



COMPAGNIA ASSICURATRICE UNIPOL S.p.A

(incorporated with limited liability under the laws of the Republic of Italy)

Euro 300,000,000
Fixed/Floating Rate Subordinated Callable Notes due 2021

The issue price of the euro 300,000,000 Fixed/Floating Rate Subordinated Callable Notes due 2021 (the “Notes”) of Compagnia Assicuratrice Unipol S.p.A (the “Issuer”) is 100.925 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 15th June, 2021. The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the Republic of Italy. The Notes may also be redeemed at the option of the Issuer, in whole but not in part, at their principal amount on 15th June, 2011 and each Floating Rate Interest Payment Date (as defined in “Terms and Conditions of the Notes—Interest”) thereafter. See “Terms and Conditions of the Notes—Redemption and Purchase”.

The Notes will bear interest from and including 15th June, 2001 up to but excluding 15th June, 2011 at the rate of 7.00 per cent. per annum payable annually in arrear on 15th June in each year commencing on 15th June, 2002 and accruing up to but excluding 15th June, 2011. From and including 15th June, 2011 up to but excluding 15th June, 2021, the Notes will bear interest at the rate of 2.50 per cent. per annum above the average of the EURIBOR rate for three-month euro deposits payable quarterly in arrear on each 15th September, 15th December, 15th March and 15th June commencing on 15th September, 2011. Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by the Republic of Italy to the extent described under “Terms and Conditions of the Notes—Taxation”.

Application has been made to list the Notes on the Luxembourg Stock Exchange.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined in “Subscription and Sale”) in accordance with Regulation S under the Securities Act (“Regulation S”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in the denominations of euro 1,000, euro 10,000 and euro 100,000. The Notes will initially be in the form of a temporary global note (the “Temporary Global Note”), without interest coupons, which will be deposited on or around 15th June, 2001 (the “Closing Date”) with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “Permanent Global Note”), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denominations of euro 1,000, euro 10,000 and euro 100,000 and with interest coupons attached. See “Summary of Provisions Relating to the Notes in Global Form”.

ABN AMRO
Finec Merchant S.p.A.

JPMorgan
Mediobanca S.p.A.

The Issuer has confirmed to the Managers (as defined under “Subscription and Sale”) that this Offering Circular contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Offering Circular on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing. The Issuer accepts responsibility for the information contained in this document.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Offering Circular or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Managers.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Offering Circular and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Offering Circular and other offering material relating to the Notes, see “Subscription and Sale”.

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered in the United States or to U.S. persons. In addition, the Issuer has not authorised any offer of Notes to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the “Regulations”). Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

In this Offering Circular, unless otherwise specified, references to “Lit.,” “ITL” or “lire” are to Italian lire; to “€”, “Euro” or “euro” are to the single currency introduced at the start of the third stage of European Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union. References to “billions” are to thousands of millions.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with this issue, ABN AMRO Bank N.V. may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (A) the audited consolidated and non-consolidated financial statements of the Issuer for the years ended 31st December, 1999 and 31st December, 2000; and
- (B) the unaudited consolidated quarterly report of the Issuer for the three months ended 31st March, 2001.

Copies of such financial statements will be obtainable free of charge at the offices of the Paying Agent in Luxembourg.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The euro 300,000,000 Fixed/Floating Rate Subordinated Callable Notes due 2021 (the “Notes”, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 12 (Further Issues) and forming a single series therewith) of Compagnia Assicuratrice Unipol S.p.A. (in such capacity, the “Issuer”) are the subject of a fiscal agency agreement dated 15th June, 2001 (as amended or supplemented from time to time, the “Agency Agreement”) between the Issuer, BNP Paribas Luxembourg as fiscal agent (the “Fiscal Agent”, which expression includes any successor fiscal agent appointed in connection with the Notes), BNP Paribas Luxembourg as agent bank (the “Agent Bank”, which expression includes any successor agent bank appointed in connection with the Notes) and the paying agents (if any) named therein (together with the Fiscal Agent, the “Paying Agents”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). In the event of the substitution of another company in place of the Issuer as principal debtor in respect of the Notes as provided by Condition 14 (Substitution) (a “Substitution”) the Notes shall be the subject of a subordinated guarantee (the “Subordinated Guarantee”) entered into by Compagnia Assicuratrice Unipol S.p.A. (in such capacity, the “Guarantor”), in which case the provisions of these Conditions relating to the Subordinated Guarantee and to the Guarantor shall apply. Certain provisions of these Conditions are summaries of the Subordinated Guarantee and the Agency Agreement and subject to their detailed provisions. The holders of the Notes (the “Noteholders”) and the holders of the related interest coupons (the “Couponholders” and the “Coupons”, respectively, which latter expression shall, unless the context otherwise requires, include the talons for further interest coupons (the “Talons”)) shall be bound by, and deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination and Title

The Notes are in bearer form in the denominations of euro 1,000, euro 10,000 and euro 100,000 with Coupons and one Talon attached at the time of issue. Notes of one denomination will not be exchangeable for Notes of another denomination. Title to the Notes will pass by delivery. The holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999.

