

Compagnia Assicuratrice Unipol

Stock Company

Registered Offices in Bologna - Via Stalingrado 45 – Share capital ITL 451,220,805,000 fully paid-up.

*Company Register No. 14602/BO - R.E.A. No. 160304 – Authorised 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)*

Consolidated Quarterly Report as at 31 March 2001

(in conformity with CONSOB Ruling No. 11971 of 14 May 1999)

Bologna, 11 May 2001



Directors and Principal Officials

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 Bocchetti
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

**BOARD OF STATUTORY
AUDITORS**

Umberto Melloni, Presidente
Omer Caffagni / Lorenzo Roffinella
Diego Bassini (Deputy) / Giorgio Raggi (Deputy)

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

INDEX

The Unipol Group.....	6
General drafting criteria and basis of consolidation	6
Information on the economic and financial situation of the Group and summary of operating results.....	7
Premium income and technical trend	9
Technical provisions	12
Operating expenses.....	12
Investments and liquid assets	13
Investment income.....	14
Capital and reserves	14
Banking and savings management.....	15
Significant events after 31 March 2001 and business outlook for the current financial year	16

THE UNIPOL GROUP

During the course of the first quarter of financial year 2001, no significant changes were made to the Group's structure compared with the situation at 31 December 2000.

However, on 12 January 2001, acquisition of shares resulting from the closure of the take-over bid launched by Parent company, Unipol Assicurazioni, in November 2000 regarding shares in Meie Assicurazioni, was completed. As a result of this operation, Unipol's shareholding in Meie

rose from 51.36% to 74.36%.

Compared with Group structure as at 31 March 2000, seven insurance companies have entered the Group (Aurora Assicurazioni, Agricoltura Assicurazioni, Meie Assicurazioni, Meie Vita, Meie Assistenza, Navale Assicurazioni and BNL Vita), taken over by Unipol Assicurazioni during the course of financial year 2000.

GENERAL DRAFTING CRITERIA AND BASIS OF CONSOLIDATION

The Unipol Group's quarterly report at 31/03/2001 was drawn up in accordance with Consob Ruling No. 11971 of 14 May 1999 (Article 82 and Annex 3D).

The general drafting criteria adopted when drawing up consolidated quarterly figures are consistent with those used for drawing up the annual and consolidated accounts at 31 December 2000.

However, given that the present are interim figures, drawn up immediately after the period to which they refer, certain items have been estimated using appropriate valuation methods (available management figures and internal statistics), in keeping, nevertheless, with the principles adopted for the year-end accounts.

The report provides information concerning the economic and financial position of the Group, composed of twelve insurance companies, three property companies and a service company, all consolidated on a line-by-line basis. Moreover, twenty-one companies have been valued using the equity method.

The table below lists those subsidiary companies that come within the consolidation.

Company – Head Office	Business- Share capital	% holding		Group share
		direct	Indirect	
COMPANIES INCLUDED ON A LINE-BY-LINE BASIS				
Compagnia Assicuratrice Unipol spa Bologna	Insurance and reinsurance ITL451,216,845,000			
Agricoltura Assicurazioni s.m. Milan	Insurance and reinsurance ITL1,500,000,000		100.00 (Aurora)	99.99
Aurora Assicurazioni spa Naples	Insurance and reinsurance ITL90,500,000,000	99.99		99.99
Bnl Vita spa Milan	Insurance and reinsurance ITL220,000,000,000	51.00		51.00
Compagnia Assicuratrice Linear spa Bologna	Insurance and reinsurance ITL24,000,000,000	80.00		80.00
Meie Assicurazioni spa Milan	Insurance and reinsurance ITL46,063,852,400	74.36		74.36
Meie Assistenza spa Milan	Insurance and reinsurance ITL1,500,000,000		87.14 (Meie Ass.ni)	64.80
MeieVita spa Milano	Insurance and reinsurance ITL24,500,000,000	51.02	48.98 (Meie Ass.ni)	87.44
Navale Assicurazioni spa Ferrara	Insurance and reinsurance ITL21,000,000,000	98.17		98.17

Company – Head Office	Business- Share capital	% holding		Group share
		direct	Indirect	
Noricum Vita spa Bologna	Insurance and reinsurance ITL32,000,000,000	51.00		51.00
Quadrifoglio Vita spa Bologna	Insurance and reinsurance ITL45,000,000,000	50.00		50.00
Unisalute spa Bologna	Insurance and reinsurance ITL35,000,000,000	87.44		87.44
Midi srl Bologna	Property ITL50,000,000,000	99.00		99.00
Pioquartosei srl Bologna	Property ITL50,000,000,000	100.00		100.00
Unifimm srl Bologna	Property ITL85,000,000,000	99.00		99.00
Uniservice spa Bologna	Data transmission services ITL200,000,000	99.00		99.00

