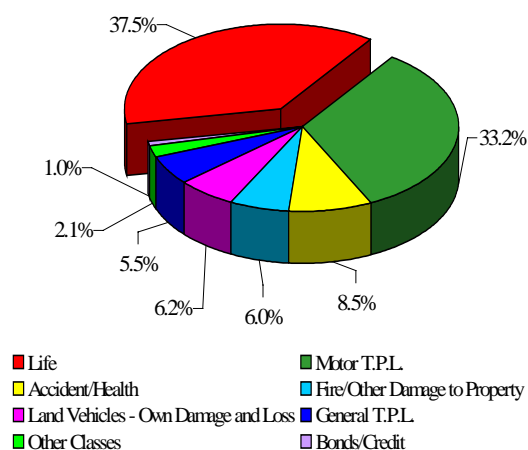
Total premium income for the Group, before reinsurance cessions, amounts to ITL6,265.2bn, an increase of 74.8%.

Including the premium income of BNL Vita, a company acquired at the end of the financial year and therefore not consolidated into the profit and loss account, premium income amounted to ITL8,309bn.

Total Premium Income
(in ITL billion)



Breakdown of Premiums



Premiums as at 31/12/2000 are made up as follows (in billions of lire):

	2000	Comp. %	Var. % compared with 1999
Direct business:			
- Non-Life	3,852.9	62.5	+91.8
- Life	2,312.0	37.5	+54.2
	6,164.9	100.0	+75.8
Indirect business:			
- Non-Life	91.3	91.0	+34.5
- Life	9.0	9.0	-4.7
	100.3	100.0	+29.7
Overall total	6,265.2		+74.8

Life business and Pension Funds

Life premiums, giving an income of ITL2,321bn, represent 37% of the total and have shown an increase of 53.8% (+22.5% without the contribution of ITL472.3bn from the newly-acquired companies).

The rate of growth in consistent terms, therefore excluding the premiums for the newly-acquired companies of ITL2,187.8bn, was 13.7% (+7.3% for Non-life business, +22.5% for Life business).

During the fourth quarter premium income was ITL1,809.2bn (an increase of 57% over the fourth quarter of 1999, +4.7% in consistent terms).

The Parent Company, with a total income of ITL879.4bn, has recorded significant growth (+24.1%) for all business, with the sole exception of that of group policies. However Pension Fund business, both open and closed, has grown compared with this.

The companies operating through the bancassurance channel (Noricum Vita and Quadrifoglio Vita) have achieved premiums of ITL972.5bn, a rate of growth of 21%.

The productive growth achieved by the Group in 2000 is the fruit of the procedures carried out for the purpose of improving the distribution network, and of the initiatives implemented for the sale of innovative products.

Sums paid out for claims, matured policies, surrendered policies and annuities amount to ITL851.6bn (+44.4% in consistent terms).

The technical provisions (including those in

Class D) reached ITL17,725.2bn.

Excluding the amount relating to the newly-acquired companies in 2000 (ITL10,063.7bn), the amount of the provisions at the end of the financial year is ITL7,661.5bn (+20.2%).

The management costs incurred in the financial year, which include the acquisition and renewal commissions and the other acquisition and administrative costs, net of commissions received from the reinsurers, total ITL113.8bn. The corresponding impact on earned premiums was 5% and 5.2% using the same basis of consolidation (5.9% in 1999).

Pension Funds

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

Assets managed at the end of the year total ITL154.9bn.

As regards the open Pension Funds "Unipol Previdenza" and "Unipol Futuro", during 2000 placement continued through the network of banks, Unipol agencies and direct sales.

As at 31/12/2000 the combined assets of the two funds came to ITL19.4bn (+12.4bn compared with the position at 31/12/99) representing a total of 3,206 subscribers.

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

Non-life business

Non-life premium income reached ITL3,944.2bn, an increase of 90% (+7.3% excluding the premiums of the newly-acquired companies of ITL1,715.5bn).

The Parent Company had a total premium income of ITL2,174.3bn, an increase of 6.4% over 31/12/99 (4.3% in direct business).

Growth has suffered in part from the negative effects of the freeze on motor vehicle third-party liability premiums imposed by the Government in March 2000. However these effects have been offset by renewed growth in other insurance business, in particular by the positive results achieved in health cover business and in various types of professional business, despite the tough competition in this sector.

The specialist companies Linear and Unisalute have grown considerably. Unisalute, with ITL59bn in direct premiums (+31.4%) and 350,000 clients, is now ranked 13-14th among companies in the Health branch, whilst Linear, with premium income of ITL75.9bn, has grown 76.6% and maintains a market share estimated at around 13.5%.

The newly-acquired companies, Meie and Aurora, with total premium income of ITL1,549.9bn, have recorded increases of 1.6% and 5.6% respectively. This restricted growth is due not only to the freeze on motor vehicle T.P.L. premiums but also to a stricter underwriting policy and to specific action in the critical areas.

The foreign portfolio is extremely limited (ITL63.6bn, deriving from indirect business).

Net retention of premiums written has been 90%. In consistent terms, retention rose from 90.9% as at 31 December 1999 to 91.7% at the end of 2000.

Charges relating to claims totalled ITL2,696.7bn.

Total allocations to the provisions for unearned premiums and outstanding claims rose at the end of the year to ITL6,482.3bn, 164.3% of the premiums written. In consistent terms the amount would be ITL3,356.3bn, i.e. 150.6% of the premiums (146.4% at the end of 1999).

The technical results for the fourth quarter have had a considerable effect on the end-of-year result, in view of the substantial adjustments made to the provisions for outstanding claims of the newly-acquired companies.

The average loss rate, at the end of the financial year, including settlement expenses and net of outward reinsurance, was 83.2% of the earned premiums (80% in equal terms and 83.3% at the end of the 1999 financial year).

Operating expenses, which include acquisition and renewal commissions and other expenses relating to acquisition and administration, net of fees received from reinsurers, totalled ITL726bn. Their incidence on premiums was 20.5% and 19.3% using the same basis of consolidation (19.1% in 1999).

Products and commercial activity

During the financial year new product development activity affected both Non-life business and Life and Supplementary Pension Schemes business.

In the Non-life sector, the Parent Company has launched the new product "1036/Multiguarantee Policy for the Individual". This is a modular insurance scheme with "made-to-measure" cover; in fact it is structured in such a way as to allow sums assured and the cover given to be personalized.

Unisalute, which specializes in Health Care business, has carried out a promotional campaign through the press (national and local) for the purpose of advertising individual policies. To back this action up telemarketing has been introduced and an Internet site has been set up to issue policy quotations on-line. On the subject of new products it should be noted that at the end of the year the company started selling the first Italian "Long-Term Care" policies.

As regards the new companies in the Group, Aurora Assicurazioni has prepared a new series of products in the Health branch and a fast-sale series of policies in the General T.P.L. branch, whilst Meie Assicurazioni has marketed two new multi-business products: "Sound business" and "Arts and Crafts" and, in the second half-year, concentrated on designing a new list of products, which will be distributed during the first half of 2001.

In the Life sector, Unipol marketed the following new products in particular:

- "Tariff 303 - Uninvest": relating to the range of products known as Unit-Linked policies. Premium income was mainly geared to the Fund known as AzioniPiù which, being one of the first on the Italian market, was innovative in offering Unit-Linked products by investing only its own assets in a French investment fund, the performance of which is related to the trend in the value of ten European shares and which has a guarantee on the value of the shares on a predetermined date.
- "Tariff 337 - Special Single-Premium Endowment Assurance with a definite growth rate and a Terminal Bonus", which is characterized by a reference rate of 6%, a fixed life of 6 years and a minimum premium of ITL10 million.
- "Tariff 304 - Uninvest". These are Unit-Linked policies that make use of eight funds, the last four of which were introduced during 2000; apart from Fondo AzioniPiù already mentioned the following have been introduced:
 - Uninvest Performance Europa: for investment (between 50 and 100%) in securities representing the risk capital of exclusively European companies.
 - Uninvest Flexible: for investment (up to 100%) in securities representing the risk capital of companies that show a strong potential for growth.
 - Uninvest Mach 7: for investment (between 10 and 100%) in securities representing the risk capital of European companies. This product benefits from a guarantee.

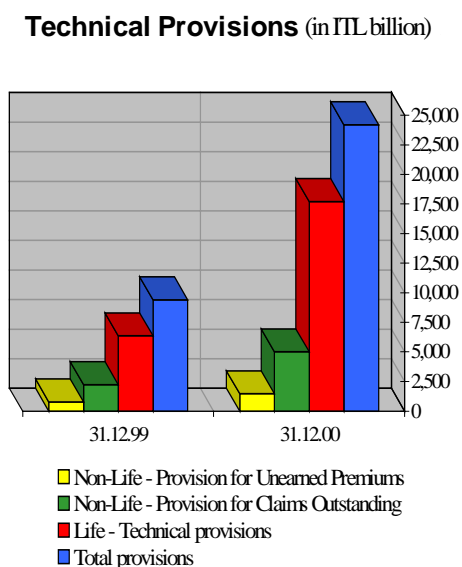
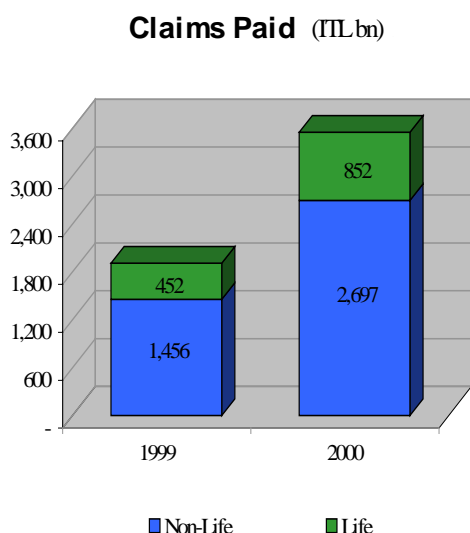
Starting from the current financial year Unipol has adopted a new system for managing life policies. In fact use is made of an innovative internally-designed computer system which assists in advising clients. Through a single Unit-Linked policy it enables several investment positions to be managed, therefore enabling assets to be transferred from one fund

to another. Previously such operations involved cancelling the policy currently in force and taking out a new policy.

Regarding the new companies, Aurora Assicurazioni has introduced an Index-Linked product, known as “Multi Fund Linked”, which

has been very successful.

Meie Vita has introduced onto the market three new Index-Linked products and, in May, began to market a new Unit-Linked product, subdivided into three distinct lines of investment.



Commercial network

As regards the organizational set-up, the Group’s commercial network has expanded and developed thanks to its multichannel distribution strategy.

The traditional network consists of 575 Unipol agencies with 766 agents and 1,107 subagents, added to which are the 718 agencies belonging to the newly-acquired companies. These are currently being rationalized from the point of view of size and geographical distribution.

The commercial network also makes use of 289 outlets of the Banca Agricola Mantovana and of the banks it controls through which Quadrifoglio Vita places its own products, of 298 outlets that sell the products of Noricum Vita (170 belonging to the Cassa di Risparmio in Bologna and 128 belonging to the Banca Popolare dell’Adriatico) and, as from the end of the year, of 675 outlets of the BNL Group and of 1,000 advisers working for BNL Investimenti.

In the motor-vehicle business Linear is continuing to expand the direct payment of premiums by telephone and over the Internet, whilst in the health care sector Unisalute, which operates mainly by direct negotiation of large group policies, has launched operations on the Internet for the development of individual policies.

In the banking field, at the end of the year Unipol Banca had 36 outlets (19 of them integrated with insurance agencies belonging to Unipol Assicurazioni), 17 finance shops and 270 financial advisers.

Property and financial management

Investments and liquid assets

At the end of the financial year the volume of investments and liquid assets reached ITL24,152.2bn, an increase of ITL8,898bn compared with the position as at 30 September 2000 and an increase of ITL14,203bn over 1999 (+142.8%).

The newly-acquired companies have contributed investments amounting to ITL11,386bn (ITL8,154.9bn of which relates to BNL Vita, acquired at the end of the financial year), excluding which the increase is 28.3%.

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

INVESTMENTS AND LIQUID ASSETS					
<i>(ITLm)</i>					
	2000		1999		Var. %
	Fin. Year	%	Fin. Year	%	2000/1999
Land and buildings	1,223,514	5.1	963,477	9.7	27.0
Investments in group undertakings and other participating interests					
- Stocks and shares	968,892	4.0	882,804	8.9	9.8
- Debt securities	960	0.0	960	0.0	0.0
- Financing	7,209	0.0	22,320	0.2	-67.7
Total	977,060	4.0	906,083	9.1	7.8
Other financial investments					
- Stocks and shares	845,408	3.5	92,766	0.9	811.3
- Shares of unit trusts	342,835	1.4	108,866	1.1	214.9
- Bonds and other fixed-income securities	14,288,634	59.2	5,572,069	56.0	156.4
- Loans	120,775	0.5	74,908	0.8	61.2
- Sundry financial investments (1)	713,104	3.0	997,180	10.0	-28.5
Total	16,310,757	67.5	6,845,790	68.8	138.3
Deposits with ceding undertakings	49,136	0.2	36,532	0.4	34.5
Investments for the benefit of policyholders who bear the risk thereof and arising from pension fund management					
- Unit trusts and market indices	4,963,523	20.6	903,280	9.1	449.5
- Pension funds	32,754	0.1	7,030	0.1	365.9
Total	4,996,276	20.7	910,310	9.1	448.9
Other assets					
- Cash at bank and in hand	588,207	2.4	273,549	2.7	115.0
- Own shares	7,226	0.0	13,025	0.1	-44.5
Total	595,433	2.5	286,574	2.9	107.8
TOTAL INVESTMENTS AND LIQUID ASSETS	24,152,177	100.0	9,948,767	100.0	142.8

(1) Including repo securities and premiums for transactions on derivatives.

Investments in group undertakings and other participating interests

At the end of the financial year, these totalled ITL977.1bn of which ITL607.3bn relates to the item "other participating interests", which has decreased by ITL40.2bn.

The decrease relates to the Parent Company's participating interests and concerned in particular the movements carried out in the investments of the Bell, Olivetti and Compagnie

Foncière de la Macif shareholdings.

It should also be noted that on 30 June Unipol Assicurazioni had acquired 100% of Il Duomo Assicurazioni spa and 100% of Le Mans Vita Italia spa, for the total price of ITL345bn. These companies were subsequently sold (in September) for a price of ITL430bn, but it should be borne in mind that this would not have substantially altered the development plans for insurance business.

Other financial investments

As at 31 December 2000 investments in this branch amounted to ITL16,311bn, an increase of ITL9,465bn over the previous financial year (+138.3%).

The new companies contributed investments of ITL9,093bn, excluding which the increase is 5.4%.

Bonds make up 87.6% of the total, stocks and shares 5.2%, sundry financial investments 4.4%, investment trusts 2.1% and loans 0.7%.

As regards the risk deriving from the choice of issuing bodies, the Group has operated almost entirely in bonds issued by sovereign states, by supranational entities (European Investment Bank, World Bank) and by banking institutions, all with a minimum rating of AA-, with the exception of "Italian Banking Institutes", for which a lower rating has been accepted.

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

Investments for the benefit of policyholders who bear the risk thereon and those arising from pension fund management

Investments covering Life assurance and capitalization policies with benefits directly linked to investment funds or to share indices are reported separately.

At the end of the financial year, these investments are valued at current value, in strict correlation with the value of the associated liabilities (technical provisions).