2. Status

(A) Status of the Notes

The Notes constitute direct, general, unconditional and subordinated obligations of the Issuer which will, in the event of bankruptcy, dissolution, liquidation or winding up of the Issuer rank junior in right of payment to all unsubordinated, unsecured creditors (including policyholders) of the Issuer, *pari passu* among themselves and at least *pari passu* with all other present and future unsecured dated subordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application, and in priority to all present and future unsecured undated subordinated obligations of the Issuer and further in priority to the claims of shareholders of the Issuer.

(B) Subordinated Guarantee:

Pursuant to the Subordinated Guarantee (if issued), the Guarantor will unconditionally and irrevocably guarantee on a subordinated basis the right of Noteholders and Couponholders to the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The Subordinated Guarantee will, in the event bankruptcy, dissolution or liquidation or winding up of the Guarantor, rank junior in right of payment to unsubordinated, unsecured creditors (including policyholders) of the Guarantor but rank *pari passu* with all other present and future unsecured dated subordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application, and in priority to all present and future unsecured undated subordinated obligations of the Guarantor and further in priority to the claims of shareholders of the Guarantor.

3. Interest

(A) *Accrual of Interest*

Interest on the Notes will accrue from and including 15th June, 2001 (the “Issue Date”), payable in arrear on 15th June in each year commencing on 15th June, 2002, and will accrue up to but excluding 15th June, 2011 (each, a “Fixed Rate Interest Payment Date”), and thereafter on 15th September, 15th December, 15th March and 15th June in each year commencing on 15th September, 2011 accruing up to but excluding 15th June, 2021, (each, a “Floating Rate Interest Payment Date”) subject as provided in Condition 5 (Payments and Exchange of Talons). Each period beginning on (and including) the Issue Date or any Fixed Rate Interest Payment Date and ending on (but excluding) the next (or first) Fixed Rate Interest Payment Date is herein called a “Fixed Rate Interest Period”. Each period beginning on (and including) 15th June, 2011 or any Floating Rate Interest Payment Date and ending on (but excluding) the next (or first) Floating Rate Interest Payment Date is herein called a “Floating Rate Interest Period”.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at the rate applicable as at such due date for redemption (as well after as before judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(B) *Payment of Interest*

Interest which accrues during either a Fixed Rate Interest Period or, as the case may be, a Floating Rate Interest Period ending on (but excluding) a Compulsory Interest Payment Date (as defined below) will be payable on that Compulsory Interest Payment Date. Interest which accrues during a Fixed Rate Interest Period or, as the case may be, a Floating Rate Interest Period ending on (but excluding) an Optional Interest Payment Date (as defined below) will be payable on that Optional Interest Payment Date only if the Issuer so elects by not less than 10 nor more than 30 days’ notice to the Noteholders and the Couponholders in accordance with Condition 13 (Notices) (which notice will be irrevocable and will oblige the Issuer to pay that interest on that Optional Interest Payment Date) and will otherwise constitute “Arrears of Interest”. The Issuer shall not have any obligation to pay interest on any Optional Interest Payment Date if it does not elect to do so and any such failure to pay shall not constitute a default of the Issuer for any purpose. The Issuer may pay outstanding Arrears of Interest (in whole or in part) at any time on giving not less than 10 nor more than 30 days’ notice to the Noteholders and the Couponholders in accordance with Condition 13 (Notices) (which notice will be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in that notice). The Issuer will also be obliged to pay outstanding Arrears of Interest (in whole but not in part) on:

- (i) the next Compulsory Interest Payment Date;
- (ii) the Interest Payment Date following a five year period from the Optional Interest Payment Date upon which the Issuer has not paid in full interest accrued in respect of the Notes (including, for the avoidance of doubt, Arrears of Interest and any other unpaid interest amounts);
- (iii) the due date for redemption of the Notes; or
- (iv) the date on which an order is made for the bankruptcy, winding up, liquidation or dissolution of the Issuer.

Arrears of Interest will themselves bear interest at a rate which corresponds to the rate of interest from time to time applicable to the Notes in respect of a Fixed Rate Interest Period or, as the case may be, a Floating Rate Interest Period.

In this Condition 3(B):

“Compulsory Interest Payment Date” means either any Fixed Rate Interest Payment Date or, as the case may be, any Floating Rate Interest Payment Date which is not an Optional Interest Payment Date; “Optional Interest Payment Date” means either any Fixed Rate Interest Payment Date or, as the case may be, any Floating Rate Interest Payment Date in respect of which both of the following criteria are met: (a) no dividend was declared in respect of any class of shares of Compagnia Assicuratrice Unipol S.p.A. at the Annual General Meeting of Compagnia Assicuratrice Unipol S.p.A. immediately preceding

that Fixed Rate Interest Payment Date or, as the case may be, that Floating Rate Interest Payment Date and (b) no such dividend has been declared since that Annual General Meeting.