COMPANIES INCLUDED BY THE EQUITY METHOD

SUBSIDIARIES (using the consistency principle)				
Unipol Banca spa Bologna	Bank ITL250,125,000,000	81.03		81.03
Unipol Fondi Ltd Dublin	Investment fund management ITL250,000,000	100.00		100.00
Unipol Sgr spa Bologna	Financial intermediary €10,320,000	100.00		100.00
Unieuropa srl Bologna	Market analysis and research ITL1,000,000,000	98.00		98.00
Immobiliare Pietramellara srl Bologna	Property ITL1,000,000,000		100.00 (Unipol Banca)	81.03
Lavoro e Previdenza Service spa Bologna	Finance company L. 16,329,482,000	100.00		100.00
Meie Servizi srl Milan	Pension fund administration L. 100,000,000		100.00 (Meie Vita)	87.44
Promoass srl Milan	Insurance agency L. 20,000,000		90,00 (Meie Ass.ni) 10,00 (Meie Vita)	75.66

The other associated and affiliated companies, included by the equity method, are as follows: Hotel Villaggio Città del Mare spa, A.P.A. spa, Ar.Co. Assicurazioni spa, Assicoop Ferrara spa, Assicoop Imola spa, Assicoop Modena spa, Assicoop Ravenna spa, Assicoop Sicura srl, Assicoop Siena spa, Assicura spa, Consorzio ZIS Fiera 2, Euresa Holding sa, Finec Merchant spa.

The figures for the first quarter of 2001 show the operating result from ordinary business, including

value adjustments and re-adjustments on investments, deduced from regulated market trends.

Profit and loss and balance sheet figures for the first quarter of 2001 are compared with figures for the same period of the previous year and with those as at 31 December 2000.

INFORMATION ON THE ECONOMIC AND FINANCIAL POSITION OF THE GROUP

During the course of the first quarter of 2001, the Group's companies carried out business as normal, with a rise in premium income and monitoring of

technical results in Non-Life business.

Furthermore, the Group proceeded towards the implementation of projects regarding the newly-

acquired insurance companies, designed to guarantee greater management efficiency and improved results.

Significant business data as at 31 March 2001 included the following:

- The Group's premium income, gross of reinsurance cessions, amounted to **ITL2,326bn** (+130.3% compared with the first quarter of 2000, +2.9% using the same consolidation basis) and to ITL2,159.8bn net of reinsurance cessions and the balance on provisions for unearned premiums for the period (ITL944.9bn at 31/3/2000);
- The technical result for insurance business was positive to the amount of **ITL71.2bn** (ITL18.2bn at 31 March 2000 and ITL61.8bn at 31 March 2001 on comparative terms);
- Investments and liquid assets reached **ITL25,180bn**, an increase of ITL1,028bn compared with 31 December 2000 (+4.3%);
- Net investment income and capital gains from trading amounted to **ITL241.6bn** (ITL171.4bn at 31 March 2000), whereas investments relating to benefits linked to investment funds

and market indices (Class D) resulted in a reduction in value of ITL157.6bn (+ITL23.3bn at 31/3/2000);

- Net value adjustments at the end of the quarter amounted to **ITL126.6bn** (ITL12.8bn at 31/3/2000);
- Net operating expenses, a total of **ITL245.5bn**, represented 11.4% of earned premiums (compared with 12.9% at 31 March 2000);
- The result of ordinary activities for the period up to 31 March 2001 amounted to **ITL44.6bn** (ITL43bn as at 31 March 2000); this result takes account of depreciation resulting from consolidation differences of ITL13.8bn, against ITL1.1bn as at 31/3/2000. Using the same basis of consolidation as the previous financial year, the result of ordinary activities at 31 March 2001 amounted to ITL68.5bn.