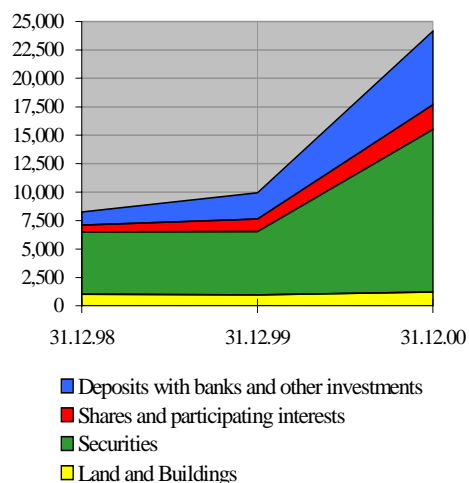
At the end of 2000 the amount in question is ITL4,963.5bn, divided up as follows (in billions of Lire):

- for Index-Linked policies 3,092.6
- for Unit-Linked policies 1,870.9

Investments deriving from pension fund management cover subscriptions to shares in open funds offered by the Parent Company and in closed guaranteed funds managed by the Parent Company.

The amount of these investments, as at 31/12/2000, is ITL32.8bn.

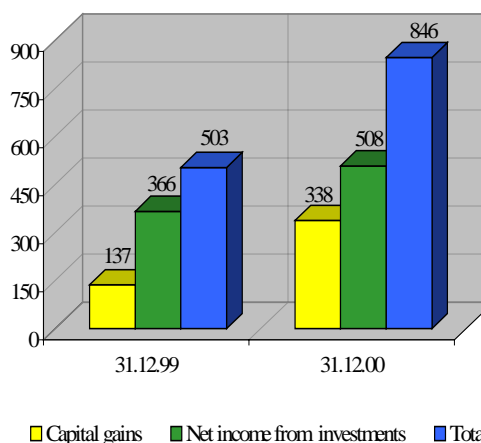
Investments (in ITL billion)



Capital gains and investment income

Income from investments and liquid assets, net of capital losses and financial charges, totalled ITL507.9bn (ITL365.5bn in 1999). The net gains realized during the period, on both long-term and short-term investments, amounted to ITL338.2bn (ITL137.4bn in 1999), of which ITL111.6bn related to long-term investments (ITL45.7bn in 1999).

Investment Income
(in ITL billion)



Overall, therefore, net returns on investments and net profits from divestitures amount to ITL846.1bn (ITL502.9bn in 1999). The net rate of return on assets invested (including Class D) averaged 5.6% (5.8% in 1999).

Shareholders' equity

At the end of 2000 the amount of net equity pertaining to the Group stands at ITL2,126.5bn compared with ITL1,271.9bn as at 31/12/1999. Net equity shows an increase of ITL854.6bn, ITL816.9bn of which relates to the increase in the share capital of Unipol Assicurazioni, resolved by the Board of Directors on 12 May 2000 on the instructions of the Extraordinary Meeting held on 28/4/2000.

The portion of equity relating to third parties is ITL362.2bn (ITL65.9bn at the end of 1999). The variation is due to the change in the basis of consolidation.

As at 31 December 2000 the Parent Company Unipol Assicurazioni held 1,092,000 of its own ordinary shares, at a total nominal value of ITL1,092 million, 0.24% of the share capital. At the same date, the other companies in the Group did not own any shares in the controlling company.

Summary of activities carried on by the companies (parent company and subsidiaries)

Compagnia Assicuratrice Unipol spa

The salient points concerning the business carried on by the Parent Company in 2000 are as follows:

- premium income ITL3,053.6bn, an increase of 10.9%. Direct premiums reached ITL2,870.4bn, ITL2,003.1bn of which was in Non-life business and ITL867.3bn in Life business. The rate of growth is 9.7% for total direct business (+4.3% for Non-life business and +24.7% for Life business);
- significant improvement in the technical result for Non-life business;

- further reduction in the incidence of operating expenses on premium income (17.7% against 18.3% in 1999);
- positive growth both in investments (+24.5%) and in related net income (+29.5% before value adjustments), which have also benefited from sizeable gains (shareholdings and trading);
- ordinary and extraordinary results well up on the previous year (+49.5% and +63.6% respectively).

The net profit for the financial year is ITL115.4bn (ITL76bn in 1999), an increase of 51.8%.

Aurora Assicurazioni spa - Naples

Aurora Assicurazioni, as currently organized, is the result of the incorporation (in 1998) of SIAD spa into Aurora Assicurazioni. The company is authorized 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 is ITL752.9bn (+8% over the previous financial year).

Premium income has been influenced by various factors, including the policy of rationalizing the agencies in Italy (down from 388 in 1999 to 346 at the end of 2000) and the "price freeze" that affected motor T.P.L. business.

The company closes its 2000 financial year with a loss of ITL12.1bn (loss of ITL21.8bn in 1999).

B.N.L. Vita - Milan

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

Premium income in 2000 amounts to ITL2,144.4bn, a slight decrease of 5.2% compared with 1999, whilst new premiums amount to ITL1,781.5bn (-6%). This decrease is linked to the failure of the sales outlets represented by the outlets of the Banco di Napoli.

Premium income for Class III amounts to ITL1,435.3bn and represents 67% of the total. The net profit for the financial year is ITL39.5bn, compared with ITL26.4bn in 1999.

Linear Assicurazioni spa - Bologna

This company operates in the area of direct insurance sales (especially motor T.P.L. insurance), mainly by telesales and the Internet. In 2000 sales via the Internet produced very satisfactory results, reaching 15% of total premium income.

Amongst direct sales companies, Linear maintains a market share estimated to be around 13.5%.

The company received the BICSI - Databank prize for being the motor-vehicle insurance company that achieved the highest level of customer satisfaction in 2000.

Premium income reached ITL75.9bn, an increase of 76.6%.

The financial year in question closed with a net profit of ITL1bn (ITL113 million in 1999).

Meie Assicurazioni spa - Milan

Meie Assicurazioni was founded in 1920 as a mutual insurance company. Later, in 1998, it was transformed into a joint-stock company and also merged with Meie Rischi Diversi with the object of creating an insurance company operating in the Non-life sector 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%.

This result is a consequence of rationalizing the agencies in Italy 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, and of the "price freeze" which has affected motor-vehicle T.P.L. business.

The accounts for the 2000 financial year close with a loss of ITL19.7bn (profit of ITL19bn as at 31/12/1999), mainly owing to an adjustment made to the provisions for outstanding claims and to the extraordinary appropriation of ITL6.5bn to meet the fine imposed on the

Company by the 'Autorità Garante della Concorrenza e del Mercato' (Anti-trust authority) for an alleged cartel amongst various companies in the sector.

Meie Vita spa - Milan

As at 31 December 2000 premium income was ITL333.2bn (ITL274.1bn as 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 policies stimulated by the imminent changes to the tax regime and the increase in group policies.

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

Navale Assicurazioni spa - Ferrara

As from 2000 this company has drawn up its accounts in Euros. It operates in all Non-life business and specializes in marine and tourism.

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

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

The accounts for the year close with a profit of €366,761 (ITL710 million), compared with a profit of €172,599 (ITL334.2 million) in the previous year.

Noricum Vita spa - Bologna

This company, specializing in the bancassurance sector, achieved premium income of ITL473.7bn in 2000, representing growth of 18.5%.

19,303 new policies were issued, a premium volume of ITL424.7bn (+19.8%), 98% of this being obtained through banking channels.

The distribution network essentially consists of outlets of the Cassa di Risparmio in Bologna and of the Banca Popolare dell'Adriatico.

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

Quadrifoglio Vita spa - Bologna

(Jointly controlled by Unipol Assicurazioni and Banca Agricola Mantovana).

The company operates in the bancassurance sector and markets its own products via the outlets of Banca Agricola Mantovana and Banca Steinhauslin.

The premium income achieved during the year has risen considerably, reaching ITL498.7bn (+23.4% compared with 1999).

Particular mention should be made of new business to the amount of ITL474.3bn, an increase of 24.9%. A major contributor to this was Class III business (88% of the total), particularly Unit-Linked policies (62% of the total).

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

Unisalute spa - Bologna

This company, which operates in the Health care sector, generated direct premium income of ITL59bn (ITL44.9bn in 1999), a rate of growth of 31.4% over the previous year.

In 2000, as in previous financial years, growth has occurred almost exclusively in managed health policies with programmes of managed care.

The preponderance of group policies in the portfolio is confirmed even though during 2000 specific initiatives were launched (agreements with professional bodies, telemarketing, sales via the Internet) with the intention of developing the market for individual policies.

The accounts for 2000 close with a profit of ITL2.1bn (profit of ITL826 million in 1999).

Unipol Banca spa - Bologna

During the 2000 financial year the intensive programme of expanding the Bank has 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 Bank to double its volumes as from 1/7/2001.

As at 31 December 2000 the Bank's sales network consisted of 36 outlets, 17 finance shops and 270 financial advisers.

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 ITL155.2bn to ITL250.1bn, was completed.

Unipol Banca ended the 2000 financial year with direct income of ITL936bn (+32% compared with 1999).

The profit of 313 million is a slight improvement over the 1999 financial year (235 million), despite value adjustments and appropriations of more than ITL6.5bn.

In order to give the Bank the funds required to sustain its programme of development 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 ITL250.1bn to ITL550.1bn, as well as the issue of a debenture loan of €50 million.

Unipol S.G.R. spa - Bologna

The company carries out the business of investment portfolio management on behalf of third parties, in both the retail and the corporate sectors.

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

Therefore the 2000 financial year closed with a profit of €59,081, equivalent to ITL308 million (ITL302 million in 1999).

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 clients in the Bank.

Unipol Fondi Ltd - Dublin (Ireland)

As from the end of September 2000 this Investment Trust company, with registered office in Dublin (Ireland), has begun to place units in Italy with institutional investors and with the public via the commercial network of Unipol Banca.

At the end of the financial year managed assets totalled €11 million (ITL214.9bn compared with ITL116bn as at 31/12/99).

The accounts close with a profit of €86,794, ITL362 million (compared with a profit of ITL218 million in 1999).

Property companies

On 30 November 2000, under the plan to rationalize this sector, Sofircoop srl, 100% controlled by Unipol Assicurazioni, went into liquidation.

As at 31 December 2000 the three property subsidiary companies have on their books land and buildings to the total amount of ITL198.9bn, net of depreciation.

Uniservice spa - Bologna

By leasing computer and automated systems this company provides Unipol Assicurazioni and some of its participating interests with a data transmission service connecting the agency network with the main sub-agencies and with the claims settlement centres.

It also provides Unipol Banca with a service linking some outlets/agencies with the head office.

The 2000 accounts close with a profit of ITL68 million (compared with a profit of ITL122 million in 1999).

Intra-Group transactions

Within the Group, the transactions amongst the various companies have been carried out for the sole purpose of maximizing synergies and economies and are carried out at prices and on terms that reflect market trends.

As shown in the Parent Company Board of Directors' Report, and in accordance with the Consob circular of 27 February 1998 on the

subject of accounting information concerning transactions with related parties, it is confirmed that there have been no transactions amongst the companies belonging to the Group that are atypical or unusual compared with the normal activities of the companies.

Euro

During 2000 action was already underway to manage the changeover to the Euro, which will definitely take place as from 1 January 2002.

The costs incurred in 2000 by the Parent Company totalled ITL1.2bn; further costs are expected for the 2001 financial year of about ITL2bn for the computer system, which is available to the Group.

These costs are allocated to the profit and loss account at the time they are incurred.

Important facts which have emerged following year-end close-off

In the first few months of 2001 there has been a considerable slow-down in the economy of the United States, which could even have repercussions on growth in countries in the Euro area where, however, the macroeconomic base is expected to become more sound.

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 that the price of oil 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 situation in question.

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 oil prices, strengthening the lists of food products.

As for the insurance sector, on 1 January 2001 Legislative Decree 47/2000 came into effect, enforcing the provisions of Art. 3 of Law 133/99.

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

The decree amending Legislative Decree 47/2000, approved by the Council of Ministers on 15/3/2001, required to harmonize 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% insurance tax;
2. premiums remain deductible only in the case of policies for the risk of death or permanent incapacity equal to or greater than 5% or provision for long-term care;
3. premiums paid into individual pension schemes of up to 12% of total income are deductible, with an upper limit of ITL10 million per year.

Finally, mention should be made of ISVAP circular n° 434D of 12 February 2001, which lays down the contractual terms with which life policies must comply in order to be used for individual pension schemes (FIP).

On 4 April 2001 the new regulation for paying compensation for minor injuries will come into effect (Law n° 57 of 5 March 2001), a regulation which has been a long time coming but which will have no beneficial effect on the cost of claims.

As far as the Group is more directly concerned,

during the first two months of 2001 important measures have been implemented to increase the value of the Group and to improve its competitiveness and profitability further.

In particular:

- on 16 January 2001 the subsidiary Unipol Banca acquired 51 bank outlets from Banca Intesa. With this acquisition (which will be finalized at the end of the first half of 2001) the Bank is extending its coverage in 11 regions, allowing it to improve the services offered to clients both strategically and operationally;
- on 15 February 2001 the Unipol Group signed a plan for an industrial and commercial alliance with the Monte Paschi Siena Group. The object of the alliance is to create an insurance and banking partnership that will strengthen competitiveness in national markets through an exchange of know-how and the development of cross-selling initiatives in the two Groups' consolidated market (approximately 9 million clients) and will increase the distribution capacity of both commercial networks.
Specific corporate and commercial operations will be developed and implemented, in stages as required, during the current year;
- on 13 March 2001 the Boards of Directors of the subsidiaries Meie Assicurazioni and Aurora Assicurazioni voted to submit for the attention of the respective Shareholders' Meetings a proposal to merge the two companies by incorporating Aurora into Meie. The measure was passed in order to implement the industrial integration plan, which is expected to bring about significant economies of scale at Group level by means of operational synergies (products/services offered, joint technological platforms, joint management activities), reorganization of the distribution set-up and an improvement in the quality of the portfolios acquired.

As regards investment business, the following are the principal measures that Unipol has implemented:

- 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 interest in the company rose to 74.36%;

- payment of ITL73bn to increase the share capital (from ITL250.1bn to ITL550.1bn) of Unipol Banca spa;
- acquisition of 8,980,000 shares (44.9% of the share capital) of Lavoro e Previdenza Service spa, at a price of ITL9bn, increasing the interest in the company to 100%;
- acquisition of 1,400 shares (14% of the share capital) of Previnet spa, at a price of ITL4.2bn;
- payment of ITL7.2bn into the share capital increase of Olivetti spa;
- sale of its interests in Euresa Life sa, Immobiliare Mirasole spa and Humanitas Mirasole spa.

On 26 January 2001 the Parent Company launched "Unipol Insieme", a new open Pension Fund, distinguished by having amongst its own investment business two guaranteed sub-funds and an ethical balanced sub-fund. Placing will begin as soon as the necessary permits have been issued.

The offer of the new products in Life business has been adequate to respond to the new tax regime for occupational and individual pension schemes, with the pensions products being divided into pure risk and managed savings.

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 counterpart credits (Counterparty Credit Rating). An A rating implies that the outlook is stable. According to Standard & Poor's, the rating given reflects "the Group's new profile after a series of successful acquisitions that have included BNL Vita, Meie Assicurazioni, Meie Vita, Navale Assicurazioni and Aurora Assicurazioni. The ratings also reflect the Group's strong business position in the Italian insurance market, as well as strong

operating performance and capitalization. Factors partially offsetting these strengths are the Group's lack of international diversification and the challenge to management to successfully integrate the newly-acquired companies."

Business outlook

During the first two months of 2001 the trend for the Group has been positive. In particular, as regards insurance business:

- premium income in Life business continues to grow, whilst in Non-life business the effects of the freeze on motor T.P.L. premiums and of the more selective underwriting criteria continue to be felt;
- the loss ratio has fallen following the fall in the number of claims reported; attention continues to be paid to controlling operating expenses, which are behaving normally.

Asset and financial management is showing a positive trend, in particular thanks to bond business.

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

Finally, measures to rationalize the new structure of the Group are continuing apace.

