

Compagnia Assicuratrice Unipol

Stock Company

Registered Offices in Bologna - Via Stalingrado 45 – Share capital € 503,553,353 fully paid-up.

Tax Code and Company Register 00284160371/BO - R.E.A. 160304 - Authorized to provide insurance services by M.D. 28.12.62 (O.J. 15 / 18.1.63) and M.D. 29.4.81 (O.J. 135 / 19.5.81).

Consolidated Quarterly Report as at 31 March 2002

(in conformity with Consob Ruling 11971 of 14 May 1999, Article 82)

Bologna, 30 April 2002



Company Boards and Principal Officials

HONORARY CHAIRMAN

Enea Mazzoli

BOARD OF DIRECTORS

CHAIRMAN AND
MANAGING DIRECTOR

Giovanni Consorte

VICE-CHAIRMAN AND
MANAGING DIRECTOR

Ivano Sacchetti

DIRECTORS

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

BOARD OF AUDITORS

Umberto Melloni, Chairman
Omer Caffagni / Lorenzo Roffinella
Diego Bassini (alternate) / Roberto Chiusoli (alternate)

PRINCIPAL OFFICIALS

GENERAL AREA MANAGERS

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

JOINT GENERAL MANAGERS

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

CENTRAL MANAGERS

Giancarlo Brunello / Riccardo Laurora
Salvatore Petrillo

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INTRODUCTION

In the first few months of 2002, which have been and still are marked by the serious political crisis in the Middle East, all the signs are that the United States economy is taking off again. The upturn in the US economy is having a positive effect on other countries, including here in Europe, manifested in the increase in prices of raw materials and an improvement in indices relating to the climate of trust amongst companies. Nevertheless the risks represented by the uncertainty in company profits, by oil prices and by international political tensions lead one to suppose for the moment that the recovery will be characterized by modest growth, which will probably speed up in the second half of the year. The slight increase in share prices recorded on the principal world stock exchanges confirms the expectation that the economy will expand. The trend in the Italian financial markets is in line with what happened in the principal macroeconomic areas; Mibtel registered an increase of 5.4% in the first three months of the year. In parallel, the rates market in the main industrialized countries recorded a growth for all maturity dates. In this climate, the investment trust market is continuing to recover after the drop recorded in 2001.

In the Eurozone, in March inflation began to rise once again (compared with the beginning of the year), rising to an annual rate of 2.5%. With 2.5% inflation Italy has the average of the twelve countries in the single-currency zone. In the past month even the foreign exchange market has been giving out positive signals for the European Union.

As for the insurance market, the first few months of 2002 confirmed the trend, which had already manifested itself in the second half of 2001, for a good recovery in Life premium income, in particular from the traditional types of policy.

In the field of supplementary pensions there was a slowdown in the market for open-end pensions funds, whilst income from personal pension schemes recorded high rates of growth, but for volumes that were still rather low.

Non-Life business was still awaiting the launch of the reform of Motor T.P.L. to be introduced by the Government, even if there is a lot of confusion about it, in particular as a result of the striking out, during passage of the Bill through Parliament, of articles that were deemed to be of prime importance for enabling the relevant expenses to be kept down to a minimum.

THE UNIPOL GROUP

During the first quarter of 2002 no significant changes were made to the Group's structure compared with the situation as at 31 December 2001.

It should, however, be noted that on 28 January 2002 Unipol Assicurazioni sold its entire holding in Unipol Fondi Ltd to its subsidiary Unipol Banca.

GENERAL DRAFTING CRITERIA AND BASIS OF CONSOLIDATION

Unipol Group's quarterly report as at 31 March 2002 was drawn up in accordance with Consob Ruling 11971 of 14 May 1999 (Article 82 and Annex 3D).

The general valuation criteria adopted when drawing up the consolidated figures for the period in question are consistent with those used for drawing up the annual and consolidated accounts as at 31 December 2001.

However, given that these are interim figures, drawn up immediately after the period to which they refer, certain items have been estimated (using

available business figures and company statistics), substantially in keeping, nevertheless, with the principles adopted for the end-of-year accounts and reports.

The report provides information concerning the economic and financial position of the Group, which consists of ten insurance companies, two property companies and a service company, all consolidated on a line-by-line basis. In addition twenty companies were evaluated using the net equity method.

The table below lists those subsidiaries that fall within the basis of consolidation.