To sum up, the most significant economic data for the first quarter of 2001, compared with those for the corresponding period of 2000 and with those as at 31/12/2000, are as follows:

SUMMARY OF OPERATING RESULT

(amounts in ITLbn)

	31 March 2001			31 March 2000			31 December 2000		
	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total
TECHNICAL ACCOUNT									
Net of reinsurance cessions									
Life written premiums and Non-Life earned premiums	1,269.2	890.6	2,159.8	449.5	495.3	944.9	2,261.9	3,518.6	5,780.5
Charges for claims and benefits, and variations in Life technical provisions and Non-Life claims provisions	(1,143.9)	(672.0)	(1,815.9)	(565.7)	(398.4)	(964.1)	(2,391.1)	(2,926.7)	(5,317.9)
Operating expenses	(56.2)	(189.4)	(245.5)	(20.9)	(100.7)	(121.6)	(113.8)	(726.0)	(839.9)
Sundry technical income and charges	1.5	(3.3)	(1.7)	(0.7)	1.8	1.0	(1.7)	(40.0)	(41.7)
Net investment income allocated to the technical account and capital losses/ gains of Class D	(25.4)	0.0	(25.4)	158.0	0.0	158.0	326.8	0.0	326.8
Balance on the technical account (1)	45.2	26.0	71.2	20.2	(1.9)	18.2	82.1	(174.2)	(92.1)
NON-TECHNICAL ACCOUNT									
Net investment income (2)			109.5			36.7			376.4
Net value re-adjustments			(126.6)			(12.8)			(147.8)
Balance on sundry income/charges			(9.4)			0.9			(35.1)
Balance on ordinary activities			44.6			43.0			101.4

(1) the layout of the consolidated accounts does not anticipate the transfer of income from the non-technical account for Non-Life business.

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

It must be emphasised that interim results represent a trend, which must be seen in relation to seasonal phenomena within the insurance field, underwriting policies, tariff adjustments adopted

and financial market trends. Particular importance should be given to the continuing negative effects of the Motor T.P.L. tariff freeze introduced in March 2000, together with the latest financial

market trends.

Going on to extraordinary items, not included in the table above, the first quarter of 2001 shows a

positive net result of approximately ITL30bn, mainly from capital gains on long-term investments.

PREMIUM INCOME

Premium income for the first quarter of 2001 amounted to **ITL2,326bn**, of which ITL2,274bn from direct business, an increase of 130.3% over the same period in 2000. Life business premiums rose to 56.2% of total premium income.

Using the same basis of consolidation as used at 31/3/2000, thus excluding premiums from the companies acquired during the course of 2000 (ITL1,287bn), premium income rose by 2.9% (+4.9% in Non-Life business, +0.4% in Life

business).

A breakdown of premiums written per class of business and composition and variations compared with the same period in 2000, are given in the following table:

BREAKDOWN OF WRITTEN PREMIUMS PER CLASS OF BUSINESS

(Net of tax on premiums – amounts in ITLbn)

	31 March comp.		31 March comp.		Var. %	31 December comp.	
	2001	%	2000	%	2001/2000	2000	%
DIRECT ITALIAN INSURANCE BUSINESS							
Non-Life insurance business							
Accident and Health (business 1 and 2)	150	6.6	80	8.4	87.2	527	8.5
Land vehicles - Motor T.P.L. (class 10)	521	22.9	262	27.4	98.9	2,045	33.2
Motor vehicles , other business (class 3)	96	4.2	43	4.5	121.9	382	6.2
Marine, aircraft and goods in transit (business 4,5,6,7,11,and 12)	13	0.6	6	0.6	124.0	50	0.8
Fire and other damage to property (business 8 and 9)	87	3.8	42	4.4	107.7	369	6.0
General T.P.L. (class 13)	95	4.2	52	5.5	80.8	338	5.5
Credit and Bonds (business 14 and 15)	16	0.7	10	1.0	63.8	59	1.0
Sundry pecuniary losses (class 16)	7	0.3	6	0.6	24.8	40	0.6
Legal protection (class 17)	4	0.2	3	0.3	33.9	18	0.3
Assistance (class 18)	7	0.3	2	0.2	175.2	25	0.4
Total Non-Life insurance business	996	43.8	507	53.1	96.5	3,853	62.5
Life assurance business							
I – Life assurance	420	18.4	178	18.7	135.2	912	14.8
III – Assurance linked to investment funds / market indices	728	32.0	249	26.1	191.7	1,217	19.7
V – Capital redemption operations	126	5.6	19	2.0	558.4	160	2.6
VI – Pension funds	5	0.2	1	0.1	295.1	23	0.4
Total Life assurance business	1,278	56.2	448	46.9	185.2	2,312	37.5
Total direct insurance business	2,274	100.0	955	100.0	138.2	6,165	100.0
INWARD REINSURANCE							
Non-Life business	45	86.8	50	90.5	-10.3	91	91.0
Life business	7	13.2	5	9.5	30.4	9	9.0
Total inward reinsurance	52	100.0	55	100.0	-6.4	100	100.0
TOTAL PREMIUM INCOME	2,326		1,010		130.3	6,265	

32.3% of total premiums refer to the Parent company, and were underwritten almost exclusively in Italy.