Bologna, 26 March 2001

The Board of Directors

Consolidated Annual Accounts

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

CONSOLIDATED ACCOUNTS

Balance Sheet

2000 Financial Year

(Amounts in million ITL)

CONSOLIDATED BALANCE SHEET

ASSETS

as at 31 December 2000

A. SUBSCRIBED SHARE CAPITAL UNPAID				0	
of which called-up capital	2	0			
B. INTANGIBLE ASSETS					
1. Deferred acquisition commissions	3	127,730			
2. Other acquisition costs	4	3,055			
3. Goodwill	5	16,274			
4. Other intangible assets	6	39,503			
5. Differences arising from consolidation	7	837,428			
			8	1,023,989	
C. INVESTMENTS					
I - Land and buildings			9	1,223,514	
II - Investments in affiliated undertakings and participating interests:					
1. Shares and participating interests in:					
a) holding companies	10	25,445			
b) subsidiaries	11	236,101			
c) associated undertakings	12	2,175			
d) affiliated undertakings	13	97,857			
e) other undertakings	14	607,313	15	968,892	
2. Debt securities	16	960			
3. Corporate financing	17	7,209	18	977,060	
III - Other financial investments					
1. Shares and participating interests	19	845,408			
2. Unit trust holdings	20	342,835			
3. Bonds and other fixed-income securities	21	14,288,634			
4. Loans	22	120,775			
5. Participation in investment pools	23	0			
6. Deposits with credit institutions	24	0			
7. Sundry financial investments	25	713,104	26	16,310,757	
IV - Deposits with ceding undertakings			27	49,136	
			28	18,560,468	
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE RISK THEREOF AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT				29	4,996,276
		to carry forward			24,580,733

as at 31 December 1999

			101	0
	102	0		
	103	72,252		
	104	2,390		
	105	18,581		
	106	5,295		
	107	31,995	108	130,512
			109	963,477
110	18,708			
111	137,571			
112	1,721			
113	77,325			
114	647,480	115	882,804	
	116	960		
	117	22,320	118	906,083
	119	92,766		
	120	108,866		
	121	5,572,069		
	122	74,908		
	123	0		
	124	0		
	125	997,180	126	6,845,790
			127	36,532
			128	8,751,882
			129	910,310
	to carry forward			9,792,705

CONSOLIDATED BALANCE SHEET

ASSETS

as at 31 December 2000

	carried forward		24,580,733
D. bis	TECHNICAL PROVISIONS - REINSURERS' SHARE		
	I - NON-LIFE INSURANCE BUSINESS		
	1. Provision for unearned premiums	30 154,584	
	2. Provision for claims outstanding	31 599,306	
	3. Other technical provisions	32 675	33 754,564
	II - LIFE ASSURANCE BUSINESS		
	1. Mathematical provisions	34 809,846	
	2. Provision for amounts payable	35 5,413	
	3. Other technical provisions	36 280	
	4. Technical provisions for life assurance policies where investment risk is borne by policyholders and pension fund management provision	37 0	38 815,538 39 1,570,103
E.	DEBTORS		
	I - Debtors arising out of direct insurance operations	40 875,442	
	II - Debtors arising out of reinsurance operations	41 294,818	
	III - Other debtors	42 329,285	43 1,499,544
F.	OTHER ASSETS		
	I - Tangible assets and stocks	44 30,169	
	II - Cash at bank and in hand	45 588,207	
	III - Own shares	46 7,226	
	IV - Other assets	47 117,161	48 742,763
G.	PREPAYMENTS AND ACCRUED INCOME		49 218,776
	TOTAL ASSETS		50 28,611,919

as at 31 December 1999

carried forward			9,792,705
130	41,919		
131	123,791		
132	0	133	165,710
134	296,547		
135	1,725		
136	16		
137	0	138	298,288
		139	463,998
		140	477,352
		141	146,646
		142	129,128
		143	753,126
		144	10,429
		145	273,549
		146	13,025
		147	25,208
		148	322,210
		149	83,517
		150	11,415,556

CONSOLIDATED BALANCE SHEET

LIABILITIES

as at 31 December 2000

A. CAPITAL AND RESERVES			
I - Capital and reserves - Group			
1. Subscribed share capital or equivalent funds	51	451,147	
2. Free reserves	52	1,576,898	
3. Consolidation reserve	53	-16,799	
4. Reserve for valuation differences			
on unconsolidated shareholdings	54	-1,330	
5. Exchange risk reserve	55	0	
6. Reserves for own shares and holding company's shares	56	32,671	
7. Profit (loss) for the financial year	57	83,877	58 2,126,464
II - Capital and reserves - minority interests			
1. Capital and reserves - minority interests	59	362,371	
2. Profit (loss) for the year - minority interests	60	-130	61 362,242 62 2,488,706
B. SUBORDINATED LIABILITIES			63 0
C. TECHNICAL PROVISIONS			
I - NON-LIFE INSURANCE BUSINESS			
1. Provision for unearned premiums	64	1,446,978	
2. Provision for claims outstanding	65	5,017,826	
3. Equalization provision	66	13,186	
4. Other technical provisions	67	4,292	68 6,482,283
II - LIFE ASSURANCE BUSINESS			
1. Mathematical provisions	69	12,334,363	
2. Provision for amounts payable	70	103,565	
3. Other technical provisions	71	293,005	72 12,730,932 73 19,213,215
D. TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PENSION FUND MANAGEMENT PROVISION			74 4,994,246
E. PROVISIONS FOR OTHER RISKS AND CHARGES			
1. Provisions for pensions and similar obligations			75 0
2. Provision for taxation			76 12,418
3. Contingent consolidation provision			77 0
4. Other provisions			78 38,072 79 50,490
		to carry forward	26,746,657

as at 31 December 1999

151	281,729		
152	903,364		
153	-20,151		
154	1,836		
155	0		
156	31,733		
157	73,389	158	1,271,900
159	62,989		
160	2,965	161	65,954
		162	1,337,853
		163	0
164	785,482		
165	2,249,124		
166	791		
167	4,412	168	3,039,809
169	5,357,524		
170	25,587		
171	79,595	172	5,462,706
		173	8,502,516
		174	910,236
		175	0
		176	6,294
		177	0
		178	6,619
		179	12,913
to carry forward			10,763,517

CONSOLIDATED BALANCE SHEET

LIABILITIES

as at 31 December 2000

	carried forward		26,746,657
F. DEPOSITS RECEIVED FROM REINSURERS		80	596,887
G. CREDITORS AND OTHER LIABILITIES			
I - Creditors arising out of direct insurance operations	81	54,312	
II - Creditors arising out of reinsurance operations	82	60,874	
III - Debenture loans	83	407,557	
IV - Amounts owed to credit institutions	84	325	
V - Debts secured by a lien on property	85	21,133	
VI - Sundry debts and other financial debts	86	50,750	
VII - Staff leaving indemnity	87	75,738	
VIII - Other creditors	88	311,721	
IX - Other liabilities	89	246,014	90 1,228,424
H. ACCRUALS AND DEFERRED INCOME			91 39,951
TOTAL LIABILITIES			92 28,611,919

CONSOLIDATED BALANCE SHEET

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

as at 31 December 2000

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
I - Guarantees by the Company		93	41,612
II - Guarantees received from third parties		94	165,962
III - Guarantees by third parties in favour of consolidated undertakings		95	26,071
IV - Commitments		96	3,342,943
V - Third parties' assets held in deposit		97	8,529
VI - Pension fund assets managed on behalf of third parties		98	141,511
VII - Securities deposited with third parties		99	23,266,345
VIII - Other memorandum accounts		100	225,977

as at 31 December 1999

carried forward		10,763,517
		180 146,566
	181 21,427	
	182 22,286	
	183 0	
	184 27	
	185 23,476	
	186 40,791	
	187 44,986	
	188 167,113	
	189 158,311	190 478,418
		191 27,055
		192 11,415,556

as at 31 December 1999

		193 31,151
		194 199,580
		195 18,129
		196 3,523,448
		197 182
		198 91,939
		199 8,516,949
		200 8,612

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**

CONSOLIDATED ACCOUNTS

Profit and Loss Account

2000 Financial Year

(Amounts in million ITL)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS				
1. EARNED PREMIUMS, NET OF REINSURANCE				
a) Gross premiums written		1	3,944,206	
b) (-) Outward reinsurance premiums		2	394,912	
c) Change in the provision for unearned gross premiums		3	43,863	
d) Change in the provision for unearned premiums, reinsurers' share		4	13,127	5 3,518,558
				7 14,912
2. OTHER TECHNICAL INCOME, NET OF REINSURANCE				
3. CLAIMS INCURRED, NET OF SUMS RECOVERABLE AND REINSURANCE				
a) Claims paid				
aa) Gross amount	8	2,696,670		
bb) (-) Reinsurers' share	9	235,910		
cc) change in the sums recoverable, net of reinsurers' share	10	84,838	11 2,375,923	
b) Change in the provision for claims				
aa) Gross amount	12	662,399		
bb) (-) Reinsurers' share	13	111,589	14 550,809	15 2,926,732
				16 -35
4. CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
5. BONUSES AND REBATES, NET OF REINSURANCE				
6. OPERATING EXPENSES:				
a) Acquisition commissions		18	509,917	
b) Other acquisition costs		19	86,057	
c) Change in deferred acquisition commissions and costs		20	1,696	
d) Renewal commissions		21	78,269	
e) Administrative expenses		22	166,242	
f) (-) Reinsurance commissions and profit sharing		23	112,743	24 726,047
				25 51,444
7. OTHER TECHNICAL CHARGES, NET OF REINSURANCE				
8. CHANGE IN THE EQUALIZATION PROVISIONS				
				26 432
9. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)				
				27 -174,211

for the year ended 31 December 1999

		111	2,076,202			
		112	189,522			
		113	32,526			
		114	5,014	115	1,859,168	
				117	5,182	
	118	1,456,062				
	119	94,022				
	120	38,597	121	1,323,443		
	122	246,912				
	123	21,676	124	225,236	125	1,548,679
				126	-11	
				127	6,176	
		128	266,152			
		129	42,028			
		130	-623			
		131	45,840			
		132	73,283			
		133	67,199	134	360,727	
				135	4,623	
				136	103	
				137	-55,949	

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS			
1. WRITTEN PREMIUMS, NET OF REINSURANCE			
a) Gross premiums written	28	2,321,043	
b) (-) outward reinsurance premiums	29	59,119	30 2,261,924
2. (+) ALLOCATED INVESTMENT RETURNS TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (Item III.5)			
			40 385,103
3. INVESTMENT INCOME AND UNREALIZED GAINS ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND FOR PENSION FUNDS			
			41 61,318
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE			
			42 18,021
5. CLAIMS INCURRED, NET OF REINSURANCE			
a) Claims paid			
aa) Gross amount	43	851,585	
bb) (-) Reinsurers' share	44	61,190	45 790,394
b) Change in the provision for claims			
aa) Gross amount	46	1,089	
bb) (-) Reinsurers' share	47	-437	48 1,526
			49 791,920
6. CHANGE IN THE MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			
a) Mathematical provisions			
aa) Gross amount	50	528,688	
bb) (-) Reinsurers' share	51	20,809	52 507,880
b) Other technical provisions			
aa) Gross amount	56	20,588	
bb) (-) Reinsurers' share	57	285	58 20,303
c) Technical provisions for life assurance policies where investment risk is borne by policyholders and pension fund management provision			
aa) Gross amount	59	1,071,030	
bb) (-) Reinsurers' share	60	0	61 1,071,030
			62 1,599,213
7. BONUSSES AND REBATES, NET OF REINSURANCE			
			63 1,106
8. OPERATING EXPENSES			
a) Acquisition commissions	64	70,552	
b) Other acquisition costs	65	20,052	
c) Change in deferred acquisition commissions and costs	66	9,299	
d) Renewal commissions	67	20,288	
e) Administrative expenses	68	30,737	
f) (-) Reinsurance commissions and profit sharing	69	18,521	70 113,809
9. INVESTMENT CHARGES AND UNREALIZED LOSSES ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND FOR PENSION FUNDS			
			75 119,582
10. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			
			76 18,645
11. BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS (Item III.2)			
			78 82,091

for the year ended 31 December 1999

		138	1,508,785		
		139	13,985	140	1,494,800
				150	285,461
				151	55,708
				152	2,970
153	452,431				
154	36,865	155	415,566		
156	10,901				
157	671	158	10,230	159	425,796
160	623,707				
161	-4,646	162	628,353		
166	18,052				
167	0	168	18,052		
169	597,183				
170	0	171	597,183	172	1,243,588
				173	1,113
		174	39,482		
		175	14,948		
		176	805		
		177	14,840		
		178	21,941		
		179	2,357	180	88,050
				185	33,702
				186	7,755
				188	38,934

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

III. NON-TECHNICAL ACCOUNT			
1. BALANCE ON THE TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS (Item I.9)			79 -174,211
2. BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS (Item II.11)			80 82,091
3. INVESTMENT INCOME			
a) Income from shares and participating interests			
aa) share of profit (loss) for the year of shareholdings included by the equity method	81 1,512		
bb) other income	82 25,361	83 26,873	
b) Income from other investments			
aa) income from land and buildings	84 46,814		
bb) income from other investments	85 599,012	86 645,827	
c) Value re-adjustments on investments		87 3,817	
d) Realized gains on investments		88 266,506	89 943,022
4. INVESTMENT CHARGES			
a) Investment management charges, including interest		90 137,813	
b) Value adjustments on investments		91 151,615	
c) Realized losses on investments		92 39,881	93 329,309
5. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE LIFE ASSURANCE TECHNICAL ACCOUNT (Item II.2)			94 385,103
6. OTHER INCOME			95 76,764
7. OTHER CHARGES			
a) Interest on financial debts		96 8,924	
b) Sundry charges		97 102,917	98 111,841
8. BALANCE ON ORDINARY ACTIVITIES			99 101,412
9. EXTRAORDINARY INCOME			100 125,126
10. EXTRAORDINARY CHARGES			101 43,242
11. BALANCE ON EXTRAORDINARY ACTIVITIES			102 81,883
12. PROFIT BEFORE TAXATION			103 183,296
13. TAX ON PROFIT			104 99,549
14. CONSOLIDATED PROFIT			105 83,747
15. PROFIT (LOSS) FOR THE FINANCIAL YEAR - MINORITY INTERESTS			106 -130
16. PROFIT (LOSS) FOR THE FINANCIAL YEAR - GROUP			107 83,877

for the year ended 31 December 1999

			189	-55,949
			190	38,934
191	772			
192	9,842	193		10,614
194	34,418			
195	386,426	196		420,844
		197		638
		198		102,689
			199	534,785
		200		98,795
		201		37,815
		202		11,015
			203	147,625
			204	285,461
			205	36,629
		206		1,988
		207		37,218
			208	39,206
			209	82,107
			210	56,546
			211	2,952
			212	53,594
			213	135,701
			214	59,346
			215	76,354
			216	2,965
			217	73,389

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

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O. Caffagni

L. Roffinella

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Date of receipt

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(**) Please indicate the functions of the signatory

Notes to the accounts

Part A: General drafting criteria and basis of consolidation

The consolidated financial accounts have been drawn up in accordance with the layout and instructions prescribed by Legislative Decree N° 173 dated 26 May 1997. They also comply with ISVAP Instruction N° 735 of 1 December 1997 relating to the layout of the accounts and incorporate the relevant guidance issued by the Supervisory Authority.

Basis of consolidation

The consolidated accounts for Unipol Assicurazioni are produced by amalgamating its own accounts with those of its subsidiary companies operating in the insurance sector or the business activities of which fall within the scope of those carried on by the insurance companies in the context of their own institutional investment activities.

Investments in affiliated companies, with holdings ranging from 20% to 50%, are valued on the relevant proportion of equity, including the result for the financial year, less dividends received and after adjustments required under the guidelines for producing the consolidated accounts.

Quadrifoglio Vita, 50% of which is owned by Banca Agricola Mantovana, has been consolidated on a line-by-line basis because of its insurance activities and by virtue of agreements between the partners.

A list of companies included in the consolidation is given on the following pages.