(C) *Interest Payment*

The rate at which interest accrues on the Notes will be:

- (i) from, and including, the Issue Date to, but excluding, 15th June, 2011, 7.00 per cent. per annum (the “Fixed Rate of Interest”); and
 - (ii) during each period beginning on, and including, 15th June, 2011 and ending on, but excluding, the next Floating Rate Interest Payment Date up to and including 15th June, 2021, the rate determined in accordance with Condition 3(D) below (the “Floating Rate of Interest”).
- (D) The Agent Bank will determine the rate for deposits in euro for a period equal to the relevant Floating Rate Interest Period which appears on the display page designated EURIBOR = on Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11.00 a.m. (Brussels time) on the second business day (as defined below) before the first day of the relevant Floating Rate Interest Period (the “Interest Determination Date”).

If such rate does not appear on that page, the Agent Bank will:

- (i) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market to provide a quotation of the rate at which deposits in euro are offered by it in the Euro-zone interbank market at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date to prime banks in the Euro-zone interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time; and
 - (ii) determine the arithmetic mean (rounded, if necessary, to the nearest hundred thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and if fewer than two such quotations are provided as requested, the Agent Bank will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in Europe, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date for loans in euro to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time. The Rate of Interest for such Floating Rate Interest Period shall be the sum of 2.50 per cent. per annum and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Agent Bank is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, the Floating Rate of Interest applicable to the Notes during such Floating Rate Interest Period will be the sum of the 2.50 per cent. per annum and the rate (or as the case may be) arithmetic mean last determined in relation to the Notes in respect of the preceding Floating Rate Interest Period.
- (E) The amount of interest payable in respect of each Note for any Fixed Rate Interest Period shall be calculated by applying the Fixed Rate of Interest to the principal amount of such Note and rounding the resulting figure to the nearest euro 0.01 (euro 0.005 being rounded upwards).
- (F) Where an amount of interest is required to be calculated applying a Fixed Interest Rate for a period of less than a full year, it shall be calculated on the basis of the actual number of days in the period from and including the most recent Fixed Rate Interest Payment Date (or, if none, the Issue Date) to but excluding the relevant payment date divided by the actual number of days in the period from and including the most recent Fixed Rate Interest Payment Date (or, if none, the Issue Date) to but excluding the next (or first) scheduled Fixed Rate Interest Payment Date and rounding the resulting figure to the nearest euro 0.01 (euro 0.005 being rounded upwards).
- (G) Where an amount of interest is required to be calculated applying a Floating Rate of Interest it shall be calculated by applying the applicable Floating Rate of Interest to the principal amount of such Note, multiplying the product by the actual number of days in the Floating Rate Interest Period (or any part thereof, in the case of a broken period) divided by 360 and rounding the resulting figure to the nearest euro 0.01 (euro 0.005 being rounded upwards).
- (H) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 by the Agent Bank will (in the

absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders, the Couponholders and, following a Substitution, the Guarantor.

- (I) The Agent Bank will cause each Floating Rate of Interest, each Floating Rate Interest Period, each amount of interest payable in respect of each Note for any Floating Rate Interest Period, each Optional Interest Payment Date and, in respect of each Optional Interest Payment Date, confirmation as to whether the Issuer has elected to pay interest pursuant to Condition 3(B), to be notified to the Issuer, the Paying Agents, Euroclear Bank S.A./N.V. as operator of the Euroclear system, Clearstream Banking, société anonyme, Luxembourg, and to each stock exchange (if any) on which the Notes are then listed as soon as practicable after such determination.

4. Redemption and Purchase

(A) *Scheduled redemption*

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 15th June, 2021, subject as provided in Condition 5 (Payments and exchange of Talons).

(B) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (or, in the case of a Floating Rate Interest Period, on any Floating Rate Interest Payment Date) after 18 months from the Issue Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (Taxation) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 6 (Taxation)) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 15th June, 2001 or (ii) following a Substitution, the Guarantor has or (if a demand was made under the Subordinated Guarantee) would become obliged to pay additional amounts as provided or referred to in the Subordinated Guarantee as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 15th June, 2001; provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Subordinated Guarantee were then made. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 4(B), the Issuer shall be bound to redeem the Notes in accordance with this Condition 4(B).

(C) *Redemption at the option of the Issuer*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on 15th June, 2011 and each Floating Rate Interest Payment Date thereafter (each a "Call Settlement Date") at a price equal to 100 per cent. of their principal amount on the Issuer's giving not less than 15 nor more than 70 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the relevant Call Settlement Date at such price).

(D) *Purchase*

The Issuer and, following a Substitution, the Issuer or the Guarantor may purchase Notes in the open market or otherwise and at any price.

(E) *Cancellation*

All Notes so redeemed by the Issuer and any unmatured Coupons attached to or surrendered with them may not be reissued or resold. All Notes so purchased by the Issuer or the Guarantor and any unmatured Coupons or unexchanged Talons attached to or surrendered with them may be held or resold or surrendered for cancellation.