Direct business premiums for Unipol Assicurazioni and subsidiaries as at 31/03/2001, are as follows (in ITLbn):

Direct premiums	Non-Life	Var. % 2001/2000	Life	Var. % 2001/2000	Total	Var. % 2001/2000
Unipol Assicurazioni	494	4.0	206	24.3	700	9.2
Subsidiaries	502	-1.1	1,072	33.2	1,574	19.9
TOTAL DIRECT PREMIUMS	996	1.3	1,278	31.7	2,274	16.4

Products and sales

As regards the updating of Non-Life products, the Parent company Unipol Assicurazioni began marketing its new T.P.L. product for medium-sized / large enterprises during the first quarter of 2001: at the same time, it started special training courses for the sales network. Moreover, its standard products for retailers and craftsmen were updated, ready to be re-launched during the coming months.

Turning to Life business, Legislative Decree 47/2000 came into force on 1 January 2001: it concerns the reform of tax regime for supplementary pension schemes and life assurance, introduced by Article 3 of Law No.133 of 13 May 1999.

The said decree is of fundamental importance for the insurance sector: it introduces important changes to the taxation of pension-oriented and life assurance contracts, which have been sub-divided into three categories: pension-oriented (supplementary pension schemes – individual pension schemes); pure risk insurance (death, permanent disability, long-term care); and finance-oriented products (Index-Linked, Unit-Linked, capital redemption, etc.). Furthermore, the decree abolished the 2.5% tax on premiums for new contracts underwritten from 1/1/2001 onwards.

The introduction of this new legislation made it necessary to modify all computer software for the elaboration of tailor-made projects, the issue of

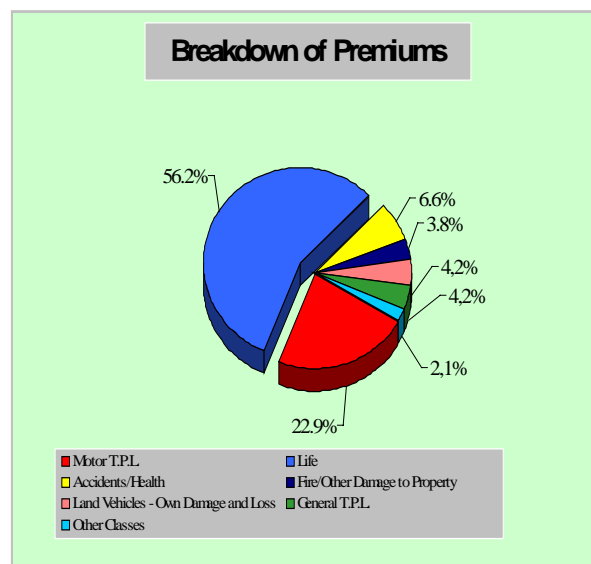
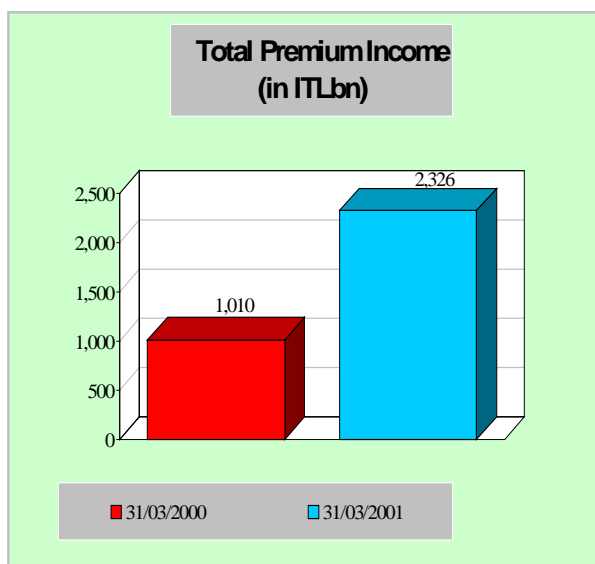
policies, the write-up of benefits and the settlement of sums due. It was also necessary to update all Life tariffs and the contractual forms to be filled out.

The updating carried out in 2000 meant that it was possible to begin the new financial year with a range of products already in line with the new legislation.

In particular, the Parent company Unipol Assicurazioni modified its term insurance policies for the event of death, with fixed capital and set annual premium, and also increased the sum insurable without medical check-up.

Furthermore, the sales network is currently being presented with a new Unit-Linked product that increases the existing range of products, and which, like “AzioniPiù” and “MACH 7”, is characterised by its guarantees on the investment made. This new product is to be launched mid-May 2001.