Changes to the basis of consolidation

Since 31/12/1999 ten companies (seven of which are insurance companies, two are insurance brokers and one is a pension-fund

administrator) have been included and four have left.

The following were acquired on 15 June:

- Aurora Assicurazioni spa, a company transacting both Life and Non-life business, interest acquired 99.99%;
- Agricoltura Assicurazioni, a mutual insurance company specialising in hail insurance, of which Aurora is the sole backer;
- Navale Assicurazioni spa, a Non-life insurance company, interest acquired 98.17%.

Subsequently, on 27 June, with the acquisition of the Meie Group, the following were added to the list:

- Meie Assicurazioni spa, a Non-life insurance company, interest acquired 51.23%; in December a further interest of 0.13% was acquired;
- Meie Vita spa, a Life assurance company, interest acquired 51.02%; 48.98% is held by Meie Assicurazioni;
- Meie Assistenza spa, an insurance company specialising in tourist assistance, 87.14% of which is owned by Meie Assicurazioni;
- Meie Servizi srl, a company administering pensions funds, 100% owned by Meie Vita which on 27 September acquired the remaining 40% from Unipol;
- Promoass srl, insurance brokers, 90%

controlled by Meie Assicurazioni, which on 27 September acquired 49% from Unipol; 10% is held by Meie Vita.

On 28 December the following was acquired:

- BNL Vita, a Life assurance company, interest acquired 51%.

In addition, on 13 June, during formation, a 40% interest was acquired in Ar.Co. Assicurazioni spa, a company holding a Unipol agency agreement.

Deleted from the basis of consolidation are:

- Sofircoop srl (a 100% controlled property company), following its liquidation, resolved on 30 November 2000 by the Shareholders' Extraordinary Meeting;
- Assicoop Genova spa (an insurance agency, 49% interest held), following its liquidation, resolved on 14 December 2000 by the Shareholders' Extraordinary Meeting;
- Commerfin scpa (20% interest held), since it was intended to be sold presumably during the first months of 2001;
- Consorzio Zis Fiera R 5.1 (30.18% indirect interest held) following its dissolution as a result of having achieved its corporate purpose.

The following changes to shareholdings of the Parent Company have also occurred:

- Unipol Sgr spa from 91.53 to 100.00%
- Unipol Banca spa from 74.81 to 81.03%
- Midi srl from 97.00 to 99.00%
- Finec Merchant spa from 30.77 to 39.27%
- Lavoro e Previdenza Service spa from 30.10 to 55.10%
- Assicoop Ferrara spa from 46.00 to 46.73%
- Assicoop Imola spa from 49.00 to 47.34%

The holdings in Sofircoop, in Assicoop Genova and in Commerfin have been maintained at their book value.

It should be pointed out that in December 2000

the liquidation procedure for Meie Argentina sa, 45% owned by Meie Assicurazioni, was concluded.

Reporting date

The reporting date for the consolidated accounts is 31/12/2000, the closing date for the annual accounts of Unipol Assicurazioni. All the companies included in the basis of consolidation close their accounts on 31 December, with the exception of the associated company Finec Merchant spa, which ends its financial year on 30 June and for which interim accounts have been used, based on the date of the consolidated accounts. In drawing up the consolidated accounts, the accounts approved by the Shareholders' General Meetings of the various companies have been used. If the accounts have not so far been approved, the draft accounts approved by the various Boards of Directors have been consolidated.

Consolidation criteria

Companies included on a line-by-line basis

This method provides for the assets, liabilities, income and expenses of the consolidated companies to be fully amalgamated, the book value of the investment being eliminated from the balance sheet of Unipol Assicurazioni and, in the case of part-ownership, disclosing the share of net capital and of the profit for the financial year attributable to minority shareholders.

The net amount of capital relating to minority shareholders is shown as part of equity under "Capital and reserves - minority interests", whilst the relevant share of the consolidated profit or loss is shown under the heading "Profit (loss) for the financial year - minority interests".

The accounts of the subsidiaries are fully consolidated, except in the case of Unipol Banca spa (and the subsidiary Immobiliare Pietramellara srl), Unipol Sgr spa, Unipol Fondi Ltd, Unieuropa srl, Lavoro e Previdenza Service spa, Meie Servizi srl and Promoass srl,

since the assets of these subsidiaries are not suitable for consolidation. These companies are valued using the net equity method.

It is also pointed out that the subsidiary insurance companies acquired in June 2000 (Aurora, Meie and Navale) have been fully consolidated. The profit and loss accounts of these subsidiaries have been consolidated for the whole of the period, as the accounting principles permit.

Since the acquisition took place in June 2000 and the Group began to manage them in the same month, the half-yearly results of these subsidiaries, profits of ITL2.7bn, have been deducted from the consolidated result and allocated to the profits carried forward.

These results have therefore been taken into account in determining the consolidation difference and, for the purposes of reconciling the accounts, the corresponding amount has been recorded under "extraordinary expenses" in the profit and loss account.

As it involves insurance companies and in view of the size of the portfolios concerned, goodwill has been subject to depreciation for the period during which it is estimated it could produce utility, valued over an average life of twenty years.

Therefore in accordance with the above, the consolidation difference as regards the above companies has been amortised only for the second half of 2000.

In the case of BNL Vita, only the statement of assets and liabilities has been consolidated, since the acquisition took place on 28 December 2000.

Companies included by proportionate consolidation

This method provides for assets, liabilities, income and expenses of the consolidated companies to be incorporated in proportion to the holding, with the book value of the shareholding being eliminated.

As at 31/12/2000 no shareholding was included by proportionate consolidation.

Companies included by the equity method

With this method, the value of the interest is adjusted to the corresponding fraction of equity, including the result for the financial year but making all the adjustments required for consolidation.

Consolidation difference

If the difference arising from offsetting the book value of the shareholding against the corresponding fraction of the equity of the subsidiary is due to under- or over-valuation of asset or liability items in the subsidiary's accounts, it is posted as an adjustment to the individual items, within the limits allowed for correct financial/technical valuations in force on the date the holding is acquired.

Where some or all of the difference cannot be imputed to individual items, if negative, it is credited to the equity item "Consolidation reserve" or "Reserve for valuation difference" in the case of companies included by the equity method; if positive, it is entered under "Consolidation difference", to the extent that it represents the value of goodwill at the time the holding was acquired and is financially valid at the date of consolidation.

Elimination of intra-group transactions

In drawing up the consolidated accounts, credits and debits flowing between the companies included in the consolidation are eliminated, as are income and charges relating to transactions carried out between these companies and profits and losses arising from transactions carried out between these companies and not yet realized with third parties outside the group.

COMPANIES INCLUDED IN THE CONSOLIDATED ACCOUNTS ON A LINE-BY-LINE BASIS

Company - Registered Office	Business - Share capital	% holding		Group share
		direct	indirect	
Compagnia Assicuratrice Unipol spa Bologna	Insurance and Reinsurance ITL 451,147,226,000			
Agricoltura Assicurazioni s.m. Milan	Insurance and Reinsurance ITL 1,500,000,000		100.00 (Aurora)	99.99
Aurora Assicurazioni spa Naples	Insurance and Reinsurance ITL 90,500,000,000	99.99		99.99
Bnl Vita spa Milan	Insurance and Reinsurance ITL 220,000,000,000	51.00		51.00
Compagnia Assicuratrice Linear spa Bologna	Insurance and Reinsurance ITL 24,000,000,000	60.00		60.00
Meie Assicurazioni spa Milan	Insurance and Reinsurance ITL 46,063,852,400	51.36		51.36
Meie Assistenza spa Milan	Insurance and Reinsurance ITL 1,500,000,000		87.14 (Meie Ass.ni)	44.75
MeieVita spa Milan	Insurance and Reinsurance ITL 24,500,000,000	51.02	48.98 (Meie Ass.ni)	76.18
Navale Assicurazioni spa Ferrara	Insurance and Reinsurance ITL 21,000,000,000	98.17		98.17
Noricum Vita spa Bologna	Insurance and Reinsurance ITL 32,000,000,000	51.00		51.00
Quadrifoglio Vita spa Bologna	Insurance and Reinsurance ITL 45,000,000,000	50.00		50.00
Unisalute spa Bologna	Insurance and Reinsurance ITL 35,000,000,000	77.54		77.54
Midi srl Bologna	Property ITL 50,000,000,000	99.00		99.00
Pioquartosei srl Bologna	Property ITL 50,000,000,000	99.00		99.00
Unifimm srl Bologna	Property ITL 85,000,000,000	99.00		99.00
Uniservice spa Bologna	Data transmission services ITL 200,000,000	99.00		99.00

COMPANIES INCLUDED BY THE EQUITY METHOD

SUBSIDIARIES (applying the principle of consistency)				
Unipol Banca spa Bologna	Bank ITL 250,125,000,000	81.03		81.03
Unipol Fondi Ltd Dublin	Investment fund management ITL 250,000,000	100.00		100.00
Unipol Sgr spa Bologna	Financial intermediary € 10,320,000	100.00		100.00
Unieuropa srl Bologna	Market analysis / research ITL 1,000,000,000	98.00		98.00
Immobiliare Pietramellara srl Bologna	Property ITL 1,000,000,000		100.00 (Unipol Banca)	81.03
Lavoro e Previdenza Service spa Bologna	Pension fund administration ITL 20,000,000,000	55.10		55.10
Meie Servizi srl Milan	Pension fund administration ITL 100,000,000		100.00 (Meie Vita)	76.18
Promoass srl Milan	Insurance Agency ITL 20,000,000		90.00 (Meie Ass.ni) 10.00 (Meie Vita)	53.84
ASSOCIATED				
Hotel Villaggio Città del Mare spa Terrasini (Pa)	Tourism / Hotels ITL 3,382,579,200	49.00		49.00
AFFILIATED				
Finec Merchant spa Bologna	Merchant Banking ITL 200,000,000,000	39.27		39.27

Company - Registered Office	Business - Share capital	% holding		Group share
		direct	indirect	
A.P.A. spa Parma	Insurance Agency ITL 1,000,000,000	49.00		49.00
Ar.Co. Assicurazioni spa Modena	Insurance Agency € 250,000	40.00		40.00
Assicoop Ferrara spa Ferrara	Insurance Agency ITL 600,000,000	46.73		46.73
Assicoop Imola spa Imola (Bo)	Insurance Agency € 520,000	47.34		47.34
Assicoop Modena spa Modena	Insurance Agency ITL 4,000,000,000	47.00		47.00
Assicoop Ravenna spa Ravenna	Insurance Agency ITL 7,000,000,000	49.00		49.00
Assicoop Sicura srl Bologna	Insurance Agency ITL 390,000,000	40.00		40.00
Assicoop Siena spa Siena	Insurance Agency ITL 1,400,000,000	49.00		49.00
Assicura spa Reggio Emilia	Insurance Agency ITL 2,000,000,000	35.00		35.00
Consorzio ZIS Fiera 2 Bologna	Urbanization work ITL 897,288,000		49.58 (Midi)	49.08
Euresa Holding sa Luxembourg	Finance Company € 14,374,500	21.01		21.01
OTHER SHAREHOLDINGS IN SUBSIDIARY AND AFFILIATED COMPANIES AT THEIR BOOK VALUE				
Sofircoop srl - in liquidation Bologna	Property ITL 5,000,000,000	100.00		100.00
Unintesa spa - in liquidation Bologna	Finance company ITL 3,917,400,000	97.43		97.43
Assicoop Genova spa - in liquidation Genoa	Insurance Agency ITL 500,000,000	49.00		49.00
Sofimer Soc. Fin. Meridionale spa in liquidation - Naples	Finance company ITL 10,000,000,000	20.00		20.00
Commerfin scpa Rome	Finance company ITL 1,141,000,000	20.00		20.00

Part B: Valuation criteria

Section 1 – Illustration of valuation criteria

The most significant criteria used in producing the consolidated accounts are given below, together with any changes compared with those previously adopted. These criteria are consistent with those adopted by the Parent Company for its year-end accounts.

Intangible assets

Deferred acquisition commissions to be written down

Prepaid acquisition commissions on multi-year policies relating to Non-Life business are deferred and amortised using the straight-line method over a period of three years, beginning in the year in which these costs are incurred, whilst in the case of Life business these commissions, up to the amount of their relative loading, are imputed based on the duration of the policies, but for a period not exceeding 10 years. This complies with tax regulations and prudential considerations relating also to financial matching. As regards Meie Vita's prepaid commissions, which in the company's accounts are allocated in full to the profit and loss account, arrangements have been made to adapt the above accounting principle to that used by the Group.

Any other expenses incurred in the acquisition of risks relating to multi-year policies and in managing them are reflected in the profit and loss account for the year in which they are incurred.

Consolidation difference

The consolidation difference is subject to amortisation, calculated using the straight-line method, as from the time the subsidiary is acquired. Depending on the expected period of recovery of the individual components of the item the useful life of this item is estimated as 10 or 20 years. In particular, in the case of the

consolidation differences relating to the insurance companies acquired in 2000 (Aurora, Meie and Navale), in view of the size of the portfolios concerned, the goodwill has been subject to depreciation for the period in which it is estimated that it can produce utility, valued over an average period of twenty years, whilst in the case of BNL Vita the goodwill paid will be subject to depreciation for a period of 10 years starting from the 2001 financial year, since as from that financial year the profit and loss account will also be consolidated.

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 expenses and write-ups performed in previous financial years under the provisions of specific legislation and, to a lesser extent, following voluntary write-ups.

In addition the consolidated property companies include in the book value investment expenses incurred for capital borrowed specifically for purchasing and rebuilding fixed assets, where necessary.

Improvement and transformation costs are capitalized if they translate into an increment in the useful life of the assets and their productivity.

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

Other buildings are not usually depreciated, 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.

However, depreciation is recorded for the "Città del Mare" holiday complex, situated in Terrasini (Palermo), the service centre located in Maratea and the shopping centres, the industrial workshops and one building located in Milan, because of their specific nature and purpose.

Based on the reference accounting principles, the consolidated accounts exclude depreciation on buildings for the use of third parties if the amounts concerned appear in the company accounts produced exclusively for tax purposes. The values recorded for the buildings of some companies acquired during 2000 include the allocation of part of the consolidation differences arising at the time of acquisition.

Investments in group undertakings and other participating interests

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

Shareholdings in affiliated companies and subsidiaries the activities of which are not consistent with the insurance sector are included by the equity method; those in other companies are valued at acquisition or subscription cost or at a value below cost in cases where there has been permanent loss of value.

Where shares in other entities 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.

Other financial investments

Stocks and shares

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

Stocks and shares that are classified as long-

term investments are held at acquisition cost, adjusted where applicable by write-downs deriving 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 purchase 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 relevant proportion relating to any issue spread is recorded separately (art. 8 of Legislative Decree N° 719 of 27/12/94 and Law N° 349 of 8/8/95). They are written down only in the event of verified long-term loss of value.

In the case of 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 accounting book value (principally maintained at cost), increased or reduced by matured issue spreads and the market value; for listed securities the market value is computed from the average of prices recorded in the month of December and for those that are not listed from the presumed realization value as at 31 December, determined on the basis of the current value of securities traded on regulated markets that have similar characteristics.

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

Loans

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

Financial derivatives

Financial derivatives, as defined in ISVAP Instruction N° 297 of 19 July 1996, are used exclusively for hedging purposes, to reduce the risk profile of the hedged assets and liabilities or to optimize their risk/return profile. Derivative contracts outstanding 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 risks, the principles adopted for valuing accounting balances denominated in foreign currency are taken into account. The cash/forward differential is adjusted to the time period applicable by applying the appropriate accrual.

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

Premiums received or paid for options on securities, shares or currencies outstanding at the end of the period are recorded under 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;
- if it is not exercised, the premium is recorded under "Realized 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 value and the issue price of bonds and similar securities, as set out in Article 8 of Legislative Decree N° 719 dated 27/12/94 mentioned earlier. For securities held as fixed assets the accrued difference between the repayment value and the book value is included.