COMPANIES INCLUDED 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 € 503,553,353			
Agricoltura Assicurazioni s.m. Milan	Insurance and reinsurance € 774,000		100.00 (Meieaurora)	84.61
Bnl Vita spa Milan	Insurance and reinsurance € 110,000,000	50.00		50.00
Compagnia Assicuratrice Linear spa Bologna	Insurance and reinsurance € 12,000,000	80.00		80.00
Meieaurora Assicurazioni spa Milan	Insurance and reinsurance € 190,777,009	84.61		84.61
Meie Assistenza spa Milan	Insurance and reinsurance € 774,000		100.00 (Meieaurora)	84.61
Navale Assicurazioni spa Ferrara	Insurance and reinsurance € 10,500,000	98.17		98.17
Noricum Vita spa Bologna	Insurance and reinsurance € 16,000,000	51.00		51.00
Quadrifoglio Vita spa Bologna	Insurance and reinsurance € 22,500,000	50.00		50.00
Unisalute spa Bologna	Insurance and reinsurance € 17,500,000	87.44		87.44
Midi srl Bologna	Property company € 72,000,000	100.00		100.00
Unifimm srl Bologna	Property company € 43,350,000	99.00		99.00
Uniservice spa Bologna	Data transmission services € 104,000	99.00		99.00

COMPANIES INCLUDED BY THE EQUITY METHOD

SUBSIDIARIES (transacting business other than insurance)

Unipol Banca spa Bologna	Bank € 284,200,000	81.07		81.07
Unipol Fondi Ltd Dublin	Investment fund management € 125,001		100.00 (Unipol Banca)	81.07
Unipol Sgr spa Bologna	Financial intermediary € 2,000,000	100.00		100.00
Uni€pa srl Bologna	Market analysis and research € 510,000	98.00		98.00
Unisalute Servizi srl Bologna	Healthcare services € 52,000		100.00 (Unisalute)	87.44

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

The figures for the period show the operating result from ordinary business, including value adjustments and re-adjustments on investments, inferred from trends in the regulated markets.

Profit and loss and balance sheet figures for the first quarter of 2002 and as at 31 March 2002 are compared with figures for the same period of the previous financial year and with the results as at 31 December 2001.

INFORMATION ON THE ECONOMIC AND FINANCIAL SITUATION OF THE GROUP

The business of the companies in the Group was conducted normally and during the quarter registered growth in line with the targets for development and profitability.

In particular industrial results in Non-Life business continued to improve owing to the favourable trend in claims frequency.

The important features of business to 31 March include the following:

- The Group's premium income, gross of reinsurance cessions, amounted to €1,295m (+7.8% compared with 31/3/2001) and to €1,209m net of reinsurance cessions and of the balance on provisions for unearned premiums for the period (€1,115.5m as at 31/3/2001);
- The improvement in the results of technical insurance business (€38.2m compared with €21.2m as at 31/3/2001), as a result of the positive trend in Non-Life business, continued;
- The total amount of net technical provisions was €14,315m (€13,772m as at 31/12/2001), 3.9% up on the figures at the end of 2001;
- investments and liquid assets amounted to €15,386m, an increase of €567m compared with 31 December 2001 (+3.8%);
- net investment income and capital gains and net trading profits for the period amounted to €116.6m (€124.8m as at 31/3/2001), whereas

investments relating to benefits linked to investment funds, market indices and pension funds (Class D) resulted in net charges of €9.7m (-€81.4m as at 31/3/2001);

- net operating expenses, a total of €124m, represented 10.3% of earned premiums (compared with 11.4% as at 31/3/2001);
- the operating result for the period (before value adjustments to investments) amounted to €92.1m (€88.5m as at 31/3/2001);
- net value adjustments recorded as at 31 March 2002 relating to trends in regulated markets amounted to €51m (€65.4m as at 31/3/2001);
- the consolidated result of ordinary business, after account is taken of the relevant potential value adjustments to investments and the amortisation relating to the consolidation differences (€7.1m), was €41.1m (€23m as at 31/3/2001), an increase of 78.7% compared with the first quarter of 2001.

To sum up, the most significant economic figures as at 31 March 2002, compared with those for the corresponding period of the previous financial year and with those as at 31 December 2001, are as follows:

SUMMARY OF OPERATING RESULT AS AT 31 MARCH 2002

(Amounts in millions of Euros)