The presentation of new products, and in particular of Index-Linked policies, has also involved other companies within the Group. During the first quarter of 2001, BNL Vita marketed three new tariffs (called Insurance Cash Index, Insurance Cash 2 Index and Blue Chips Index), characterised by a contract duration of 6 years and by the introduction of an annual coupon of variable value tied to the performance of various financial parameters. This type of offer proved very popular with customers.



Life business and pension funds

In the first quarter, written premiums amounted to ITL1,285bn, an increase of 184% compared with 31 March 2000, due to the new companies that came into the Group.

On comparative terms, growth was 0.4%, given the significant growth of the Parent Company (+24.5%) together with the reduced premium income of Noricum Vita and Quadrifoglio Vita compared with the first quarter of 2000 (due to different timing of placing of new products and less favourable market conditions).

As regards the newly-acquired companies, BNL Vita showed a premium increase of 75% over the first quarter of 2000, as a result of the sales campaign for Index-Linked policies at B.N.L. outlets, concentrated into the first quarter of the year; Meie Vita, on the other hand, showed a negative trend, in line with the rest of the market.

As regards the Parent Company Unipol Assicurazioni, the first three months of 2001 confirmed customers' preference for single premium products, and in particular for Unit-Linked products; premium average was higher than that of 2000.

By the end of March, 3,400 people had subscribed to the open-end pension funds "Unipol Futuro" and "Unipol Previdenza".

Performances reflect the negative financial market trend over the past few months, whereas they

remain positive and even slightly up on their respective benchmarks if we look at the entire period.

Retail subscriptions remained slow, as did the performance of the market as a whole. As far as collectively bargained subscriptions are concerned, direct action is being taken to exploit the various opportunities offered by this market segment, whilst waiting for the launch of the new "Unipol Insieme" Fund (the first in Italy to feature a range of ethically approved investments), the placing of which will begin this coming June.

As regards occupational pension funds (closed funds), during the first quarter of 2001 Unipol Assicurazioni was awarded asset management of Fundum (Retailers' Pension Fund) and of the "Investimento Garantito" line of Fondartigiani (the fund for craftsmen and small and medium-sized enterprises), whose funds will become available during the second quarter of the year. Furthermore, during the early months of the year tenders were invited for the asset management of Fondi Arco (wood and furnishings sector), Previcoper (consumers' coop), Pegaso (gas and water companies) and Fopen (Enel): Unipol Assicurazioni is to bid jointly with the Citibank Group.

As at 31 March 2001, payments for matured policies, surrenders and claims in the direct business sector amounted to a total of ITL378.5bn.

Non-Life business

Premiums written during the first quarter of 2001 amounted to ITL1,041bn, an increase of 87% over the figure at 31 March 2000 (+4,9% on comparative terms).

In particular, direct premium income from Motor T.P.L. showed a significant increase of 6% on comparative terms over the first three months of the previous year.

This increase came from the Parent Company (+3.1%) and from the specialised company Linear (distributor of insurance products, mainly car insurance, by telephone and Internet), which saw significant growth compared with 31/3/2000. The Internet channel, which accounted for 33% of the total number of new contracts, grew by 174% compared with the previous year.

As regards the new acquisitions, Meie

Assicurazioni experienced a negative variation (-8.9%), due to rationalisation of sales outlets (which fell from 372 at 31/12/2000 to 355 at 31/3/2001), in keeping with the unification plan and a more selective underwriting policy. The growth of Non-Life business continued to suffer the negative effects of the Motor T.P.L. tariff freeze, which led to a reduction in the growth rate in 2000 and in the first three months of 2001. This was only partially compensated for by the stability of portfolio contracts as a result of the freeze itself. The ending of the freeze, in April, should see changes in market dynamics as a result of the "re-activation" of the rules of competition.

A further novelty in Motor T.P.L. was the passing of Law No. 57 on 5 March 2001, containing "Provisions for the opening and regulation of markets". The Law deals with a wide range of

issues concerning Motor T.P.L. insurance; overall, its financial impact seems rather limited.

The passing of this Law nevertheless represents an important step towards a new approach to relations with customers and injured parties, in that it deals with issues ranging from the publication of “reference tables of annual premiums” to the ISVAP supervisory role, from the regulations governing the right of access of policyholders and injured parties to internal claims documents, to the compulsory underwriting of Motor T.P.L. policies, from the rules governing the assessment of biological damage to the sanctions to be paid by companies failing to observe claims settlement regulations.