(F) *Authorisations*

Any redemption or purchase provided for by paragraphs (B), (C) and (D) above shall be subject to any prior authorisation which may be required by any applicable law then in force, including authorisation from any authority supervising the business of the Issuer or, following a Substitution, the Guarantor. If the laws of the country of incorporation of the Issuer or, following a Substitution, the Guarantor provide that subordinated debt securities may be taken into account for the calculation of any relevant solvency margin, solvency requirement or adjusted solvency only if the terms and conditions of the relevant subordinated debt securities include a provision to the effect that authorisation from a supervisory authority must be obtained prior to the early redemption or purchase of the relevant debt securities, such authorisation shall be a condition precedent to the redemption or repurchase of the Notes.

In this Condition 4(F):

“authorisations” means any consent, authorisation, approval, leave or permit; and

“law” includes any law, act of Parliament, regulation, ruling, circular, letter or any official application or interpretation of the above, including a holding of a court of competent jurisdiction.

(G) *No other redemption*

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in this Condition 4.

5. Payments and Exchange of Talons

(A) *Principal*

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn on a euro account, or by transfer to, an account to which euro may be credited or transferred.

(B) *Interest*

Payments of interest shall, subject to paragraph (F) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (A) above.

(C) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 6 (Taxation). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payment.

(D) *Deduction for unmatured Fixed Rate Coupons*

If a Note is presented without all unmatured fixed rate Coupons (“Fixed Rate Coupons”) relating thereto, a sum equal to the aggregate amount of the missing Fixed Rate Coupons will be deducted from the amount of principal due for payment. Each sum of principal so deducted shall be paid in the manner provided in paragraph (A) above against presentation and (provided that payment is made in full) surrender of the relevant missing Fixed Rate Coupons.

(E) *Unmatured Floating Rate Coupons void*

On the due date for redemption of any Note all unmatured floating rate Coupons (which expression, for the avoidance of doubt, shall include any such Coupons falling to be issued on exchange of matured Talons) (“Floating Rate Coupons”) relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(F) *Payments on business days*

If the due date for payment of any amount in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day and shall not be entitled to any further interest or other payment in respect of any such delay. In this Condition 5(F), “business day” means a day on which banks are open for business (i) in the place of presentation and (ii) a day on which the Trans-European Automated Real Time Gross Settlement Transfer (TARGET) system is open.

(G) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.

(H) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(I) *Exchange of Talons*

On and after each Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the Specified Office of any Paying Agent in exchange for a further Coupon sheet (including appropriate further Talon), subject to the provisions of Condition 8 (Prescription). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

6. Taxation

All payments of principal and interest in respect of the Notes and the Coupons (including payments by the Guarantor under the Subordinated Guarantee, if issued) shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable:

- (A) in respect of any Note or Coupon (including payments by the Guarantor under the Subordinated Guarantee (if issued)) presented for payment:
- (i) by or on behalf of a Noteholder or Couponholder who is liable to such taxes or duties by reason of his having some connection with the Relevant Jurisdiction, other than the mere holding of the Note or Coupon; or
 - (ii) by or on behalf of a Noteholder or Couponholder who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption; or
 - (iii) in circumstances where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to confirm to, such Directive; or
 - (iv) where presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
 - (v) more than 30 days after the Relevant Date except to the extent that a Noteholder or Couponholder would have been entitled to such additional amount on presenting such Note or Coupon for payment on the last day of such period of 30 days on the assumption that it was a day on which payment would fall to be made on such presentation; or

- (B) in relation to any payment or deduction of any interest, principal or other proceeds of any Note or Coupon on account of “*imposta sostitutiva*”—at the date of the issue of the Notes at 12.5 per cent. or such higher rate as may replace it—pursuant to Italian Legislative Decree No. 239 of 1st April, 1996, as amended or supplemented and as may be subsequently amended or supplemented.

In these Conditions:

“Relevant Date” means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders; and “Relevant Jurisdiction” means, in relation to the Issuer or the Guarantor, its country of incorporation and any other taxing jurisdiction to which it may become subject.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 6.

7. Events of Default

Bankruptcy etc:

If any of the following events occurs:

- (i) any of the applicable bankruptcy proceedings (procedure concorsuali) provided by Royal Decree No. 267 of 16th March, 1942 are commenced against the Issuer or, following a Substitution, the Guarantor and are not dismissed or stayed within 30 days, or the Issuer or, following a Substitution, the Guarantor institutes such proceedings; or
- (ii) the Issuer or, following a Substitution, the Guarantor enters into liquidation (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (iii) any event occurs which under the laws of any other applicable jurisdiction has an analogous effect to any of the events referred to in (i) or (ii) above,

then, subject as stated below, any Note may, by written notice addressed by the holder thereof to the Issuer and, following a Substitution, the Guarantor and delivered to the Issuer and (if applicable) the Guarantor or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality. Notwithstanding the above, no notice declaring any Note due and payable shall become effective until the Fiscal Agent has received such written notices from Noteholders of not less than 5 per cent. in aggregate outstanding principal amount.

8. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons (which, for this purpose, shall not include Talons) are presented for payment within five years of the appropriate Relevant Date. There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon, which would be void upon issue pursuant to the provisions of this Condition or Condition 5 (Payments and Exchange of Talons).

9. Replacement of Notes and Coupons and Talons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

10. Paying Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and, following a Substitution, the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders. The initial Paying Agents and their initial Specified Offices are listed below. The Issuer and, following a Substitution, the Guarantor reserve the right at any time to vary or terminate the

appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; provided, however, that:

- (i) the Issuer shall at all times maintain a fiscal agent;
- (ii) the Issuer shall at all times maintain a paying agent in Luxembourg; and
- (iii) If the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 are implemented, the Issuer will ensure that it maintains a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing such conclusions.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

11. Meetings of Noteholders; Rappresentante Comune

(A) Meetings of Noteholders

The Agency Agreement contains provisions which are in accordance with the rules of the Italian Civil Code for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or any provision of the Agency Agreement directly applicable to the Notes. Any such meeting will be in compliance with the provisions of Italian law in force from time to time.

(B) Rappresentante Comune

In accordance with Italian Civil Code, a representative of Noteholders (*rappresentante comune degli obbligazionisti*) (a “Representative of Noteholders”) may be appointed in order to represent the Noteholders’ interest in relation to the Notes and to carry out matters approved by a resolution of Noteholders.

12. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

13. Notices

Notices to the Noteholders shall be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

14. Substitution

- (A) Any duly incorporated subsidiary of the Issuer in good standing under the laws of its jurisdiction may, without the consent of the Noteholders, assume liability as the principal debtor in respect of the Notes (the “Substituted Debtor”), provided that:
 - (i) a deed poll and such other documents (if any) shall be executed by the Substituted Debtor and the other parties to the Agency Agreement and the Deed of Covenant, as may be necessary to give full effect to the substitution (the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and each Accountholder (as defined in the Deed of Covenant) to be bound by these Conditions, the Deed of Covenant and the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, the Deed of Covenant and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer. In addition, the Guarantor shall guarantee in favour of each Noteholder and each Accountholder the payment of all sums payable by the Substituted Debtor as such principal debtor pursuant to the Subordinated Guarantee which will be governed by the laws of the Republic of Italy and be substantially in the form appearing as an exhibit to the Agency Agreement;
 - (ii) the Documents shall contain a warranty and representation by the Substituted Debtor (a) that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and

- consents for such substitution, (b) that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substituted Debtor of its obligations under the Documents and that all such approvals and consents are in full force and effect and (c) that the obligations assumed by the Substituted Debtor are legal, valid and binding in accordance with their respective terms and enforceable by each Noteholder and each Accountholder (subject to all applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general equitable principles);
- (iii) a legal opinion shall have been delivered to the Fiscal Agent (from whom copies will be available to Noteholders (and if applicable Accountholders)) (a) from lawyers of recognised standing as to matters of law of the jurisdiction of the place of incorporation of the Substituted Debtor confirming that upon the substitution taking place (1) the requirements of this Condition 14, save as to the giving of notice to the Noteholders, have been met, (2) the Notes, the Deed of Covenant and the Agency Agreement are legal, valid, binding and enforceable obligations of the Substituted Debtor (subject to all applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general equitable principles), (3) the Substituted Debtor is validly incorporated and in good standing under the laws of its jurisdiction, and (4) that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents for the substitution and for the entry into and performance of the Documents and (b) from the legal counsel to the Issuer confirming that upon the substitution taking place, (1) the Subordinated Guarantee and the Documents are legal, valid, binding and enforceable obligations of the Issuer and (2) the Guarantor has the power to enter into and perform the obligations to be assumed by the Guarantor in the Documents and the Subordinated Guarantee;
 - (iv) Standard & Poor's Rating Services, a division of McGraw-Hill Companies, Inc. ("Standard & Poor's") or Moody's Investors Service Limited or its or their successors shall have confirmed to the Issuer, the Guarantor and the Fiscal Agent that after giving effect to such Substitution, the Notes shall continue to be rated the same as immediately prior to the Substitution;
 - (v) the Issuer and the Guarantor shall have taken such steps as are necessary to ensure that, after giving effect to such Substitution, the Notes shall continue to be listed on the Luxembourg Stock Exchange; and
 - (vi) a certificate of solvency of the Substituted Debtor, signed by two directors of the Substituted Debtor shall have been delivered to the Fiscal Agent.
- (B) Upon the execution of the Documents and the delivery of the legal opinions as referred to in paragraph (A) above the Substituted Debtor shall be deemed to be named in the Notes, the Deed of Covenant and the Agency Agreement as the principal debtor in place of the Issuer and the Notes, the Deed of Covenant and the Agency Agreement shall thereupon be construed so as to give effect to the Substitution.
 - (C) Counterparts of each of the Documents and the Subordinated Guarantee shall be deposited with and held by the Fiscal Agent for so long as any of the Notes remains outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Accountholder in relation to the Notes, the Documents or the Subordinated Guarantee shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents and the Subordinated Guarantee the right of every Noteholder and Accountholder to the production of the Documents and the Subordinated Guarantee for the enforcement of any of the Notes, Documents or Subordinated Guarantee.
 - (D) Not later than 20 days after the execution of the Documents, the Substituted Debtor together with the Issuer shall give notice thereof to the Noteholders in accordance with Condition 13 (Notices).