	31 March 2002			31 March 2001			31 December 2001		
	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	723.4	485.5	1,209.0	655.5	460.0	1,115.5	2,743.6	1,879.0	4,622.6
Charges for claims and benefits, and variations in Life technical provisions and Non-Life provisions for outstanding claims	(736.3)	(355.0)	(1,091.3)	(590.8)	(347.0)	(937.8)	(2,754.6)	(1,471.1)	(4,225.6)
Operating expenses	(25.3)	(98.7)	(124.0)	(29.0)	(97.8)	(126.8)	(112.5)	(391.9)	(504.3)
Sundry technical income and charges	4.0	(0.7)	3.4	0.8	(1.7)	(0.9)	6.9	(11.1)	(4.3)
Net income (charges) from Class D investments	(9.7)		(9.7)	(81.4)		(81.4)	(125.1)		(125.1)
Net investment income allocated to the technical account of Life business	50.8		50.8	52.7		52.7	271.9		271.9
Balance on the technical account	7.1	31.1⁽¹⁾	38.2	7.8	13.4⁽¹⁾	21.2	30.2	4.9⁽¹⁾	35.1
NON-TECHNICAL ACCOUNT									
Net investment income ⁽²⁾			65.7			72.1			214.5
Balance on sundry income/charges			(11.8)			(4.9)			(46.6)
Operating result			92.1			88.5			203.0
Net value adjustments on investments			(51.0)			(65.4)			(148.2)
Balance on extraordinary activities			41.1			23.0			54.8

(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; the share transferred as at 31/3/2001 was recalculated to be consistent with criteria adopted as at 31/12/2001 and 31/3/2002.

It should be stressed that the interim results, and in particular those relating to a very short reference period such as the three months to which this report refers, represent only the trend, and this must be taken into consideration together with the seasonal factors that affect insurance business, with the underwriting policies and the tariff adjustments adopted, with the launch of the new

products, and with the trends in the financial market and the overall economic picture.

As at 31 March 2002 extraordinary income, which is not included in the above tables, amounted to approximately €8m, mainly from capital gains realized on long-term investments (€15.5m in the first quarter of 2001).

PREMIUM INCOME

Premiums written as at 31 March 2002 amounted to €1,295m, an increase of 7.8% compared with the position as at 31 March 2001.

The premium breakdown, the composition indices and variations compared with the same period last year are set out in the following table:

BREAKDOWN OF WRITTEN PREMIUMS PER CLASS OF BUSINESS

(Net of tax on premiums - amounts in millions of €)

	31 March 2002	comp. %	31 March 2001	comp. %	Var. % 2002/2001	31 December 2001	comp. %
DIRECT ITALIAN INSURANCE BUSINESS							
Non-Life business							
Accident and Health (classes 1 and 2)	82	6.4	78	6.6	4.9	295	6.0
Land vehicles - Motor T.P.L. (class 10)	282	22.2	269	22.9	4.7	1,117	22.8
Motor vehicles, other business (class 3)	50	3.9	50	4.2	0.7	202	4.1
Marine, aircraft and goods in transit (classes 4, 5,6, 7,11 and 12)	9	0.7	6	0.6	40.2	35	0.7
Fire and other damage to property (classes 8 and 9)	49	3.9	45	3.8	9.5	198	4.0
General T.P.L. (class 13)	48	3.8	49	4.2	-2.9	188	3.8
Credit and Bonds (classes 14 and 15)	8	0.6	8	0.7	-3.5	32	0.7
Sundry pecuniary losses (class 16)	4	0.3	4	0.3	16.6	22	0.5
Legal protection (class 17)	2	0.2	2	0.2	8.4	10	0.2
Assistance (class 18)	4	0.3	3	0.3	22.1	17	0.3
Total Non-Life insurance business	538	42.4	514	43.8	4.6	2,116	43.2
Life business							
I - Life assurance	276	21.8	217	18.4	27.6	918	18.7
III - Assurance linked to investment funds/market indices	406	32.0	376	32.0	8.0	1,652	33.7
V - Capital redemption operations	39	3.1	65	5.6	-40.6	202	4.1
VI - Pension funds	9	0.7	2	0.2	269.3	9	0.2
Total Life assurance business	730	57.6	660	56.2	10.6	2,780	56.8
Total direct insurance business	1,268	100.0	1,175	100.0	8.0	4,897	100.0
INWARD REINSURANCE							
Non-Life business	23	87.6	23	86.8	1.2	41	88.8
Life business	3	12.4	4	13.2	-5.7	5	11.2
Total inward reinsurance	27	100.0	27	100.0	0.3	46	100.0
TOTAL PREMIUM INCOME	1,295		1,201		7.8	4,943	

Premiums ceded during the quarter totalled €70.8m (€66.4m as at 31/3/2001), a rate of retention of 94.5%. 33.1% of premiums refer to the Parent company and were underwritten almost exclusively in Italy.