As regards other Non-Life business, the most interesting developments concerning the Parent Company relate to various categories, including commerce, craftsmen and professional people: the policies adopted continue to give particular importance to risk selection in order to safeguard the technical result.

Moreover, Unisalute, a company specialising in Health and Assistance, saw its premium income rise by 22.5% compared with 31 March 2000, as a result both of the signing of certain major new contracts, and of the re-negotiation of existing contracts with a widening of guarantees and an increase in premiums, aspects which testify to increasing customer loyalty.

TECHNICAL PROVISIONS

Net technical provisions (including those where investment risk is borne by policyholders and those arising out of pension fund management) reached ITL23,484bn at the end of March, up ITL847bn on the figure for 31 December and ITL13,994bn on that at 31 March 2000.

For the same basis of consolidation as at 31 March 2000, provisions at 31 March 2001 would stand at ITL10,824bn (ITL3,213 for Non-Life business and

Technical performance of Non-Life business and reinsurance

The loss ratio continued to improve (this improvement was evident from the end of the financial year 2000), especially in the case of the Parent Company.

The technical account of Non-Life business produced a positive balance of ITL26bn as at 31 March 2001, against the slightly negative balance of - ITL1.9bn as at 31 March 2001.

The average loss ratio, including claims handling costs and net of outward reinsurance, was 75.5% (against 80.4% as at 31 March 2000 and 83.2% at the end of 2000).

Claims paid in direct business, net of sums recovered, amounted to ITL555.8bn (compared with ITL290bn at 31 March 2000).

222,143 claims were reported; on comparative terms, there was a fall in the number of claims in Motor T.P.L. (83,516), whereas there was a slight increase in the claims reported in the Health insurance class.

Reinsurance schemes did not change significantly compared to those of 2000. The retention rate at 31/3/2001 was 94.5% (compared with 92.8% at 31/12/2000).

ITL7,611 for Life business).

Net technical provisions can be broken down as follows (in ITLbn):

	31.3.2001	31.3.2000	31.12.2000
Life business	17,655	6,526	16,909
Non-Life bus.	5,829	2,964	5,728
Total	23,484	9,490	22,637

OPERATING EXPENSES

Net operating expenses at 31 March, which include acquisition and renewal commissions and other acquisition and administrative expenses, amounted to a total of ITL245.5bn (ITL121.6bn as at 31/3/2000 and ITL839.9bn at the end of 2000).

They constituted 11.4% of earned premiums

(14.5% at 31/12/2000; 12.9% at 31/3/2000).

As at 31 March 2001 the Group employed 2,604 people, including 24 salespersons as permanent staff, 3 people less than at 31 December 2000.

There were 208 call centre advisors.

INVESTMENTS AND LIQUID ASSETS

At 31 March 2001 the Group's investments and liquid assets, net of depreciation on property and net value adjustments of securities following trends in regulated markets, reached a total of ITL25,180bn, showing an increase of ITL14,578bn (+137.5%) on the total as at 31 March 2000 and of

ITL1,028bn compared with 31/12/2000 (+4.3%). Breakdown of investments and variations compared with 31 March 2000 and 31 December 2000 are shown in the table below.

INVESTMENTS AND LIQUID ASSETS								
<i>(Amounts in ITLbn)</i>								
	31/03/01	comp.	31/03/00	comp.	var.	31/12/00	comp.	var.
	(a)		(b)		(a/b)	(c)		(a/c)
		%		%	%		%	%
Land and buildings	1,191	4.7	948	8.9	25.6	1,224	5.1	-2.7
Investments in Group undertakings and other participating interests								
-Stocks and shares	1,055	4.2	799	7.5	32.0	969	4.0	8.9
-Debt securities	0	0.0	1	0.0	-100.0	1	0.0	-100.0
-Corporate financing	1	0.0	8	0.1	-85.1	7	0.0	-84.0
Total	1,056	4.2	808	7.6	30.7	977	4.0	8.1
Other financial investments								
-Stocks and shares	912	3.6	267	2.5	241.4	845	3.5	7.8
-Units and shares in investment funds	295	1.2	123	1.2	138.8	343	1.4	-14.0
-Bonds and other fixed-income securities	14,477	57.5	6,100	57.5	137.3	14,289	59.2	1.3
-Financing	103	0.4	80	0.8	28.7	121	0.5	-14.4
-Participation in investment pools	0	0.0	0	0.0	0.0	0	0.0	0.0
-Deposits with credit institutions (1)	20	0.1	0	0.0	0.0	0	0.0	0.0
-Sundry financial investments (2)	442	1.8	550	5.2	-19.7	713	3.0	-38.0
Total	16,249	64.5	7,121	67.2	128.2	16,311	67.5	-0.4
Deposits with ceding undertakings	48	0.2	37	0.3	30.1	49	0.2	-2.8
Investments for the benefit of policyholders who bear the risk thereof and arising out of pension fund management								
-Investment funds and market indices	5,439	21.6	1,159	10.9	369.4	4,964	20.6	9.6
-Pension funds	39	0.2	9	0.1	347.8	33	0.1	17.6
Total	5,477	21.8	1,167	11.0	369.2	4,996	20.7	9.6
Other assets								
-Bank and postal deposits, cash	1,140	4.5	521	4.9	118.6	588	2.4	93.7
-Own shares	20	0.1	0	0.0	0.0	7	0.0	170.8
Total	1,159	4.6	521	4.9	122.3	595	2.5	94.7
TOTAL INVESTMENTS AND LIQUID ASSETS	25,180	100.0	10,602	100.0	137.5	24,152	100.0	4.3
<i>(1) Deposits subject to access restrictions over 15 days.</i>								
<i>(2) Including repo securities and premiums for derivative operations..</i>								