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 actual date of realization.

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 realization value.

Other assets

Tangible assets and stocks

Assets (furniture, office machinery, equipment and property recorded in the public registers), included in fixed assets, are shown on the balance sheet at acquisition cost or at their conferment values and depreciated on the basis of their presumed useful life. On assets that came into use during the financial year a proportion of 50% has been applied, since this by and large corresponds to their period of use. Assets with a low unit value are depreciated in full in the year of acquisition.

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 criterion of financial and temporal matching.

Technical provisions - Non-life business

Provision for unearned premiums

The premium reserve on direct insurance business is determined analytically for each policy according to the pro-rata temporis

method, based on gross premiums booked less acquisition commissions and the other directly-attributable acquisition costs. In the case of multi-year policies the depreciation allowance relating to the financial year is deducted.

Where necessitated by the expected loss ratio, the provision for unearned premiums also includes a provision for unexpired risks in accordance with the provisions of Article 32 of Legislative Decree 173/1997, 3rd indent. The simplified method laid down in ISVAP Circular 360D/1999 has been used to estimate this.

For bond and credit business the flat-rate method provided for in the Ministerial Decree of 23/5/81 has been applied.

The provision for unearned premiums also includes components required under specific legal provisions for business and risks of a particular nature (Credit, Hail, Atomic Risks, Natural Disasters).

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

The reinsurers' share of the provision for unearned premiums is calculated by applying to the premiums ceded the same criteria as those used to calculate the provision for unearned premiums for direct business.

Provision for increasing age

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

Provision for outstanding claims

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; these are arrived at by applying objective factors which, as laid down in Article 33 of Legislative Decree 173/1997, ensure that the amount of the provision is sufficient to meet benefits to be paid out and the related direct and settlement costs. In 2000, for motor T.P.L. claims only, the estimate of the provision was based on the criterion of average cost for groups of similar claims (damage to

property and personal injury) in sufficiently large numbers and supported by historical data and specific forecasts made by the various companies.

The provision for outstanding claims also includes a set-aside for claims incurred but not reported, estimated on the basis of experience gained regarding claims reported late 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 amount recoverable from them compared with the amounts set aside as prescribed either in the individual treaties or in the contractual arrangements.

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 with the provisions of the Ministerial Decree of 2 July 1987 concerning the minimum level of provisions for supplementary health and professional premiums and the provision for administrative charges.

The mathematical provision for direct Life business is calculated analytically for each contract on the basis of pure premiums, with no deduction 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 payable under existing contracts.

The mathematical provision includes the proportion of pure premiums in relation to the premiums accrued during the financial year; it also includes all write-ups made by virtue of the contractual terms and is always greater than the redemption value.

In accordance with the provisions of Article 38 of Legislative Decree 173/97, technical provisions created to cover liabilities deriving from insurance policies on which the pay-out 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 the commitments made under these contracts and to the provisions of Article 30 of Legislative Decree 174/95 and subsequent ISVAP instructions. As provided for in Article 38 of Legislative Decree 173/97, 3rd indent, the mathematical provision includes the provisions established to cover mortality risks on assurance contracts under Class III of Table A appended to Legislative Decree 174/95, which guarantee a pay-out in the event of the death of the insured during the life of the policy.

The mathematical provision also includes an adjustment provision, in accordance with Article 25 of Legislative Decree 174/95, 12th indent. Under the terms of this, when a difference has been identified between the demographic bases used to calculate the constituent capital for life annuities and the latest figures from the General State Accounting Department, the provision to be established must include an adjustment to cover liabilities to policyholders, also complying with ISVAP Instruction N° 01380-G. of 21 December 1999 and with the “Regulations on actuarial principles to be applied when calculating the supplementary provision for annuity assurance policies”, issued by the National Order of Actuaries and recognized by ISVAP.

Thus, as laid down in Article 34 of Legislative Decree 173/97, the provision for amounts payable includes the total value of the sums needed to cover payment of benefits that have fallen due but not yet been paid.

The provision for participation in bonuses and rebates was established to cover the commitment of the various companies to set aside amounts accruing in the financial year as technical profits arising from the yield on individual contracts, for partial reimbursement of premiums on certain policies on a temporary group tariff in the event of death and / or disability.

The amount of technical provisions borne by

Consap (Concessionaria servizi assicurativi pubblici S.p.A.), which has replaced the I.N.A. (Istituto Nazionale delle Assicurazioni), with the Treasury having joint and several liability, is calculated on the basis of liabilities transferred as “compulsory cessions” and applying prudential criteria. The recommendations issued by the ISVAP on the subject are also taken into consideration and the annual rates of return already fixed for the financial years 1994, 1995, 1996, 1997 and 1998 by Ministerial Decree and prudential rates for the financial years 1999 and 2000 are used.

Current and deferred taxation

Taxes for the financial year are posted as applicable, amongst other tax liabilities, according to taxable income.

Deferred taxes payable and those paid in advance, calculated on the temporary differences between the unconsolidated profits and those for fiscal purposes of the individual consolidated companies and on the consolidation adjustments, are recorded.

Provision for staff-leaving indemnity

The provision for staff-leaving indemnity reflects the accrued liability to employees, in accordance with current legislation and collective labour agreements.

Earned premiums

Premiums are recorded by reference to their due dates and in accordance with the provisions of Article 45 of Legislative Decree 173/1997. Adding them to the provision for unearned premiums gives the total for the period.

Allocated investment return transferred from the non-technical account

Allocation of portions of investment returns to the technical account of the Life business has been effected in accordance with the relevant ISVAP Instruction dated 8 March 1999.

Inward reinsurance

In the case of risks accepted as reinsurance, the premiums and the costs for indemnities and commissions already passed on by the ceding undertakings and relating to the financial year are generally recorded in specific asset or liability accounts (deferred reinsurance accounts - receivables/payables) 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 data at the proper time and in full.

The provisions for inward reinsurance risks are those passed on by the ceding undertakings, possibly adjusted to take account of any subsequently predictable losses.

Conversion of balances in foreign currencies

Transactions expressed in foreign currency not arising from the consolidation of foreign companies are shown in the accounts at the year-end exchange rates in accordance with multi-currency accounting standards. Any surplus resulting from the conversion into Lire is offset by an entry in an appropriate liability account. On the other hand any shortfall is balanced by a reduction in the same provision.

Conversion differences

Amounts expressed in currencies outside the Euro area are converted into Italian Lire by applying the year-end exchange rates to the entries in the balance sheet and the profit and loss account.

Differences arising from application of the aforesaid exchange rates are credited or debited to the "Exchange risk reserve" item in the consolidated equity.

Exchange rates used

The exchange rates applied to the main currencies for conversion into Lire are as follows:

Currencies	2000	1999
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 linked with the Euro the fixed and irrevocable exchange rates established between the Euro and each of the aforesaid currencies have been used.

Section 2 – Adjustments and tax appropriations

With reference to a consolidated subsidiary, the consolidated accounts exclude depreciation on buildings since the relative amounts are shown in the company's unconsolidated accounts solely for tax purposes. This exclusion has had a net effect of ITL227m on the Group's profit and shareholders' equity, arising from the offsetting of the depreciation for the year recorded by the company and from calculating the deferred taxes on the adjustments made.

Part C: Information on the consolidated balance sheet and profit and loss account

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)

Deferred acquisition commissions (B.1)

These amount to ITL127,730m (+ITL55,478m) and are subdivided as follows:

- Non-life business ITL52,694m (+ITL31,460m)
- Life business ITL75,036m (+ITL24,018m).

The increase is due to the change in the basis of consolidation.

Goodwill (B.3)

This item, to the amount of ITL16,274m (-ITL2,307m compared with 1999), consists mainly of the residual portion of goodwill paid by Quadrifoglio Vita in acquiring the business from Arca Vita (ITL13,500m).

Other intangible assets (B.4)

This item, amounting to ITL39,503m (+ITL34,208m on 1999), includes ITL9,652m of residual costs relating to capital increases and ITL29,851m of sundry multi-year costs mainly incurred in purchasing software (ITL19,723m). The amount relating to the companies that have been included in the basis of consolidation is ITL28,260m.

Consolidation difference (B.5)

The item “Consolidation difference”, net of

depreciation, amounts to ITL837,428m. The increase over 1999 is ITL805,433m and is mainly due to:

- ITL680,824m relating to the acquisitions of the insurance companies in the Meie Group, of Aurora and Navale; depreciation was applied using the straight-line method over 20 years; in addition, as these acquisitions took place at the end of the first half-year, goodwill has been written down at 50 % of the annual rate;
- ITL124,038m for assumption of control of BNL Vita, which has not been written down since the acquisition took place on 28 December 2000.

The variations occurring during the financial year are (in millions of Lire):

	2000	Variations compared with 1999
Balance at 1 January	31,995	(4,478)
Increases	827,034	827,034
Decreases (depreciation)	(21,601)	(17,123)
Balance at 31 December	837,428	805,433

Section 2 – Investments (item C)

Land and buildings (C.I)

Land and buildings, net of the relevant depreciation, were made up as follows as at 31 December 2000 (in millions of Lire):

	Land and buildings	Reserve for depreciation	Book value
Buildings for operational use	210,817	66,005	144,812
Buildings for use by third parties	821,394	51,674	769,720
Land	5,102	-	5,102
Property companies	198,900	-	198,900
Fixed assets/ advance payments	4,604	-	4,604
Total recorded in the accounts of the consolidated companies	1,240,817	117,679	1,123,138
Consolidation adjustments:			
Consolidation difference allocated to buildings for operational use			20,553
Consolidation difference allocated to buildings for use by third parties			88,541
Elimination of depreciation for tax purposes			362
Other consolidation adjustments			(9,080)
Total			1,223,514

The variations that have occurred in the composition of land and buildings, before depreciation, are as follows (in millions of Lire):

Land and buildings as at 31 December 1999	1,016,711
New investments made during the financial year	377,430
Additions and improvements	17,546
Disposals	(70,494)
Land and buildings as at 31 December 2000	1,341,193

The net values relating to the companies included in the basis of consolidation in 2000 are ITL 308,046m.

During the year, financial charges amounting to ITL 688m have been posted.

It is also pointed out that no property is leased out.

Investments in Group undertakings and other participating interests (C.II)

Stocks and shares in subsidiary undertakings (C.II.1.b)

Stocks and shares owned relate to the subsidiary companies that, because their activities are not analogous to insurance activity, have been valued by the equity method.

The total as at 31/12/2000 amounts to ITL236,101m, an increase of ITL98,530m over 1999, which is mainly due to Unipol Banca.

The details are given below:

Company – Registered office – Share Capital <i>(ITLm / € '000)</i>	Group share %	Value <i>(ITLm)</i>
Unipol Banca spa – Bologna – ITL250,125	81.03	204,387
Unipol Sgr spa – Bologna – €10,320	100.00	20,906
Unipol Fondi Ltd – Dublin – ITL250	100.00	612
Unieuropa srl – Bologna – ITL1,000	98.00	784
Lavoro e Previdenza Service spa – Bologna – ITL20,000	55.10	9,143
Meie Servizi srl – Milan – ITL100	76.18	155
Promoass srl – Milan – ITL20	53.84	114
Total		236,101

Stocks and shares in associated and affiliated undertakings (C.II.1.c.d)

These relate to affiliated and associated companies valued using the equity method, as listed in the table below:

Company - Registered office - Share Capital (ITLm / € '000)	Group share %	Value (ITLm)
Finec Merchant spa - Bologna - ITL200,000	39.27	78,842
Euresa Holding sa - Luxembourg - €14,374	21.01	6,548
Assicoop Sicura srl - Bologna - ITL390	40.00	3,324
Assicoop Ravenna spa - Ravenna - ITL7,000	49.00	3,876
Assicoop Modena spa - Modena - ITL4,000	47.00	2,279
Hotel Villaggio Città del Mare spa - Terrasini (Pa) - ITL3,383	49.00	2,175
Assicoop Siena spa - Siena - ITL1,400	49.00	621
Assicura spa - Reggio Emilia - ITL2,000	35.00	732
Ar.Co. Assicurazioni spa - Modena - €250	40.00	194
A.P.A. spa - Parma - ITL1,000	49.00	424
Assicoop Ferrara spa - Ferrara - ITL600	46.73	290
Assicoop Imola spa - Imola (Bo) - €520	47.34	282
Consorzio ZIS 2 - Bologna - ITL897	49.08	445
Total		100,032

Shareholdings in foreign companies amount to ITL6,548m (-ITL667m) and those in Italian companies to ITL93,484m (+ITL21,653m).

Stocks and shares in other undertakings (C.II.1.e)

This item, amounting to ITL607,313m, shows a decrease of 40,167m over 1999. This decrease refers to the Parent Company and relates largely to movements in the investments in Bell, Olivetti and Compagnie Foncière de la Macif.

Of the total amount, ITL6,434m relates to shares in subsidiary and affiliated companies held at book value that are in the process of liquidation and sale, as detailed below:

Company - Registered office - Share Capital (ITLm)	Group share %	Value (ITLm)
Sofircoop srl (in liquidation) - Bologna - ITL5,000	100.00	3,908
Unintesa spa (in liquidation) - Bologna - ITL3,917	97.43	1,098
Assicoop Genova spa (in liquidation) - Genoa - ITL500	49.00	118
Sofimer spa (in liquidation) - Naples - ITL10,000	20.00	1,035
Commerfin scpa (in the process of being sold) - Rome - ITL1,141	20.00	275
Total		6,434

The balance (ITL600,879m) relates to the various companies and entities listed below:

Company - Registered Office - Share Capital (ITLm / € '000 / currency)	% holding		Group share %
	direct	indirect	
Olivetti spa - Ivrea (To) - €6,922,107	0.41		0.41
Cardine Banca spa - Bologna - ITL2,721,281	1.82		1.82
Bell sa - Luxembourg - ITL38,959	2.81		2.81
P & V Holding sa - Brussels (Belgium) - BEF13,918,488	4.51		4.51
Hopa spa - Luxembourg - €14,495	1.31		1.31
Italiana Assicurazioni spa - Milan - ITL78,369	1.84		1.84
Fincooper scarl - Bologna - ITL31,087	23.04	0.69 ⁽¹⁾	23.47
Banca Agricola Mantovana spa - Mantua - €307,248	0.20		0.20
Immobiliare Mirasole spa - Turin - ITL100,000	7.46		7.46
Atlantis sa - Barcelona (Spain) - ESP2,500,000	12.50		12.50
Syneteristiki Insurance sa - Athens (Greece) - GRD1,444,000	16.39		16.39

Company – Registered Office - Share Capital (ITLm / € '000 / currency)	% holding		Group share %
	direct	indirect	
The Co-Operators Group sa – Guelph (Canada) – C\$27,797	7.20		7.20
Atlantis Vida sa – Barcelona (Spain) – €9,616	12.50		12.50
Euresa Life sa – Luxembourg – €9,000	10.00		10.00
Euresap sa – Lisbon (Portugal) – PTE2,000,100	9.60		9.60
Humanitas Mirasole spa – Milan – ITL26,611	2.00		2.00
Rita Scarl – Milan – ITL11,000	4.54		4.54
Union Capital spa (in liq.) – Milan – ITL10,000	5.00		5.00
Interporto spa – Bologna – €3,744	1.43		1.43
Fondazione Cesar – Bologna – ITL150	100.00		100.00
Cestar srl – Pero (Milan) – ITL4,000	3.68		3.68
Banca Popolare Etica Scarl – Padua – ITL17,305	0.58		0.58
Banca di Bologna Scarl – Bologna – ITL13,390	0.65		0.65
Allnations sa – Ohio (U.S.A.) – \$2,155	3.60		3.60
Artigianfin spa – Rome – ITL200	19.01		19.01
Inforcoop Scarl – Bologna – ITL1,360	3.13		3.13
Sofincoop spa – Genoa – ITL1,124	3.69		3.69
Uci – Milan – ITL1,000	4.25		4.25
Ctamar Viaggi srl – Terrasini (PA) – ITL200	10.00		10.00
Autonomia Scarl – Palermo – ITL265	6.79		6.79
SSN Napoli Scarl (in liq.) – Naples – ITL1,820	6.67		6.67
Consorzio R54A – Bologna – ITL20	30.56		30.56
Cooptecnical Scarl – Rome – ITL196	2.55		2.55
Coop Libera Stampa Scarl – Rome – ITL721	0.28		0.28
Consorzio E.F. District – Bologna – €9	16.67		16.67
Engineering spa – Bologna – €25,500	0.50		0.50

⁽¹⁾ Through *Noricum Vita* 0.33%, *Quadrifoglio Vita* 0.02% and *Unisalute* 0.34%.