15. Governing Law and Jurisdiction

(A) *Governing law*

The Notes and the Agency Agreement are governed by, and shall be construed in accordance with, English law, except that Condition 2 (Status) is governed by the laws of the Republic of Italy; Condition 11 (Meetings of Noteholders; Rappresentante Comune) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Representative of the Noteholders are

subject to compliance with the laws of the Republic of Italy ; and the Notes and the Agency Agreement are subject to the application of mandatory provisions of the laws of other applicable jurisdictions.

(B) *Jurisdiction*

The Issuer agrees for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, “Proceedings” and “Disputes”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(C) *Appropriate forum*

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

(D) *Process agent*

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Clifford Chance Secretaries Limited at 200 Aldersgate Street, London EC1A 4JJ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Manager addressed and delivered to the Issuer appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Manager shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of any Manager to serve process in any other manner permitted by law.

(E) *Non-exclusivity*

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

There will appear at the foot of the Conditions endorsed on each Note in definitive form the names and Specified Offices of the Paying Agents as set out at the end of this Offering Circular.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Closing Date with a common depository for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“Definitive Notes”) in the denominations of euro 1,000, euro 10,000 and euro 100,000 each at the request of the bearer of the Permanent Global Note if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 7 (*Events of Default*) occurs.

The Permanent Global Note will also become exchangeable, in whole but not in part only and at the option of the Issuer, for Definitive Notes if, by reason of any change in the laws of the country of incorporation of the Issuer, the Issuer is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes or (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment, then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under a deed of covenant dated 15th June, 2001 (the “Deed of Covenant”) executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments. All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

Notices. Notwithstanding Condition 13 (Notices), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common depository for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream,

Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 13 (Notices) on the date of delivery to Euroclear and Clearstream, Luxembourg; provided, however, that, so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, notices will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount to euro 296,775,000 after deduction of the combined management and underwriting commission and the selling concession will be used by the Issuer for general corporate purposes.