Direct business premiums for Unipol Assicurazioni and subsidiaries, with relative variations compared with 31 March 2001, are as follows (in millions of €):

Direct premiums	Non-Life	var. % 2002/2001	Life	var. % 2002/2001	Total	var. % 2002/2001
Unipol Assicurazioni	276	8.3	125	17.8	401	11.1
Subsidiaries	262	0.9	605	9.2	867	6.6
TOTAL DIRECT PREMIUMS	538	4.6	730	10.6	1,268	8.0

The sales network and commercial activity

As at 31 March 2002 the sales network consisted of 1,126 agencies, 564 of which were **Unipol Assicurazioni** agencies and 562 **Meieaurora** agencies and the same number of sub-agencies.

In the bancassurance sector **Quadrifoglio Vita** sold its own products through the 287 outlets of the Banca Agricola Mantovana, **Noricum Vita** operated via the 185 outlets of the Cassa di Risparmio in Bologna and the 130 outlets of the Banca Popolare dell'Adriatico, whilst **BNL Vita** marketed its own products through the approximately 700 outlets of the BNL Group, together with more than 1,000 BNL Investimenti financial advisers.

As regards product development, the principal novelties in this quarter, as far as the **Parent Company** was concerned, were the renewal of the agreement for covering Professional T.P.L. with the Cassa di Previdenza di Ingegneri ed Architetti (mutual fund for engineers and architects) and, in collaboration with Unisalute, the renewal of their cover for Major Operations and Health Care. In addition the product catalogue was updated as a result of new legal obligations imposed on brokers and estate agents.

As for Life business, as from January 2002 the new recurring-premium 404E tariff was marketed, having been updated to bring it into line with the single European currency. In February new Unit-Linked products were also introduced, which are set up in such a way as to encourage policyholders to reinvest the capital from expired Life policies (tariffs 309/310/311).

As from 25 January the 1st series 2002 of tariff 339, 'Single-premium endowment insurance with terminal bonus', which has a duration of 6 years, has been available to the network of agencies. It is a guaranteed savings product which has been very popular with clients, thus bringing in a healthy income.

Finally an 'Exceptional performance condition' was added to the 'Uninvest GrandeVita' fund, which, under certain conditions, offers the possibility of recovering the first unpaid coupon on the expected maturity date of 1 July 2009.

BNL Vita has renewed the product portfolio reserved for banks, targeting the restructuring of existing tariffs and introducing new products corresponding to the latest market indicators. However the offer made at the beginning of 2002 concentrated on Unit-Linked products with a

guarantee of quotation on maturity and on traditional guaranteed-income products, expressly aimed at clients purchasing through banks. BNL Vita subsequently enhanced the offer for both types by introducing two new tariffs, one Unit-Linked with a guarantee of quotation and an annual coupon (named 'BNL Unit Doppio Vantaggio'), also made available to Bnl Investimenti's network of financial advisers, and the other consisting of a traditional type of product characterized by having an annual coupon flow ('BNL Conto Sicuro Cedola').

When the transition to the Euro took place there was also a general operation to restructure and simplify tariff pricing, and at the same time a new visual format was introduced to illustrate the entire range.

Finally, in these first three months of the year, some new products were launched, such as the straight annuity on one or two lives and the so-called FIP (Forma Individuale Pensionistica – Personal Pension Plan) which correspond to the requirements for supplementary pensions.

Quadrifoglio Vita issued numerous new products following the segmentation of clients set up by the BAM, including 'Quadrifoglio Arpa' and 'Quadrifoglio Welcome' (aimed at *private* clients, with a minimum payment of €500,000), 'Quadrifoglio Gran Cassa' and 'Quadrifoglio Crescendo' (aimed at *retail* clients) and 'Quadrifoglio Musical' (for companies).

During the period in question **Meieaurora** brought two new Life products onto the market:

- 'Doppio Segno Positivo' – a policy linked to a fixed-income zero coupon for the first six years and subsequently linked to a new segregated account operated by the company;
- 'Index-Linked 2002' (series I and II) for a period of 3 - 5 years, with a maximum yield of between 7% and the performance of a basket of share indices.

In the direct Motor insurance market **Linear** continued to record a substantial increase both in issuing quotes and in new policies, also selling via the Internet, which now represents 40% of new premium income.

Unisalute, which specializes in Health and Assistance, continued its campaign of promoting individual policies and marketing LTC (Long Term Care) policies via the Internet (www.unisalute.it) offering cover for non self-sufficiency.

Life business and pension funds

Premiums written in the quarter under review amounted to a total of €733.5m, an increase of 10.5% over 31 March 2001 (+27.6% for class I).

As regards the Parent Company, the first quarter of the financial year showed a favourable trend in premium income from direct business and total premium income of €128.4m (+17.1% compared with the position as at 31/3/2001).

There was particularly high growth in income from new annual-premium policies.

In the same period there was a drop in premium income from individual single-premium Unit-Linked policies (-19%), whilst guaranteed savings policies and those for which recurrent premiums are paid finished the quarter with an increase of 178% and 90.7% respectively.