Debt securities (C.II.2)

The balance of the item “Debt securities”, amounting to ITL960m, unchanged compared with the previous financial year, is entirely made up of the subordinated loan extended to the participating interest Euresa Life sa. This is a subordinated loan of 20,000,000 Belgian Francs, the rate of interest being equal to that on 5-year Belgian government securities +1% for the first 5 years (5.63% in 2000), then that on 5-year Italian government securities +1% from the sixth year onwards (i.e. from 2003). The loan, subject to repayments to principal creditors, on a par with other subordinate creditors, and a preferential debt with regard to receivables claimed by the holders of any type of share in the company, was repaid in full on 17 January 2001.

Corporate financing (C.II.3)

The balance of ITL7,209m (-ITL15,111m compared with 1999), relating to loans to participating interests, includes ITL6,709m granted to Immobiliare Mirasole spa and

ITL500m relating to a subordinated loan extended to the subsidiary company Unintesa spa, in liquidation. This is a non-interest-bearing subordinated loan, granted by Unipol on 29/4/1996, originally over three years.

At the maturity date, availing itself of a specific clause in the agreement the Company advised that being in voluntary liquidation it could not proceed with repayment of the loan until it had fully satisfied non-subordinated creditors and that therefore repayment of the loan could not take place until the end of the voluntary liquidation process.

It should be noted that receivables falling due beyond the end of the next financial year and beyond five years amount to ITL6,321m and ITL4.337m respectively.

Other financial investments (C.III)

The total balance for this item amounts to ITL16,310,757m, an increase of ITL9,464,967m over the previous financial year.

The components are (in millions of Lire):

	2000	Variations compared with 1999
1. Stocks and shares	845,408	752,642
2. Shares in investment trusts	342,835	233,969
3. Bonds and other fixed-income securities	14,288,634	8,716,565
4. Loans	120,775	45,867
7. Sundry financial investments	713,104	(284,076)
Total	16,310,757	9,464,967 (+138.3%)

In the case of companies included in the consolidation at the end of the year an amount of ITL9,092,972m has been ascertained.

Bonds and other fixed-income securities (C.III.3)

Bonds and other fixed-income securities amount to ITL14,288,634m, ITL8,254,775m of which relates to the companies included in the consolidation, and are made up as follows (in millions of Lire):

	2000	Variations compared with 1999
Securities issued by Governments, public bodies and international organisations	9,600,204	7,034,376
Convertible bonds	81,756	(7,245)
Other listed securities	4,126,919	1,524,011
Other unlisted securities	479,755	165,423
Total	14,288,634	8,716,565 (+156.4%)

The figures for long-term commitments (mainly relating to special life contracts) and short-term commitments are ITL7,441.4bn and ITL6,847.2bn respectively. When the book values of these securities are compared with their market prices, the potential gains and losses produce a net negative balance of ITL272bn (compared with a negative balance of ITL232bn at the end of 1999), arising from long-term commitments.

Item C.III.3 includes ITL531,128m relating to subordinated debt securities (ITL27,136m as at 31/12/99).

These debentures, issued by leading financial institutions, are only a minor part of the

Group's investments.

Loans (C.III.4)

These amount to ITL120,775m (+ITL45,867m) and are broken down as follows (in millions of Lire):

	2000	Variations compared with 1999
Secured loans	44,929	12,666
Loans on policies	69,983	29,450
Other loans	5,863	3,751
Total	120,775	45,867

The amount relating to companies included in the consolidation is ITL26,956m.

It should be noted that receivables falling due beyond the next financial year and over five years amount to ITL91,684m and ITL55,557m respectively.

Sundry financial investments (C.III.7)

The amount of ITL713,104m is a decrease of ITL284,076m compared with 1999 and is made up as follows (in millions of Lire):

	2000	Variations compared with 1999
Repo securities	687,926	(295,709)
Premiums paid on Cap-Floor options purchased	18,425	7,426
Premiums paid for other options	753	(1,793)
Other (capitalization policy)	6,000	6,000
Total	713,104	(284,076) (-28.5%)

The decrease is mainly due to a decrease of ITL575,636m recorded in the item by the Parent Company and to an increase of ITL282,386m relating to the newly-acquired companies.

It should be noted that the amount of receivables due beyond the next financial year is ITL6,000m.

Major items, with a balance exceeding ITL50bn, which make up 74.8% of the total amount, relate to sale and repurchase securities and are shown below (in millions of Lire):

Security	Counterpart	Amount
BTP 1/5/98-09 4.5%	Cariplo	173,853
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
BTP 1/3/97-02 6.25%	Cariplo	59,122
		533,375

Deposits with ceding undertakings (C.IV)

These amount to ITL49,136m, an increase of ITL12,604m over 1999, largely because of the change that has taken place in the basis of consolidation.

These are surety deposits placed with the cedants in respect of inward reinsurance risks; movements (placements and repayments) take place on an annual or within-year schedule.

Their respective terms are largely dependent on the specific nature of the underlying insurance guarantees and on the actual term of the reinsurance relationships, renewal of which is renegotiated at the end of each year.

Section 3 – Other asset items (D-Da-E-F-G)

Investments for the benefit of Life assurance policyholders who bear the risk and those deriving from pension fund management (D)

The total amount of these investments reached ITL4,996,276m as at 31/12/2000, an increase of ITL4,085,966m compared with the position as at 31/12/1999. Of this, ITL4,963,522m represent investments relating to Index-Linked and Unit-Linked policies (+ITL4,060,242m compared with 1999), divided up as follows (in millions of Lire):

- Index-Linked policies 3,092,605
- Unit-Linked policies 1,870,917

The amount relating to companies included in the basis of consolidation is ITL3,116,180m, including ITL2,506,150m for Index-Linked policies and ITL610,030m for Unit-Linked policies.

The remaining amount of ITL32,754m relates to investments deriving from the management of the two open-ended defined-contribution pension funds (“Unipol Previdenza” and “Unipol Futuro”) set up and run by the Parent Company, (in accordance with Legislative Decree N° 124 dated 21/4/93) and to the closed pension fund for the staff of the Banca Agricola Mantovana, the financial running of which Unipol took over in December 2000. The pension funds are separate from and independent of the assets of Unipol. The open funds are split into four sub-funds, with differing management methodologies, and the closed fund has a single sub-fund.

Reinsurers' share of technical provisions (Da)

The balance of this item is ITL1,570,103m and is an increase of ITL1,106,105m over 1999, exclusively because of the inclusion of the new companies (ITL1,115,943m).

Debtors (E)

The amount of debtors, totalling ITL1,499,544m, is an increase of ITL746,418m over 1999 (ITL646bn of which is due to the new companies), and is detailed below (in millions of Lire):

	Variations 2000 compared with 1999	
Debtors arising out of direct insurance operations (E.I)		
Premiums receivable from policyholders	464,139	179,794
Receivables from intermediaries	313,493	172,339
Company receivables - current accounts	50,222	28,973
Policyholders and third parties - amounts recoverable	47,588	16,984
	875,442	398,090 (+83.4%)
Debtors arising out of reinsurance operations (E.II)		
Current account balances	294,818	148,172 (+101%)
Other debtors (E.III)		
Taxation receivables	221,679	135,799
Sundry receivables	107,606	64,358
	329,285	200,157 (+155%)
Total	1,499,544	746,418 (+99.1%)

It should be noted that receivables falling due beyond the next financial year and beyond five years amount to ITL79,018m and to ITL30,076m respectively.

Other assets (F)

Tangible assets and stocks (F.I)

These consist of furniture, office machinery, electronic machines, motor vehicles, plant and equipment to the value of ITL163,446m, of which ITL133,277m is depreciation, thus giving a net book value of ITL30,169m (+ITL19,740m over 1999).

Cash at bank and in hand (F.II)

At the end of the year this amounted to ITL588,207m (+ITL314,658m compared with the position as at 31/12/1999) and relates to the cash flow that is a feature of the last few days of the financial year.

The increase is due almost entirely to the companies included in the basis of consolidation during the 2000 financial year.

Own shares (F.III)

The amount of ITL7,226m (-ITL5,799m) is made up of own shares present at the end of the financial year in the portfolio of the Parent Company. In addition it should be noted that the Parent Company also holds shares in its own holding company totalling ITL25,445m, recorded under "Stocks and shares in holding companies".

Other assets (F.IV)

These stand at ITL117,161m, an increase over 1999 of ITL91,953m, and relate to (in millions of Lire):

	2000	Variations compared with 1999
Deferred reinsurance accounts receivable	35,678	13,296
Financial derivatives	30,682	30,476
Other assets	50,801	48,181
Total	117,161	91,953

The increase in "other assets" is almost entirely due to the newly-acquired companies.

Prepayments and accrued income (item G)

These amount to ITL218,776m, an increase of ITL135,259m (prepayments and accrued income relating to the new companies total ITL108.5bn). They are made up of ITL203,145m in accrued income on securities, ITL1,935m in accruals on financial derivatives and ITL13,696m in other prepayments and accrued income.

Balance sheet – Liabilities

Section 4 – Capital, reserves and subordinated liabilities (items A-B)

Capital and reserves of the Group (A.I)

The shareholders' equity, excluding shares pertaining to minority interests, is divided up as shown (in millions of Lire):

	2000	Variations compared with 1999
Share capital	451,147	169,418
Legal reserves	1,576,898	673,534
Consolidation reserve	(16,799)	3,352
Reserve for valuation differences on non-consolidated interests	(1,330)	(3,166)
Reserve for own shares and holding company's shares	32,671	938
Profit for the financial year	83,877	10,488
Total	2,126,464	854,564 (+67.2%)

With regard to the share capital of the Parent Company, it should be noted that during the month of July the operation to increase the share capital, resolved by the Board of Directors on 12 May 2000 on the instructions of the Shareholders' Extraordinary Meeting held on 28/4/2000, was completed.

As a result of this operation the shareholders' equity increased by ITL815,803m, ITL169,037m of which was share capital and ITL646,766m was share premium reserve.

Subsequently holders of the warrants attached to the shares and debentures issued were allowed to begin exercising their right to subscribe to new ordinary and preference shares.

This right, which will cease on the 20 June

2005, allows new ordinary and preference shares to be subscribed to at the ratio of one for every 5 ordinary or preference warrants submitted, at a price of ITL6,200 and 2,700 per share respectively.

Subsequent to exercise of the warrants, the Parent Company's shareholders' equity increased by a further ITL1,065m, ITL382m of which is share capital and ITL683m of which is for share premiums.

The item "Consolidation reserve" contains the differences arising from offsetting the book value of participating interests against the corresponding portion of the equity of the consolidated companies, after allocations to the asset lines of such undertakings and to the consolidation difference (goodwill). It also takes account of consolidation adjustments as a result of applying the accounting principles of the Parent Company and elimination of intra-group dividends.

The item "Reserve for valuation differences on non-consolidated interests" contains valuation differences arising from application of the equity method, except for the part that derives from profits/losses for the financial year that is applied to the Profit and Loss account on the item "Share of profit for the year of shareholdings included by the equity method".

The reconciliation table between the Parent Company's capital, reserves and profit for the year, and consolidated capital, reserves and profit for the year is attached.

Subordinated liabilities (B)

There are no subordinated liabilities.

Section 5 – Technical provisions and other provisions (items C-D-E)

Technical provisions (C)

These amount to a total of ITL19,213,215m, an increase of ITL10,710,699m over 1999 and consist of ITL12,730,932m in technical provisions and provisions for amounts payable for Life business (including ITL6,949,255m relating to the newly-acquired companies) and ITL6,482,283m of provision for unearned

premiums, provision for outstanding claims and other Non-Life provisions (including ITL3,126,019m relating to the newly-acquired companies).

Technical provisions where the investment risk is borne by the policyholders and provisions arising from pension fund management (item D)

These amount to ITL4,994,246m (+ITL 4,084,010m over 1999). Of this, ITL4,961,492m represents 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 (Class III of Table A appended to Legislative Decree 174/95).

The values of the provisions relating to the companies included in the consolidation basis are ITL3,114,400m.

The technical provisions arising from management of the two open pension funds and of the closed pension fund amount to ITL32,754m.

In compliance with the provisions of Article 38 of Legislative Decree 173/97, the aforesaid provisions have been calculated by reference to the liabilities arising from the policies and are based as closely as possible on the underlying assets, in accordance with the provisions of Article 30 of Legislative Decree 174/95 and subsequent ISVAP instructions. In the case of contracts in Class III, additional technical provisions have been established to cover mortality risks.

Provisions for other risks and charges (E)

These amount to ITL50,490m, an increase of ITL37,577m and include (in millions of Lire):

	2000	Variations compared with 1999
Provision for taxation	12,418	6,124
Provision for future charges	36,107	33,471
Provision for exchange rate risks	563	(3,364)
Others	1,402	1,346
	50,490	37,577

The provision for future charges mainly

represents the appropriation by the Parent Company (ITL20,000m) and by Meie Assicurazioni (ITL6,500m) to meet the penalty inflicted in July 2000 by the 'Autorità Garante della Concorrenza e del Mercato' (Anti-trust authority), against which the two companies have appealed to the Regional Administrative Court. Unipol Assicurazioni's accounts contain full details of this.

Section 6 – Creditors and other liability items (items F-G-H)

Deposits received from reinsurers (F)

These have risen from ITL146,566m to ITL596,887m at 31/12/2000, an increase of ITL450,321m entirely as a result of the change to the basis of consolidation.

They represent deposits made as surety in relation to ceded and retroceded risks, their maturity reflecting that of the corresponding receivables.

Creditors and other liabilities (G)

This item, a total of ITL1,228,424m, shows an increase of ITL750,006m over 1999 (ITL281bn of which is due to the new companies), its components being described below.

Creditors arising out of direct insurance operations (G.I)

These amount to ITL54,312m (+ITL32,885m) and mainly relate to payables to agents and other intermediaries amounting to ITL16,476m and current account payables to companies amounting to ITL17,495m.

Creditors arising out of reinsurance operations (G.II)

These amount to ITL60,874m, an increase of ITL38,588m over 1999.

Debenture loans (G.III)

This item, not present in the previous financial year, amounts to ITL407,557m and refers to the countervalue of the two debenture loans voted on by the Board of Directors of the Parent Company on 12 May 2000 on the instructions of the Shareholders' Extraordinary

Meeting held on 28 April 2000 and arranged, together with the increase in shareholders' equity, for the purpose of financing new acquisitions in the field of insurance.

Both loans, which were fully subscribed, are named "UNIPOL 2.25% 2000-2005" and "UNIPOL 3.75% 2000-2005", involved 5 ordinary warrants for each ordinary bond and 5 preference warrants for each preference bond.

Both the ordinary bonds and the preference bonds were offered at par and will be repaid at par all in one go on 30 June 2005, subject to the issuer's right to repay earlier, at one month's notice.

The gross annual rate of interest was fixed at 3.75% for the preference bonds and at 2.25% for the ordinary bonds; interest will be paid each year on 30 June from 2001 to 2005.

Borsa Italiana Spa arranged for the ordinary warrants and the preference warrants to be quoted on the equity telecom market ("MTA") and for the ordinary and preference bonds to be quoted on the telecom market for State and corporate bonds ("MOT") under order N° 1218 of 4 September 2000.