Land and buildings

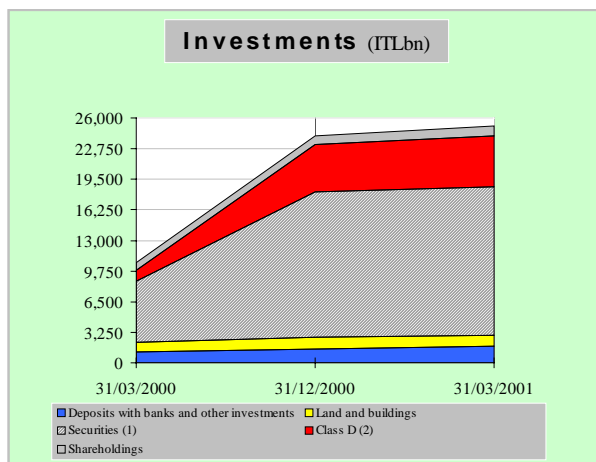
As at 31 March 2001 the Group's property portfolio was worth ITL1,191bn (-2.7% compared with 31 December 2000).

The downturn was mainly due to disposal of buildings by the Parent company and two subsidiaries.

Investments in Group undertakings and other participating interests

The amount of investments in shareholdings rose from ITL969bn at 31 December 2000 to ITL1,055bn at 31 March 2001, a net increase of ITL86bn (+8.9%).

This increase was due mainly to the payment made by the Parent company in view of the Unipol Banca capital increase.



- (1) Bonds, shares, units and shares in investment funds.
 (2) Investments for the benefit of policyholders who bear the risk thereof and those deriving from pension fund management.

Other financial investments

Other financial investments amounted to ITL16,249bn at 31 March 2001, a fall of ITL62bn compared with 31 December 2000 (-0.4%), mainly due to the fall in repo securities.

Investments in bonds and other fixed-income securities amounted to ITL14,477bn at 31/3/2001

INVESTMENT INCOME

As at 31 March 2001 net investment income and capital gains felt the effect of the downward trend in the financial markets during the first quarter, finishing at ITL241.6bn (ITL171.4bn at 31/3/2000), while investments relating to benefits linked with investment funds and market indices

CAPITAL AND RESERVES

Capital and reserves pertaining to the Group, excluding the portion of profits from the financial year 2000 which was destined for dividends and before allocation of the result for the period, amounted to ITL2,052.7bn at 31/3/2001.

As regards the Parent company's capital and reserves, during the course of the first quarter of 2001 subscription rights (which will cease on 20 June 2005) to new ordinary and preference shares continued to be exercised by warrant

(+1.3% compared with 31 December 2000). There were no investments in countries involved in economic or financial crises.

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

These investments totalled ITL5,477bn, as against ITL4,996bn at 31 December 2000 (+9.6%), and reflect the growth during this period in Unit-Linked and Index-Linked Life products sold by the Parent company and the subsidiaries operating in Life business.

Other assets

At the end of the first quarter the Group's deposits with banks amounted to ITL1,140bn, as against ITL588bn at 31 December 2000 (+ITL552bn); this increase was related to the particularly negative trend in the stock market and the uncertainty which characterised the money and financial market.

DEBENTURE LOANS

As at 31 March 2001 the figure was unchanged at ITL407.6bn, for financial debts relating to two debenture loans issued in the preceding financial year ("UNIPOL 2.25% 2000-2005" and "UNIPOL 3.75% 2000-2005").