There was a general increase in premium income from all Group policies but especially from capitalization and staff-leaving indemnity policies (+28.3%).

The total premium income of €551.9m of the three bancassurance companies showed an increase of 9.1% compared with the situation as at 31 March 2001, with Quadrifoglio Vita's performance being particularly outstanding.

Since the last quarter of 2001 industry pension fund business has moved very little. The factors that brought this situation about – uncertainty about financial markets and about the pensions

reform – are still with us.

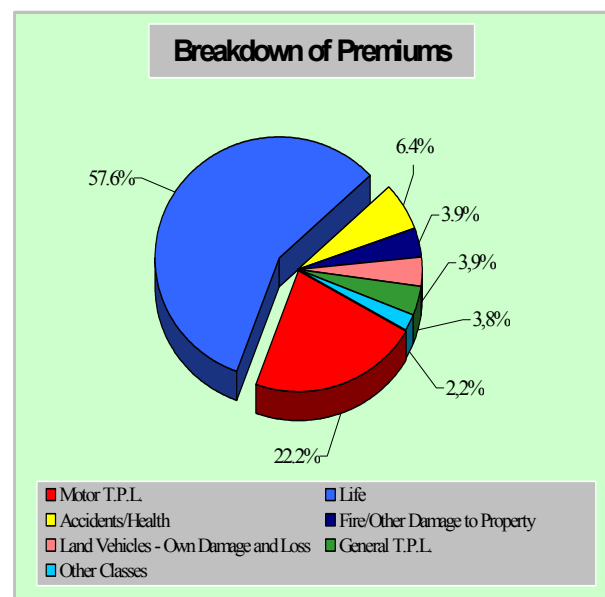
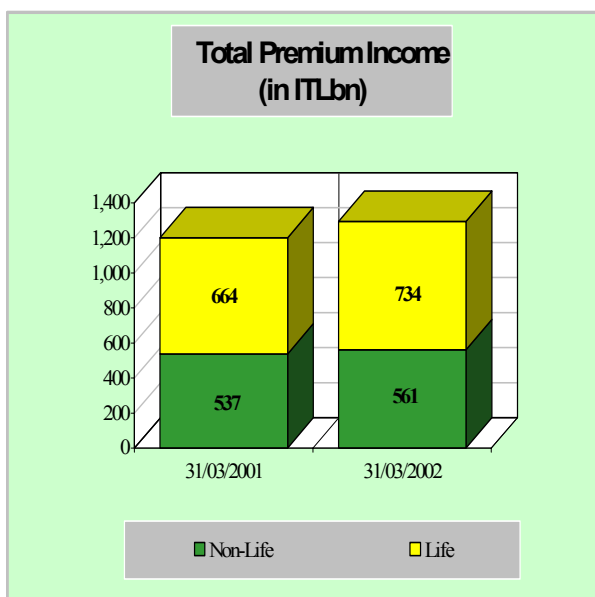
In this regard, as well as continuing to operate existing mandates, Unipol is actively seeking to begin operating mandates already acquired, whilst bids made during the third quarter of 2001 have not yet met with any success.

At the end of March the three open-end pension funds 'Unipol Futuro', 'Unipol Previdenza' and 'Unipol Insieme' had total capital and reserves of €28m and more than 6,000 members. To this must be added the pension fund for the employees of the Banca Agricola Mantovana, which stood at €7m.

Premium income for this quarter was particularly high (€9.1m compared with €9.3m for the whole of 2001) thanks to the steady supply of income from new members of company agreements, which also involved transferring resources from preexisting funds.

Premium income from *retail* business remained at a rather low level, in accordance with the general market trend. Direct operations for group and negotiated policies continue to take advantage of the opportunities offered by this particular segment of the market, not least owing to the competitive nature of the new 'Unipol Insieme' fund. In this respect mention should be made of the warm welcome given to the ethical line of investment.

Turning to benefits, as at 31 March 2002 payments for matured policies, surrenders and claims for all the companies in the Group for direct business reached a total of € 283.7m (+45.1% compared with 31/3/2001).



Non-Life business

Premium income during the first quarter amounted to €561.3m (+4.4% compared with the first quarter of 2001).

In particular, growth in premium income from direct business for the Parent Company of €276.3m was an increase of 8.3% compared with the same period last financial year.

Meieaurora collected premium income from direct business of €204.1m (-5.7%) and the three specialist companies (Linear, Unisalute and Navale) had premium income of €57.4m (+34.5%).