The amount of the item is receivable beyond the following financial year.

Amounts owed to credit institutions (G.IV)

Their value as at 31/12/2000 is ITL325m, an increase of ITL298m compared with 31/12/99.

Debts secured by a lien on property (G.V)

These amount to ITL21,133m (-ITL2,343m over 1999), a decrease of ITL2,368m owing to the portion of mortgage loans repaid during the financial year.

It should be noted that the amounts of payables beyond the next financial year and beyond five years total ITL18,473m and ITL4,588m respectively.

It should also be noted that the secured guarantees relating to mortgage loans consist of mortgages on land and buildings.

Sundry borrowings and other financial payables (G.VI)

This item, amounting to ITL50,750m (+ITL9,959m over 1999), consists of ITL48,802m from borrowings by the property companies (+ITL16,453m over 1999) and from entries

relating to financial derivatives to the tune of ITL1,948m (-ITL6,494m compared with 1999).

Other creditors (G.VIII)

These are up by ITL144,608m over the previous year and consist of (in millions of Lire):

	2000	Variations compared with 1999
Payables for tax liabilities of policyholders	76,579	34,003
Payables - sundry taxes	150,818	74,765
Payables to suppliers	35,440	18,813
Payables to welfare bodies	14,873	5,546
Sundry payables	34,011	11,481
Total	311,721	144,608 (+86.5%)

The line "Payables - sundry taxes", of ITL130,399m is mainly composed of income taxes due for payment next year.

"Sundry payables" includes an amount of ITL2,733m due beyond the next financial year.

Other liabilities (G.IX)

These show an increase of ITL87,703m over 1999 and are made up as follows (in millions of Lire):

	2000	Variations compared with 1999
Deferred reinsurance accounts payable	63,557	15,965
Commissions for premiums being collected and rappels	116,293	45,012
Financial derivatives	12,296	(12,123)
Other liabilities	53,868	38,849
Total	246,014	87,703 (+55.4%)

The amount relating to "financial derivatives" refers to the offset to valuations and alignments of transactions outstanding as at 31/12/2000.

Accruals and deferred income (H)

These have risen from ITL27,055m in 1999 to ITL39,951m and mainly relate to accruals on financial derivatives of ITL14,974m, deferred interest income on portfolio recoupments and funding to agents of ITL7,777m and accrued liabilities for interest on debenture loans issued by the Parent Company of ITL5,100m.

Section 7 – Guarantees, commitments and other memorandum accounts

These total ITL27,218,950 (ITL23,266,345m of which is for securities deposited with third parties), an increase of ITL14,828,960m over 1999. The values relating to companies included in the consolidation amount to ITL12,072,590m.

Guarantees (I, II, III)

- I. Guarantees given: ITL41,612m.
These are mainly guarantees given in relation to property transactions.
- II. Guarantees received: ITL165,962m.
These are guarantees received in connection with carrying out insurance activity and include ITL118bn in surety on Agents' guarantor policies.
- III. Guarantees given by third parties in favour of consolidated companies: ITL26,071m.
The larger amount results from CID surety for commitments assumed by the undertakings (ITL12,935m).

Commitments (IV)

Their value as at 31/12/2000 of ITL3,342,943m is down on the last financial year by ITL180,505m.

They largely relate to commitments recorded for financial derivatives outstanding at year-end amounting to ITL2,488,077m, whilst ITL672,678m relates to commitments under repo transactions.

Pension fund assets managed in the name of and on behalf of third parties (VI)

At the end of the financial year pension fund assets managed in the name of and on behalf of third parties total ITL141,511m, ITL112,566m for Fondo Fonchim and ITL28,945m for Fondo Bayer.

They are made up as follows:

- bonds ITL128,839m
- shares ITL10,049m
- various assets and liabilities ITL2,083m
- cash at bank and in hand ITL540m.

Profit and Loss Account

Section 8 – Information relating to technical accounts

Premiums for the year

Premiums collected reached ITL6,265,249m in 2000, an increase over the previous financial year of 74.8%.

In consistent terms, that is excluding the premiums relating to the newly- acquired

companies that have been consolidated (Meie Assicurazioni, Meie Vita, Meie Assistenza, Aurora, Agricoltura and Navale), totalling ITL2,187.8bn, the increase is 13.7% (+7.3% for Non-life business and +22.5% for Life business).

The following table shows the split of premiums per class of business (as per the table appended to Legislative Decrees 174 and 175/1995), their composition and their percentage variations compared with 1999:

BREAKDOWN OF WRITTEN PREMIUMS PER CLASS OF BUSINESS

(Net of tax on premiums- Amounts in ITL million)

	Financial yr		Financial yr		Variations 2000/1999	
	2000	%	1999	%	absolute	in %
DIRECT ITALIAN BUSINESS						
Non-Life Business						
Accident and Health (classes 1 and 2)	526,664	8.5	293,367	8.4	233,297	79.5
Land Vehicles - Motor T.P.L. (class 10)	2,045,156	33.2	1,034,379	29.5	1,010,776	97.7
Land Vehicles - Own Damage or Loss (class 3)	382,356	6.2	187,694	5.4	194,662	103.7
Marine, Aviation and Transport (classes 4, 5, 6, 7, 11 and 12)	50,118	0.8	16,031	0.5	34,087	212.6
Fire and Other Damage to Property (classes 8 and 9)	369,182	6.0	199,405	5.7	169,778	85.1
General T.P.L. (class 13)	337,538	5.5	191,626	5.5	145,911	76.1
Credit and Bonds (classes 14 and 15)	59,168	1.0	39,315	1.1	19,853	50.5
Miscellaneous pecuniary loss (class 16)	39,743	0.6	24,056	0.7	15,687	65.2
Legal Protection (class 17)	17,587	0.3	12,623	0.4	4,963	39.3
Assistance (class 18)	25,380	0.4	9,815	0.3	15,565	158.6
Total Non-Life Business	3,852,892	62.5	2,008,312	57.3	1,844,580	91.8
Life Assurance Business						
I - Life assurance, annuities	912,365	14.8	821,907	23.4	90,458	11.0
III - Ass. linked to investment funds/market indexes	1,216,856	19.7	611,095	17.4	605,760	99.1
IV - Malattia	0	0.0	0	0.0	0	
V - Capitalisation operations	159,522	2.6	60,499	1.7	99,023	163.7
VI - Fondi pensione	23,255	0.4	5,787	0.2	17,467	301.8
Total Life Assurance Business	2,311,998	37.5	1,499,290	42.7	812,708	54.2
Total Direct Italian Business	6,164,890	100.0	3,507,602	100.0	2,657,289	75.8
INWARD REINSURANCE						
Indirect Non-Life Business						
Accident and Health (classes 1 and 2)	8,051	8.0	7,878	10.2	173	2.2
Land Vehicles - Motor T.P.L. (class 10)	22,345	22.3	21,649	28.0	696	3.2
Land Vehicles - Own Damage or Loss (class 3)	2,331	2.3	2,050	2.6	281	13.7
Marine, Aviation and Transport (classes 4, 5, 6, 7, 11 and 12)	10,645	10.6	1,831	2.4	8,814	481.3
Fire and Other Damage to Property (classes 8 and 9)	40,730	40.6	30,994	40.1	9,737	31.4
General T.P.L. (class 13)	4,459	4.4	1,606	2.1	2,852	177.6
Credit and Bonds (classes 14 and 15)	2,686	2.7	1,882	2.4	804	42.7
Miscellaneous pecuniary loss (class 16)	67	0.1	0	0.0	67	
Total Indirect Non-Life Business	91,314	91.0	67,891	87.7	23,423	34.5
Indirect Life Assurance Business						
I - Life assurance, annuities	9,045	9.0	9,495	12.3	-450	-4.7
Total Indirect Life Assurance Business	9,045	9.0	9,495	12.3	-450	-4.7
Total Inward Reinsurance	100,359	100.0	77,385	100.0	22,974	29.7
TOTAL PREMIUM INCOME	6,265,249		3,584,987		2,680,263	74.8

Direct and indirect premiums for the individual companies, net of intra-group transactions, are as follows (in millions of Lire):

	2000 Financial Year			1999 Financial Year		
	Non-Life	Life	Total	Non-Life	Life	Total
Unipol Assicurazioni spa	2,077,630	876,306	2,953,936	1,988,321	705,076	2,693,397
Agricoltura sm	11,205		11,205			
Aurora Assicurazioni spa	614,699	139,027	753,726			
Linear spa	75,862		75,862	42,948		42,948
Meie Assicurazioni spa	935,250		935,250			
Meie Assistenza spa	252		252			
Meie Vita spa		333,250	333,250			
Navale Assicurazioni spa	170,279		170,279			
Noricum Vita spa		473,737	473,737		399,667	399,667
Quadrifoglio Vita spa		498,723	498,723		404,042	404,042
Unisalute spa	59,029		59,029	44,933		44,933
TOTAL	3,944,206	2,321,043	6,265,249	2,076,202	1,508,785	3,584,987

Breakdown of gross premium income by geographic area

Of premiums written, 47.1% (75.1% in 1999) relate to the Parent Company and have been almost entirely written in Italy.

In 2000, premiums relating to Non-Life business amounted to ITL3,518,558m (ITL2,004,878m on an equal basis of consolidation).

Investment returns transferred to the technical account of Life business (II.2)

It should be noted that, in accordance with ISVAP Instruction N° 1140-G of 8/3/1999, a share of the investment returns of ITL385,103m has been transferred from the non-technical account to the technical account of the Life business.

Other technical income (I.2 - II.4)

Other technical income, net of reinsurance, amounts to ITL14,912m for Non-life business (+ITL9,730m) and to ITL18,021m for Life business (+ITL15,051m).

For Non-Life business, this item includes the reversal of commissions relating to cancelled premiums for prior years (ITL6,586m) and premiums cancelled under reinsurance cessions (ITL3,664m). For Life business, this item

includes administrative fees for investments relating to services connected with investment funds and market indices and for investments deriving from administering pensions funds (ITL9,500m) and interest to be paid by Consap on receivables for sums paid in connection with ex compulsory cessions (ITL5,912m).

Other technical charges (I.7 - II.10)

Other technical charges, net of reinsurance cessions, amount to ITL51,444m for Non-life business (+ITL46,821m, all relating to the new companies) and to ITL18,645m for Life business (+ITL10.890m).

Other charges are, for Non-Life business, ITL42,663m for cancellations of receivables from policyholders for premiums in prior years. With regard to Life business, ITL11,730m relates to recomputation of receivables from Consap for sums paid in connection with ex compulsory cessions (based on annual rates of return established by Ministerial Decree).

Section 9 – Information relating to the non-technical account

Income on other investments (III.3.b)bb)

These show an increase of ITL212,586m, ITL187bn of which is due to the alteration in

the basis of consolidation, and are made up as follows (in millions of Lire):

	2000	Variations compared with 1999
Investment trusts	6,744	6,744
Bonds / fixed-income securities	549,426	212,593
Loans	5,892	(55)
Interest on deposits with credit institutions	--	(6,266)
Sundry financial investments	35,119	(535)
Interest on deposits with ceding undertakings	1,831	105
Total	599,012	212,586

Value readjustments on investments (III.3.c)

Value readjustments have been made to the amount of ITL3,817m (+ITL3,179m over 1999) on investments written down during prior years, ITL3,601m of this relating to securities, ITL154m to shares and ITL62m to other financial investments.

Gains realized on investments (III.3.d)

These show an increase of ITL163,817m over 1999, (ITL139bn of which is due to the new companies), represented by (in millions of Lire):

	2000	Variations compared with 1999
Capital gains on divestitures:		
- bonds / fixed-income securities	44,736	(23,675)
- stocks and shares	202,707	183,027
- property	607	(3,986)
- other financial investments	18,456	8,451
Total	266,506	163,817

These are capital gains arising from short-term investments.

Investment management charges and interest paid (III.4.a)

Investment management charges and other interest paid show an increase of ITL39,018m,

subdivided into the following items (in millions of Lire):

	2000	Variations compared with 1999
Charges - sundry financial investments	65,732	1,259
Charges - shares/bonds	22,597	17,025
Charges - property investments	26,146	9,661
Interest on reinsurance deposits	22,274	11,495
Depreciation of assets	1,064	(422)
Total	137,813	39,018

Value adjustments on investments (III.4.b)

These amount to ITL151,615m (+ITL113,800m, ITL54,186m of which relates to the new companies) and relate to:

	2000	Variations compared with 1999
Value adjustments on:		
- bonds / fixed-income securities	22,869	13,285
- stocks and shares	92,583	71,749
- other financial investments	23,446	23,432
- property depreciation	12,717	5,334
Total	151,615	113,800

Losses realized on investments (III.4.c)

These amount to ITL39,881m (+ITL28,866m over 1999) and are represented by (in millions of Lire):

	2000	Variations compared with 1999
Capital losses on divestitures:		
- property		(1,626)
- bonds / fixed-income securities fisso	8,456	4,427
- stocks and shares	24,749	24,200
- other financial investments	6,676	1,865
Total	39,881	28,866

Other income (III.6)

This amounts to ITL76,764m (+ITL40,135m). The most significant components relate to: ITL31,279m for interest earned on bank deposits and ITL20,539m for exchange rate

differences arising from the conversion of foreign currency entries at year-end exchange rates.

Interest on financial payables (III.7.a)

Of the total amount of ITL8,924m (+ITL6,936m) for “interest on financial payables”, ITL5,464m relates to interest on and expenses for debenture loans issued during the year by the Parent Company and ITL3,457m to interest on loans and funding

Sundry charges (III.7.b)

These amount to ITL102,917m, an increase of ITL65,699m over 1999. The values of the companies included in the consolidation total ITL66.5bn.

Of the total ITL102,917m, ITL22,861m relate to exchange rate differences arising from the conversion of foreign currency entries at year-end exchange rates, ITL21,601m to depreciation of consolidation difference and ITL18,079m to depreciation of non-tangible assets.

Profit on ordinary activities

This amounts to ITL101,412m. On an equal basis of consolidation the profits on ordinary activities rose from ITL82.1bn as at 31/12/99 to ITL137.9bn, a significant improvement.

Extraordinary income (III.9)

This shows an increase of ITL68,580m, also due to the alteration in the basis of consolidation, and is shown in detail below (in millions of Lire):

	2000	Variations compared with 1999
Income from divestiture/trading of:		
- property	22,259	4,515
- bonds / fixed-income securities	9,430	(18,070)
- stocks and shares	85,998	85,558
- other extraordinary income	7,439	(3,423)
Total	125,126	68,580

The capital gains realized shown above relate to the long-term investments segment and also pertain to investments relating to special Life funds.

Extraordinary charges (III.10)

This amount, an increase of ITL40,290m, is ITL43,242m. It includes ITL26,500m allocated to coping with the current dispute between Unipol and Meie and the ‘Autorità Garante della Concorrenza e del Mercato’ (Anti-trust authority), ITL4,768m for contingent liabilities, whilst ITL2,733m relates to the half-yearly results of the newly- acquired companies (Meie, Aurora and Navale) allocated to the profits carried forward, as already described in the consolidation criteria.

Part D: Other information

Staff

	Average number for 2000	to 31/12/00
Unipol Assicurazioni	1,318	1,312
Agricoltura Assicurazioni	2	2
Aurora Assicurazioni	402	380
BNL Vita	76	80
Linear Assicurazioni	106	129
Meie Assicurazioni	475	464
Meie Vita	33	29
Navale Assicurazioni	94	90
Noricum Vita	14	14
Quadrifoglio Vita	10	12
Unisalute	84	95
Total	2,614	2,607

The average number for 2000 is broken down by category as follows:

Senior management	91
Middle management	325
Clerical staff	2,154
Sales staff	33
Caretakers	11
Total	2,614

Average number of staff in the Group is 2,614. Excluding the 1,082 employees of the new companies acquired, numbers have decreased by 12 compared with 31 December 1999.