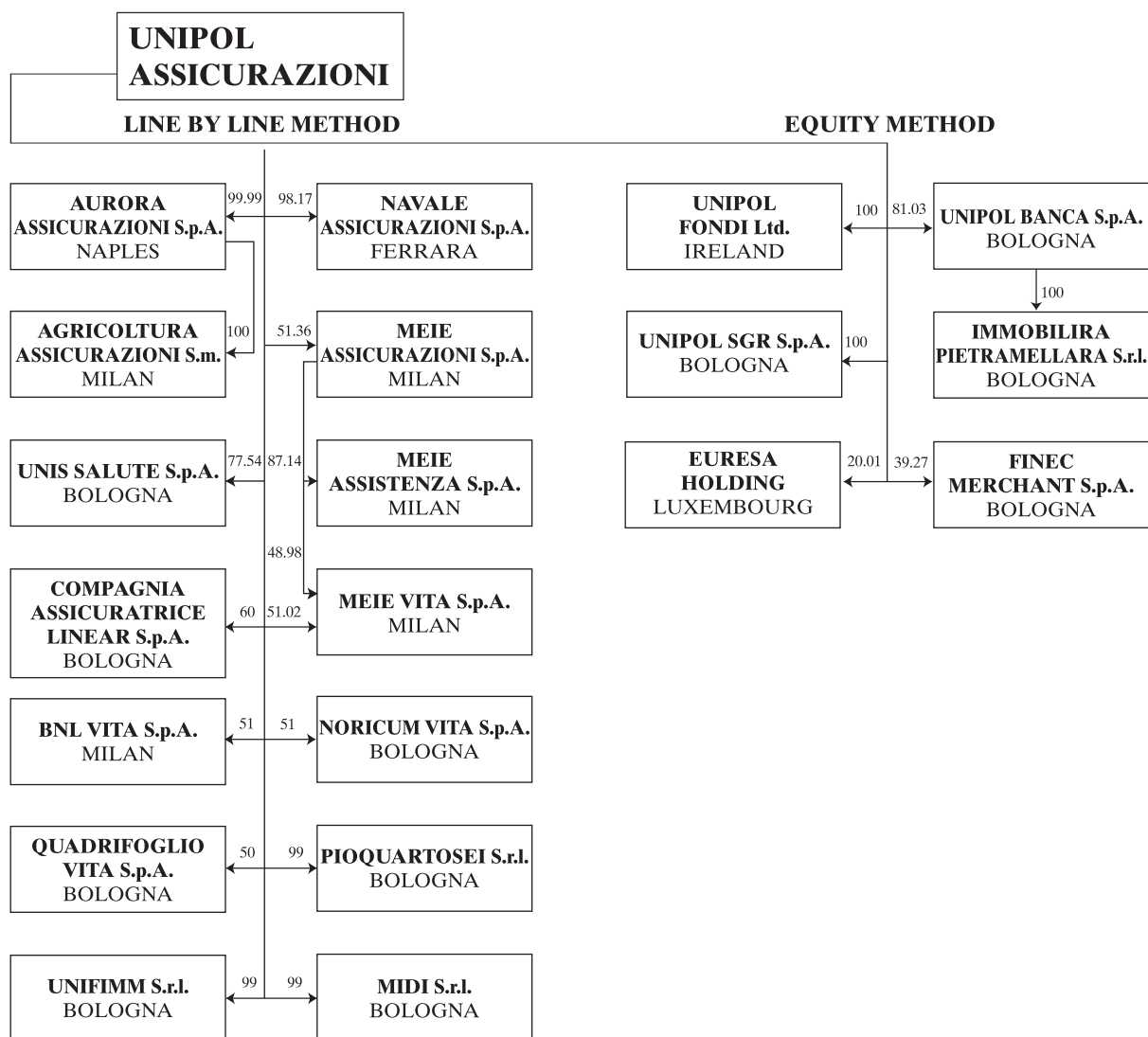
DESCRIPTION OF THE ISSUER

Introduction

Established in 1963, Compagnia Assicuratrice Unipol S.p.A. (“Unipol” or the “Issuer”) together with its consolidated subsidiaries (hereinafter referred to as the “Unipol Group” or the “Group”) was the third largest insurance group in Italy at the end of 2000¹ (including the premiums collected by BNL Vita (defined below) which was acquired at the end of 2000).

As at 31st December, 2000, the Unipol Group consisted of twelve insurance companies; Unipol Banca S.p.A. (“Unipol Banca”), Unipol SGR S.p.A. (a savings management company); Unipol Fondi Ltd. (an investment funds management company) in the banking sector; three real estate companies and five service companies.

The following chart sets out the principal consolidated subsidiaries within the Unipol Group as at 31st December, 2000 as well as the relevant basis of consolidation².



(1) In terms of total premiums collected in the domestic market.

(2) In addition to the companies set out in the chart, the Unipol Group includes a number of other non-strategic companies which are linked to the insurance and the real estate businesses and, in some cases, also act as insurance agents of Unipol. These companies and the percentage ownership by companies in the Unipol Group are: Uniservice (Bologna) (99 per cent.); Lavoro e Previdenza Service (Bologna) (55.10 per cent.); Hotel Villaggio Citta' del Mare (Terrasini (Pa)) (49 per cent.); Promoass (Milano) (100 per cent.); Meie Servizi (Milano) (100 per cent.); Consorzio Zis Fiera 2 (Bologna) (49.58 per cent.); A.P.A. (Parma) (49 per cent.); Assicoop Ravenna (Ravenna) (49 per cent.); Assicoop Sicura (Bologna) (40 per cent.); Unieuropa (Bologna) (98 per cent.); Assicoop Imola (Imola (BO)) (47.34 per cent.); Assicoop Siena (Siena) (49 per cent.); Assicoop Ferrara (Ferrara) (46.73 per cent.); AR. CO. Assicurazioni (Modena) (40 per cent.); Assicoop Modena (Modena) (47 per cent.); and Assicura (Reggio Emilia) (35 per cent.).

The Group operates in several areas of the insurance market: in the life and non-life sectors through Unipol, Aurora Assicurazioni S.p.A. (“Aurora”), Meie Assicurazioni S.p.A. (“Meie”) and Meie Vita S.p.A. (“Meie Vita”); in the bancassurance sector through Noricum Vita S.p.A. (“Noricum Vita”), Quadrifoglio Vita S.p.A. (“Quadrifoglio Vita”) and BNL Vita Compagnia di Assicurazione e Riassicurazione S.p.A. (“BNL Vita”); in the motor insurance sector through Compagnia Assicuratrice Linear S.p.A. (“Linear”) (by telephone and Internet); in the healthcare sector through Unisalute S.p.A. (“Unisalute”); and in the marine and tourism sector through Navale Assicurazioni S.p.A. (“Navale”). In the banking and managed savings sectors the Group carries out its business through Unipol Banca and its bank outlets, sales points and financial advisors and also through the Group’s agency network (*See also sales network*).

The Issuer is not only the main insurance company within the Group, but also the Group’s holding company.

The Issuer maintains its head office at Via Stalingrado 45, Bologna, Italy, and is registered in the Company Register of Bologna, Italy, with number 14602/BO as a joint stock company (*Società per Azioni*) constituted under Italian laws.

Selected financial information relating to the Group and to Unipol as at 31st December, 2000

The Group

The total premiums collected by the Group as at 31st December, 2000, gross of the allotment of reinsurance premiums, amounted to ITL 6,265 billion, representing an increase of 74.8 per cent. over the corresponding period in 1999.