Growth in premium income benefited from the freedom to set the level of MV T.P.L. tariffs after the end of the freeze that had been in force during the first quarter of 2001. Also important was the greater loyalty of existing clients and an increase in the other guarantees linked to Motor insurance business.

In business other than MV there was strong growth both in classes linked to the person and in those covering personal possessions. Other categories also saw substantial growth in premium income, for example retailers and professionals, and there was also a good level of growth in insurance cover for the construction industry, as provided for by the Merloni law.

Underwriting policies adopted by the companies in the Group generally turned out to be excellent at safeguarding the technical result.

Technical performance in Non-Life business and reinsurance

Non-Life business produced a positive technical balance of €31.1m as at 31 March 2002 against €13.4m as at 31 March 2001.

The net loss ratio, including settlement costs, was 73.1% (75.5% as at 31/3/2001 and 78.3% at the end of 2001).

Claims paid for direct business, net of sums recovered, were €262.7m (-8.5% compared with 31/3/2001).

The trend in the level of claims reported continued to improve, particularly for Motor T.P.L., which showed a drop of 11%. By the end of the first quarter 202,820 direct claims had been received.

The ratio of operating expenses to premiums retained was 20.3% (21.3% as at 31/3/2001).

The combined ratio (ratio of claims and operating expenses to earned premiums) during the quarter was 93.4% (96.8% as at 31/3/2001).

Outward reinsurance schemes did not alter significantly compared with the financial year 2001. During the quarter proportional types of cover were not affected by particular losses. In the case of non-proportional Non-Life types of cover there was a major Motor T.P.L. loss to be borne by the reinsurers, whilst the remaining types of cover were not affected by particular losses.

TECHNICAL PROVISIONS

Net technical provisions, including those in Class D (where the investment risk is borne by the policyholder or arising out of pension funds management), were €14,315m at the end of March, an increase of €543m compared with the position as at 31 December 2001.

They are made up as follows (in millions of €):

	31.3.2002	31.3.2001	31.12.2001
Life business	11,031	9,118	10,569
Non-Life business	3,284	3,010	3,203
Total	14,315	12,128	13,772

It should be noted that, unlike the technical provisions in Class D, technical liabilities relating to contracts, the benefits of which are linked to segregated Life accounts, do not reflect the value adjustments made to the relevant assets, which are taken into account only if and when they are realized.

OPERATING EXPENSES

Net operating expenses as at 31 March 2002, which include acquisition and renewal commissions and other acquisition and administrative expenses, amounted to a total of €124m (€126.8m as at 31/3/2001, €504.3m at the end of 2001).

They constituted 10.3% of earned premiums (10.9% as at 31/12/2001 and 11.4% as at 31/3/2001). For Life business these figures stood at 3.5% and for Non-Life business 20.3% as at 31 March 2002.

As at 31 March 2002 the insurance companies in the Group had 2,724 employees, an increase of 27 compared with the situation as at 31 December 2001.

The number of people employed by Unipol Banca on the same date was 699, an increase of 34 compared with 31 December 2001.

During the quarter, training continued both for the sales force and for head office staff.

INVESTMENTS AND LIQUID ASSETS

As at 31 March 2002 the Group's investments and liquid assets, net of depreciation on property and net value adjustments on securities arising from trends in regulated markets, reached a total of €15,386m, an increase of €567m (+3.8%) compared with the situation as at 31 December

2001 and an increase of €2,381m compared with the situation as at 31 December 2001 (+18.3%).

Types of investment and variations compared with 31 December 2001 and with 31 March 2001 are shown in the following table.

INVESTMENTS AND LIQUID ASSETS								
<i>(Amounts in millions of €)</i>								
	31/3/02	comp. 31/3/01	comp.	var. 31/12/01	comp.	var.		
	(a)	%	(b)	%	(c)	%	(a/b)	(a/c)
Land and buildings	620	4.0	615	4.7	0.8	629	4.2	-1.5
Investments in Group undertakings and other participating interests								
-Stocks and shares	844	5.5	545	4.2	54.9	841	5.7	0.3
-Corporate financing	0	0.0	1	0.0	-100.0	0	0.0	0.0
Total	844	5.5	545	4.2	54.8	841	5.7	0.3
Other financial investments								
-Stocks and shares	303	2.0	471	3.6	-35.7	245	1.7	23.6
-Units and shares in investment funds	144	0.9	152	1.2	-5.2	143	1.0	0.7
-Bonds and other fixed-income securities	8,395	54.6	7,477	57.5	12.3	7,836	52.9	7.1
-Financing	68	0.4	53	0.4	26.8	67	0.4	1.6
-Deposits with credit institutions (1)	0	0.0	10	0.1	-100.0	0	0.0	0.0
-Sundry financial investments (2)	357	2.3	228	1.8	56.5	514	3.5	-30.5
Total	9,267	60.2	8,392	64.5	10.4	8,805	59.4	5.2
Deposits with ceding undertakings	25	0.2	25	0.2	2.9	27	0.2	-7.6
Investments for the benefit of policyholders who bear the risk thereof and arising out of pension fund management								
-Investment funds and market indices	4,273	27.8	2,809	21.6	52.1	3,946	26.6	8.3
-Pension funds	35	0.2	20	0.2	78.0	26	0.2	35.1
Total	4,309	28.0	2,829	21.8	52.3	3,973	26.8	8.5
Other assets								
-Bank and postal deposits, cash	321	2.1	589	4.5	-45.4	540	3.6	-40.5
-Own shares	0	0.0	10	0.1	-100.0	3	0.0	-100.0
Total	321	2.1	599	4.6	-46.4	543	3.7	-40.9
TOTAL INVESTMENTS AND LIQUID ASSETS	15,386	100.0	13,005	100.0	18.3	14,819	100.0	3.8