Emoluments

Emoluments payable for 2000 to the Parent Company's Directors and Auditors for carrying out their functions in Unipol Assicurazioni and in other companies included in the consolidation, are as follows (in millions of Lire):

Directors	1,069
Auditors	195
Total	1,264

Information on the volume and type of activity of subsidiaries that manage financial resources belonging to third parties in the context of fiduciary, intermediary or investment fund management activities

The subsidiaries that manage financial

resources belonging to third parties are Unipol SGR and Unipol Fondi Ltd.

Unipol SGR

At the end of 2000 the assets administered both on an individual basis and on the instructions of Unipol Fondi reached a total of ITL3,032bn, an increase of 47% over the previous financial year.

In fact Unipol SGR operates as delegated manager of the investments of the umbrella fund Unipol Funds set up under Irish law by Unipol Fondi Ltd (a company wholly controlled by Unipol Assicurazioni).

This retail company offers differentiated lines of portfolio management, which are marketed within Italy through the commercial network of Unipol Banca.

Considerable rates of growth have been recorded for amounts underwritten through the banking network.

The trend during the year of the corporate segment has also been positive, as regards both increased assets and the acquisition of new clients.

Unipol Fondi Ltd

As from the end of September 2000 this company, with its registered office in Dublin, has begun marketing units in Italy, both to Institutional Investors and to the public, through Unipol Banca's commercial network.

At the end of the financial year the assets administered amounted to €11m (ITL214.9bn against ITL116bn as at 31/12/1999).

Consolidated financial statement

The relevant table appears in the following pages.

Bologna, 26 March 2001

The Board of Directors

Notes to the accounts - annexes

**RECONCILIATION BETWEEN
THE PARENT COMPANY'S CAPITAL, RESERVES AND PROFIT FOR THE YEAR
AND CONSOLIDATED CAPITAL, RESERVES AND PROFIT FOR THE YEAR**

(ITLm)

	Capital and Reserves	Profit for the Year	2000 Shareholders' Equity Total	1999 Shareholders' Equity Total
Balances on annual accounts of Unipol Assicurazioni	2,064,338	115,384	2,179,722	1,293,659
Difference between net book value and capital, reserves and profit for the year of the undertakings:				
-included on a line-by-line basis	(13,116)	(29,710)	(42,826)	(10,825)
-included by the equity method	(2,978)	(288)	(3,266)	(1,367)
Elimination of inter-group dividends	3,995	(3,995)	0	0
Inter-group transactions	(9,843)	(186)	(10,029)	(9,758)
Application of Group accounting criteria	191	2,672	2,863	191
Balances on consolidated annual accounts - Group	2,042,587	83,877	2,126,464	1,271,900
Minority interests	362,371	(130)	362,242	65,954
Total for the Group, minority interests included	2,404,958	83,747	2,488,706	1,337,854

The negative difference as at 31 December 2000 between the Parent Company's shareholders' equity and the Group's shareholders' equity is mainly due to the new shareholdings acquired in the year 2000.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(ITLm)

	31/12/00	31/12/99
TECHNICAL ACCOUNT		
net of reinsurance		
Earned premiums - Non-Life business	3,518,558	1,859,168
Premiums - Life business	2,261,924	1,494,800
Total	5,780,482	3,353,968
Claims paid - Non-Life business	(2,926,732)	(1,548,679)
Claims paid and changes in technical provisions - Life business	(2,391,133)	(1,669,384)
Net operating expenses	(839,856)	(448,777)
Balance on other technical income/charges	(41,721)	(11,609)
Net investment income (1)	326,839	307,466
Balance on the Technical Account	(92,120)	(17,015)
NON-TECHNICAL ACCOUNT		
Investment income (2)	228,610	101,699
Other income	76,764	36,629
Other charges	(111,841)	(39,206)
Balance on ordinary activities	101,412	82,107
Extraordinary income	125,126	56,546
Extraordinary charges	(43,242)	(2,952)
Profit before taxation	183,296	135,701
Tax on profit	(99,549)	(59,346)
Profit for the year - minority interests	130	(2,965)
PROFIT FOR THE YEAR - GROUP	83,877	73,389

(1) Including investment income on Life business transferred from the non-technical account

(2) Net of investment income transferred to the Life assurance technical account

**STATEMENT OF CHANGES IN CONSOLIDATED CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2000**

(ITLm)

	Share capital	Reserves	Profit / (Loss) for the year	TOTAL
Balances as at 31 December 1999	281,729	916,782	73,389	1,271,900
Allocation of 1999 profit				
-dividends	0	0	(46,186)	(46,186)
-reserves	0	27,203	(27,203)	0
Capital increase	169,419	647,449	0	816,868
Changes in other reserves	0	6	0	6
Profit for the year 2000	0	0	83,877	83,877
Balances as at 31 December 2000	451,147	1,591,440	83,877	2,126,464

CONSOLIDATED CASH FLOW

(ITLm)

	31/12/2000	31/12/1999
CASH INFLOW		
CASH INFLOW FROM OPERATING ACTIVITIES		
Net profit for the year	83,877	73,389
Net increase in technical provisions	13,688,605	1,520,844
Write-downs of securities and shareholdings	138,899	30,432
Increase (decrease) of unit trusts	184,273	10,803
(Increase) decrease of receivables and other assets, net of payables and other liabilities	198,883	1,509
OTHER CASH INFLOW		
Paid-up capital increase	816,868	89,161
Changes in equity reserves	6	531
Increase (decrease) in minority interests	296,288	7,473
TOTAL CASH INFLOW	15,407,697	1,734,143
CASH FLOWS WERE INVESTED AS FOLLOWS:		
Increase in securities	8,755,960	90,262
Increase in shareholdings	1,159,329	546,343
Increase in buildings	324,482	(60,767)
Increase in class "D" investments	4,085,966	597,160
Write-ups of securities and shareholdings	3,817	638
Increase (decrease) in corporate financing	30,756	(3,161)
Other short-term investments	686,544	415,826
Dividends paid	46,186	39,685
TOTAL CASH FLOW INVESTED	15,093,038	1,625,986
Increase (decrease) in cash and cash equivalents	314,658	108,156
TOTAL	15,407,697	1,734,143
Cash at bank and in hand as at 1 January	273,549	165,392
Cash at bank and in hand as at 31 December	588,207	273,549

**SUMMARY OF CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2000 AND 1999**

(in ITLm)

(in EUROM)

ASSETS

	31/12/2000	31/12/1999	31/12/2000	31/12/1999
Intangible assets	1,023,989	130,512	528,846	67,404
Investments				
Land and buildings	1,223,514	963,477	631,892	497,595
Investments in group undertakings and other participating interests	977,060	906,083	504,610	467,953
Other financial investments	16,310,757	6,845,790	8,423,803	3,535,556
Deposits with ceding undertakings	49,136	36,532	25,377	18,867
Total investments	18,560,468	8,751,882	9,585,682	4,519,970
Investments for the benefit of life assurance policyholders who bear the risk thereof and arising out of pension fund management	4,996,276	910,310	2,580,361	470,136
Technical provisions - reinsurers' share				
Non-Life insurance business	754,564	165,710	389,700	85,582
Life assurance business	815,538	298,288	421,190	154,053
Total technical provisions - reinsurers' share	1,570,103	463,998	810,890	239,635
Debtors				
Debtors arising out of direct insurance operations	875,442	477,352	452,128	246,532
Debtors arising out of reinsurance operations	294,818	146,646	152,261	75,736
Other debtors	329,285	129,128	170,061	66,689
Total debtors	1,499,544	753,126	774,450	388,957
Other assets				
Tangible assets and stocks	30,169	10,429	15,581	5,386
Cash at bank and in hand	588,207	273,549	303,784	141,276
Own shares	7,226	13,025	3,732	6,727
Other assets	117,161	25,208	60,509	13,019
Total other assets	742,763	322,210	383,605	166,408
Prepayments and accrued income	218,776	83,517	112,988	43,133
TOTAL ASSETS	28,611,919	11,415,556	14,776,823	5,895,643
LIABILITIES				
Capital and reserves				
Share capital	451,147	281,729	232,998	145,501
Free reserves	1,576,898	903,364	814,400	466,549
Consolidation reserve	(16,799)	(20,151)	(8,676)	(10,407)
Reserve for valuation differences on unconsolidated shareholdings	(1,330)	1,836	(687)	948
Riserva per azioni proprie e della controllante	32,671	31,733	16,873	16,389
Profit (loss) for the year	83,877	73,389	43,319	37,902
Capital and reserves - minority interests	362,371	62,989	187,149	32,531
Profit (loss) for the year - minority interests	(130)	2,965	(67)	1,531
Total capital and reserves	2,488,706	1,337,853	1,285,309	690,944
Technical provisions				
Non-Life insurance business	6,482,283	3,039,809	3,347,820	1,569,931
Life assurance business	12,730,932	5,462,706	6,574,978	2,821,252
Total technical provisions	19,213,215	8,502,516	9,922,797	4,391,183
Technical provisions where investment risk is borne by policyholders and provisions arising out of pension fund management	4,994,246	910,236	2,579,313	470,097
Provisions for other risks and charges	50,490	12,913	26,076	6,669
Deposits received from reinsurers	596,887	146,566	308,266	75,695
Creditors and other liabilities	1,228,424	478,418	634,428	247,082
Accruals and deferred income	39,951	27,055	20,633	13,973
TOTAL LIABILITIES	28,611,919	11,415,556	14,776,823	5,895,643

**SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
AS AT 31 DECEMBER 2000 AND 1999**

	(in ITLm)		(in EUROM)	
	31/12/2000	31/12/1999	31/12/2000	31/12/1999
TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS				
(+) Gross premiums written	3,944,206	2,076,202	2,037,012	1,072,269
(-) Outward reinsurance premiums	394,912	189,522	203,955	97,880
(-) Change in the provision for unearned gross premiums	43,863	32,526	22,653	16,798
(+) Change in the provision for unearned premiums, reinsurers' share	13,127	5,014	6,780	2,589
Earned premiums, net of reinsurance	3,518,558	1,859,168	1,817,184	960,180
(+) Other technical income, net of reinsurance	14,912	5,182	7,701	2,676
(-) Claims incurred, net of sums recoverable and reinsurance	2,926,732	1,548,679	1,511,531	799,826
(-) Changes in other technical provisions, net of reinsurance	(35)	(11)	(18)	(6)
(-) Bonuses and rebates, net of reinsurance	3,061	6,176	1,581	3,190
(-) Operating expenses	726,047	360,727	374,972	186,300
(-) Other technical charges, net of reinsurance	51,444	4,623	26,569	2,388
(-) Change in the equalization provisions	432	103	223	53
Balance on the technical account for non-life insurance business	(174,211)	(55,949)	(89,972)	(28,895)
TECHNICAL ACCOUNT - LIFE INSURANCE BUSINESS				
(+) Gross premiums written	2,321,043	1,508,785	1,198,719	779,223
(-) Outward reinsurance premiums	59,119	13,985	30,533	7,223
Written premiums, net of reinsurance	2,261,924	1,494,800	1,168,186	772,000
(+) Allocated investments returns transferred from the non-technical account	385,103	285,461	198,889	147,428
(+) Investment income and unrealized gains on investments for life assurance policies where investment risk is borne by policyholders and arising out of pension fund management	61,318	55,708	31,668	28,771
(+) Other technical income, net of reinsurance	18,021	2,970	9,307	1,534
(-) Claims incurred, net of reinsurance	791,920	425,796	408,993	219,905
(-) Change in the mathematical provisions and other technical provisions, net of reinsurance	1,599,213	1,243,588	825,924	642,259
(-) Bonuses and rebates, net of reinsurance	1,106	1,113	571	575
(-) Operating expenses	113,809	88,050	58,778	45,474
(-) Investment charges and unrealized losses on investments for life assurance policies where investment risk is borne by policyholders and arising out of pension fund management	119,582	33,702	61,759	17,405
(-) Other technical charges, net of reinsurance	18,645	7,755	9,630	4,005
Balance on the technical account for life insurance business	82,091	38,934	42,396	20,108
NON-TECHNICAL ACCOUNT				
(+) Investment income	943,022	534,785	487,030	276,193
(-) Investment charges	329,309	147,625	170,074	76,242
(-) Allocated investment returns transferred to the life assurance technical account	385,103	285,461	198,889	147,428
(+) Other income	76,764	36,629	39,645	18,917
(-) Other charges	111,841	39,206	57,761	20,248
Balance on ordinary activities	101,412	82,107	52,375	42,405
(+) Extraordinary income	125,126	56,546	64,622	29,204
(-) Extraordinary charges	43,242	2,952	22,333	1,525
Balance on extraordinary activities	81,883	53,594	42,289	27,679
Profit before taxation	183,296	135,701	94,664	70,083
(-) Income tax for the year	99,549	59,346	51,413	30,650
Consolidated profit	83,747	76,354	43,252	39,434
Profit (loss) for the year - minority interests	(130)	2,965	(67)	1,531
Profit (loss) for the year - group	83,877	73,389	43,319	37,902

Report by the Board of Statutory Auditors

Report of the Board of Statutory Auditors To the Shareholders' Meeting

To the Meeting of Shareholders of *Unipol Assicurazioni*

During the financial year ended **31 December 2000** we carried out our supervisory duties in accordance with the standards recommended by the Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri (National Boards of Professional Accountants), that is in accordance with the highest professional ethics, for the purpose of ascertaining that the activities of the directors and managers are such as to fulfil, legally, the objectives of correct administration. In particular:

- during the financial year we have monitored the structure of the "Group" and of the shareholding ratios in accordance with Art. 2359 of the Commercial Code;
- regarding the organizational structure of the Parent Company, we have verified that relations with subsidiary and associated Companies are handled in a responsible manner, and we consider that this is done efficiently and effectively, including the collection of information needed to fulfil the legal requirements of providing information;
- the Directors have provided us promptly with information on the most important economic, financial and property operations carried out within the Group. There have been no operations that could lead to a conflict of interests.

Through direct observation, collecting information from managers and holding meetings with the auditing company in order to exchange relevant information, we have, as far as we are able, become familiar with the details and ensured that proper management principles have been respected;

- regarding supervision of the accounts, including using the information collected by the auditing company, the task of which it is to carry out all the checks required to be able to give an opinion on the accounts, we have checked that the form and contents of the consolidated accounts are in general accordance with the law and that proper accounting principles have been adopted;
- we also consider that the Board Report contains the information required under the provisions of Art. 2428 of the Commercial Code and that the Report is consistent with the accounting results. The information it contains is deemed to be complete and explicit in conformity with the principles of truth, accuracy and clarity established by law;
- during the work of review no significant facts have emerged that have needed to be notified to the supervisory bodies nor mentioned in this report. No complaints have been filed by any of the shareholders.

Bologna, 6 April 2001

The Board Of Statutory Auditors

Auditors' Report



KPMG Assurance

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(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 and article 75 of legislative decree no. 173/97

To the shareholders of
Compagnia Assicuratrice Unipol S.p.A.

- 1 We have audited the consolidated financial statements of Unipol Group as at and for the year ended 31 December 2000. These financial statements are the responsibility of the parent 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 consolidated 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 consolidated 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. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of certain subsidiaries and associated companies representing approximately 47.1% and 26.5% of consolidated assets and consolidated gross premiums 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 consolidated 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.



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Milan Ancona Bari Bergamo Bologna Bolzano
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Società per azioni
Capitale sociale Lire 8.494.500.000 i.v.
Registro Imprese Milano N. 276823
R.E.A. Milano N. 512867
Cod. Fisc. e IVA 00709600159
Sede legale: Via Vittorio Pisani, 25 - 20124 Milano MI



- 3 In our opinion, the consolidated financial statements of Unipol Group 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 Group.

Bologna, 9 April 2001

KPMG S.p.A.

(Signed on the original)

Franco Garilli
Director