At the end of the first quarter of the 2001 financial year these debenture loans had accumulated ITL2.8bn in interest payable and expenses.

saw a fall in value for policyholders of ITL157.6bn (+ITL23.3bn at 31/3/2000).

Net value adjustments on investments (including depreciation) brought down the result for the period by ITL126.6bn (ITL12.8bn at 31 March 2000).

holders, linked with shares and bonds issued as a result of the capital increase carried out by Unipol Assicurazioni the previous year. After these subscriptions, capital and reserves rose by ITL226m compared with 31 December 2000. The Extraordinary General Shareholders' Meeting of 27 April 2001 approved the re-denomination of the share capital in Euros and the free increase in the face value of shares to 1 Euro.

Capital and reserves pertaining to minority

interests, excluding the result for the period, amounted to ITL286.8bn at 31 March 2001, a decrease of ITL75.5bn compared with 31/12/2000,

due mainly to the increase of the Group interest relative to that of Meie Assicurazioni.

BANKING AND SAVINGS MANAGEMENT

During the period concerned, the ongoing process of increasing integration between the various sectors within the Group continued, with the aim of offering customers a wider range of services, from insurance to banking and savings management.

Unipol Banca

The development plan continued, with the opening of 5 bank outlets and 9 finance shops. The decision was made to acquire 51 bank outlets from Banca Intesa Group, which will start operating as part of Unipol Banca from 1/7/2001.

The first quarter of 2001 saw a significant growth in the interest margin (+67.2% compared with the first quarter of 2000) and a 4% increase in the margin from commissions, which together brought the earnings margin to an increase of 59.8% compared with the first quarter of 2000.

From the assets point of view, average interest-bearing deposits in the first quarter amounted to ITL800bn, as against ITL494bn in the first quarter of 2000.

The average level of lending to customers was ITL734bn, compared with ITL455bn in the first quarter of 2000.

As at 31 March 2001 the savings management portfolio amounted to ITL432bn.

During the period in question the Group also reorganised its activities and, in this context, Unipol Banca acquired from Unipol SGR the asset management business on an individual basis. The transfer took place on 1 May 2001.

Unipol SGR

At the present date, given the sale of the above-mentioned business to Unipol Banca, the company is mainly managing the assets of ten sub-funds of Unipol Funds, an umbrella unit trust.

Unipol Fondi

During the quarter, the company continued to offer the products of Unipol Funds through the sales network (bank outlets and financial advisors) of Unipol Banca.

As at 31/03/2001 assets under management amounted to around ITL257bn (ITL215bn 31/12/2000).

SIGNIFICANT EVENTS AFTER 31 MARCH 2001 AND BUSINESS OUTLOOK FOR THE CURRENT FINANCIAL YEAR

On 28 March the Lazio Regional Administrative Court confirmed the sentence of payment of the fine which the Antitrust authority had imposed on 38 insurance companies, under the ruling issued at the end of July 2000 for an alleged cartel aimed at raising the price of Motor T.P.L. policies.

This fine was paid at the end of April so as not to incur any penalties and amounted to ITL33bn for the Parent company Unipol Assicurazioni and ITL12.1bn for Meie Assicurazioni.

The Unipol Group will appeal against this sentence to the State Council, in the light of its non-involvement with the alleged violation of Law 287/90. On 31 December 2000, in compliance with the principle of prudence, Meie and Unipol nonetheless made suitable allocations to the risk funds, to cover the above-mentioned penalty.

At the end of March, the Motor T.P.L. tariff freeze imposed by the government in the first quarter of 2000, in defiance of the principles of the free market, came to an end. This freeze also prompted an ANIA (insurers' national association) appeal to the European Commission.

The Group was therefore able to review the tariffs applied in relation to trends in the loss ratio.

With regard to operations involving the Group, details are given below:

- on 15 February 2001 the Unipol Group signed an alliance with the Monte Paschi di Siena Group, which will take the form of cross shareholdings, joint entrepreneurial initiatives and commercial agreements in all sectors of their activities.

The selected partnerships and commercial operations concerned will be developed and implemented, step by step as required over the course of the current year. In this context Unipol's share of Monte Paschi is now over 2%.

- On 27 April 2001 the Extraordinary General Shareholders' Meetings of Meie Assicurazioni and Aurora Assicurazioni resolved to merge the two companies by incorporating Meie into Aurora.

As regards the business outlook for the current financial year, it may be noted that in the absence of unforeseeable external events or events of particular importance, the results expected should confirm positive growth in the overall result compared with the previous financial year.

Bologna, 11 May 2001

The Board of Directors