(1) Deposits subject to access restrictions over 15 days.

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

Land and buildings

As at 31 March 2002 the Group's property amounted to €620m, a net decrease of €9m (-1.5%) compared with 31 December 2001, which was almost entirely due to disposals of buildings by the Parent Company.

Investments in Group undertakings and other participating interests

Investments in shareholdings rose from €841m as at 31 December 2001 to €844m as at 31 March 2002, a net increase of €3m (+0.3%), as a result of operations carried out during the quarter by Unipol Assicurazioni.

In particular shares held in Interporto Bologna spa (at a price of €328,000), in Sofimer spa (at a price of €413,000) and in Commerfin scpa (at a price of €116,000) were sold.

Own shares and shares in the Parent Company

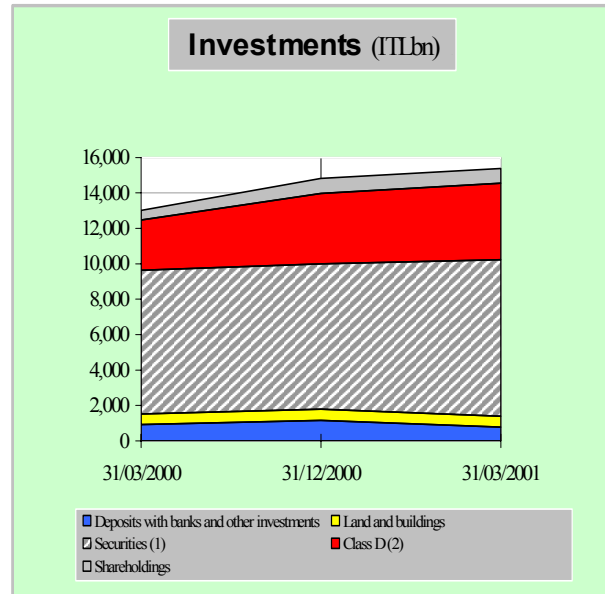
During the first quarter of 2002 all the ordinary shares in the Parent Company held on 31 December 2001 (974,000) were sold, making capital gains of €538,000. Therefore no shares in the Parent Company were held as at 31 March 2002.

As at the same date no shares were held in the Holding Company Finsoe spa nor in the indirect Holding Company Holmo spa.

Other financial investments

As at 31 March 2002 other financial investments, net of potential value adjustments (which involved fixed-income securities in particular), totalled €9,267m, an increase of €462m compared with 31 December 2001 (+5.2%), mainly owing to the increase in bonds.

Investments in bonds and other fixed-income securities amounted to €8,395m as at 31 March 2002 (+7.1% compared with 31/12/2001).



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

Investments for the benefit of policyholders who bear the risk thereof and arising out of pension fund management (Class D)

These investments totalled €4,309m, as against €3,973m as at 31 December 2001 (+8.5%), and reflect the growth during this period in Unit-Linked and Index-Linked Life products marketed by the Parent Company and by subsidiaries operating in Life businesses. These investments are valued at their current value, in strict correlation with the valuation of the relative liabilities (technical provisions).

Premium income for Pension Funds amounted to €35m, compared with €26m as at 31 December 2001 (+35.1%).

Other assets

At the end of the quarter the Group's deposits with banks amounted to €321m as against €540m as at 31 December 2001.

Debenture loans

Between 11 March and 12 April 2002 Unipol Assicurazioni redeemed (at the nominal value), in advance of the normal maturity date of 30 June 2005, the two senior debenture loans, Unipol 2.25% and Unipol 3.75%, issued in July 2000 as part of the operation to increase capital, for a total value of €210m.

As at 31 March 2002 there were in existence subordinated callable notes issued by the Parent Company at the end of May 2001 for €300m (nominal value).

The subordinated callable notes, which are listed

on the Luxembourg Stock Exchange, are due on 15 June 2021, but can be redeemed at the option of the issuer from 15 June 2011.

The total amount of interest for the quarter was €6.4m.

INVESTMENT INCOME

As at 31 March 2002 net investment income and capital gains for the period amounted to €116.6m (€124.8m as at 31/3/2001).

Valuation of investments relating to benefits linked to investment funds, market indices and pension

funds showed a drop in value to policyholders of €9.7m (-€81.4m as at 31/3/2001).

Net value adjustments on investments (including depreciation) brought down the result for the period by €51m (€65.4m as at 31/3/2001).

SHAREHOLDERS' EQUITY

As at 31 March 2002 capital and reserves pertaining to the Group, excluding the proportion of the net profit for 2001 to be distributed as a dividend and before allocation of the result for the period, were €1,229.6m, an increase of €155.7m as a result of the increase in the share capital of the Parent Company described below.

Capital and reserves pertaining to minority interests amounted to €149.1m, unchanged over the position as at 31 December 2001.

During the first quarter of 2002 subscription rights (which will cease on 20/6/2005) for new ordinary and preference shares continued to be exercised by holders of warrants attached to shares and bonds issued in July 2000.

Following these subscriptions (which took place right up until the date of the Board Meeting held on 27/3/2002), the capital increased by €155,695,446 over that as at 31 December 2001, and was made up of 45,803,644 ordinary shares and 6,476,233 preference shares.

The share capital therefore amounted to €503,553,353, consisting of 319,144,764 ordinary shares and 184,408,589 preference shares.

Up to the same date 129,523,148 ordinary share warrants and 198,167,957 preference share warrants had not been exercised.

On the basis of quotations at the end of March, stock exchange capitalization of Unipol Assicurazioni shares was €1,614m (€1,676m as at 29/4/2002).

BANKING AND SAVINGS MANAGEMENT

Unipol Banca

Unipol Banca's distribution network was further strengthened with the opening of 8 branches during the quarter which brought the number of bank outlets to 103 (95 at the end of 2001), 35 of which are also insurance agencies.

As at 31 March 2002 there were 59 finance shops and 387 financial advisers.

Business carried out in the first quarter of the financial year 2002 mainly involved implementing various commercial projects which will help to increase amounts of both premium income and investments for the bank during the financial year. The operation to securitize 'performing' mortgage loans, begun in the last quarter of 2001, was brought to a successful conclusion. Also completed were the purchase of the ex-Fidicoop side of the business relating to personal loans granted to employees and the purchase of Unipol Fondi Ltd (from Unipol Assicurazioni).

As regards capital, as at 31 March 2002 direct fund-raising reached €1,077m (€478m as at 31/3/2001) and funds administered exceeded €6,600m, €530m of which was from managed savings (+138% compared with the 1st quarter of 2001). These amounts were significantly increased by the 51 outlets acquired as from 1 July 2001 and enabled a brokerage margin of €19.3m to be reached at the end of the first quarter of 2002 compared with €7.2m for the 1st quarter of 2001 (+168%).

Unipol Fondi

During the quarter, units continued to be distributed for Unipol Funds through the sales network (bank outlets and financial advisers) of Unipol Banca.

As at 31 March 2002 assets under management amounted to €196m (€148m at the end of 2001).

SIGNIFICANT EVENTS AFTER 31 MARCH 2002 AND BUSINESS OUTLOOK FOR THE CURRENT FINANCIAL YEAR

The activities of Unipol Assicurazioni and of its subsidiaries continued as normal and in accordance with expectations.

On 11 April, following the successful completion of the Bell-Olivetti operation, Hopa spa, a company in which the Parent Company has a participating interest, distributed an extraordinary dividend. Unipol Assicurazioni's share amounted to €24.6m.

On 23 April Unipol Assicurazioni and Meieaurora purchased 10,000,000 shares in Bios spa, representing 9.73% of the share capital, for a total countervalue of €30m. In April this company, through its own subsidiary Bios 2 spa, made a successful take-over bid for and thus gained control of Snia spa (an industrial group operating mainly in the fields of medical technologies, textile

yarns and chemicals/power).

Finally on 26 April 2002, as part of the project to rationalize business within the Group, Meieaurora's Extraordinary General Meeting resolved to incorporate by merger the wholly-owned subsidiaries Meie Assistenza spa and Agricoltura sm.

The Group's earning potential, given the operating results achieved, is excellent. 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, 30 April 2002

The Board of Directors