This increase is partly due to the acquisition of Meie, Meie Vita, Aurora and Navale during 2000 (the “2000 Acquisitions”). Not including the additional premiums resulting from the 2000 Acquisitions, the increase of total premiums collected as at 31st December, 2000 compared to the corresponding period in 1999 was 13.7 per cent.

Furthermore, if the premiums collected by BNL Vita S.p.A. (a company acquired at the end of the year 2000 but not consolidated in terms of profit and loss account) are included, the total premiums collected by the Unipol Group as at 31st December, 2000 amount to ITL 8,309 billion.

The gross technical reserves of the Group (including those used to hedge credit linked securities and pension funds) as at 31st December, 2000 amounted to ITL 24,207 billion, taking into account the 2000 Acquisitions. If the amounts relating to the 2000 Acquisitions are excluded, the gross technical reserves as at 31st December, 2000 amounted to ITL 11,018 billion (an increase of 17 per cent. over the corresponding figure as at 31st December, 1999).

In the non-life sector, the average loss ratio as at 31st December, 2000, including liquidation costs and net of reinsurance costs, was equal to 83.2 per cent. of the overall insurance premiums, or 80 per cent. excluding the 2000 Acquisitions (83.3 per cent. in the corresponding period of 1999).

In the year ended 31st December, 2000, the operating costs of the Group, which include acquisition commissions and other administrative expenses, net of the commissions received from reinsurance activity, were equal to ITL 840 billion. Such operating costs represent 14.5 per cent. of overall insurance premiums, or 12.8 per cent. excluding the 2000 Acquisitions (13.4 per cent. in 1999).

The result of ordinary activity of the Group as at 31st December, 2000 was ITL 101 billion, or ITL 138 billion excluding the 2000 Acquisitions (ITL 82 billion as at 31st December, 1999).

In the year ended 31st December, 2000, net consolidated profits were, including the 2000 Acquisitions, ITL 83.9 billion (ITL 73.4 billion in the corresponding period 1999).

Compagnia Assicuratrice Unipol S.p.A.

During the year ended 31st December, 2000, Unipol collected ITL 3,054 billion in premiums, representing an increase of 10.9 per cent. over the corresponding period in 1999. Direct premiums reached ITL 2,870 billion, of which ITL 2,003 billion came from the non-life sector and ITL 867 billion from the life sector. The growth rate was 9.7 per cent. for total direct premiums (4.3 per cent. increase in the non-life sector and 24.7 per cent. increase in the life sector) with respect to the corresponding period in 1999.

In the year ended 31st December, 2000, the technical results arising from the non-life sector of Unipol were ITL 29.3 billion compared to ITL 8.5 billion at the end of 1999. The loss ratio in direct business was equal to 78.6 per cent. as opposed to the 81.3 per cent. in the year ended 31st December,

1999. The combined ratio in direct business decreased to 99.3 per cent. as opposed to 102.1 per cent. in the year ended 31st December, 1999.

The percentage of the operating expenses relative to the premiums collected decreased to 17.7 per cent. as compared to 18.3 per cent. in the corresponding period in 1999.

Total investments of Unipol as at 31st December, 2000 were ITL 10,208 billion, representing an increase of 24.5 per cent. over the corresponding figure for 31st December, 1999. Much of this increase is related to the 2000 Acquisitions.

During the year ended 31st December, 2000, the net income of Unipol increased to ITL 548 billion, indicating growth of 29.5 per cent., before adjustments, over the corresponding period in 1999. Part of this increase was due to capital gains (shareholdings and trading).

The ordinary and extraordinary results increased to, respectively, ITL 119 billion (an increase of 49.5 per cent. over the 31st December, 1999 figure) and ITL 83 billion (an increase of 63.6 per cent. over the 31st December, 1999 figure).

For the year ended 31st December, 2000, the net profit of Unipol was ITL 115.4 billion (ITL 76 billion for the corresponding period in 1999), representing an increase of 51.8 per cent.

Capital and reserves, liabilities and other information

The following table shows the capitalisation and indebtedness of the Unipol Group and is derived from the consolidated financial statements. The table is stated as at 31st December, 2000 and has been adjusted to reflect the issuance of the Notes.

	<i>As at 31/12/ 2000</i>	<i>Adjusted</i>
	<i>in ITL billions</i>	<i>in ITL billions</i>
Liabilities:		
Gross technical reserves ⁽¹⁾	24,207	24,207
Other liabilities and debts ⁽¹⁾⁽²⁾	1,508	1,508
Debenture loans	408	408
Subordinated liabilities	0	581
Total Liabilities⁽¹⁾	26,123	26,704
Capital and reserves:		
Share capital ⁽³⁾	451	451
Reserves	1,592	1,592
Profit from the financial year	84	84
Capital & Reserves and minorities profits ⁽¹⁾	362	362
Total Capital and Reserves	2,489	2,489
Total Liabilities and Capital & Reserves⁽¹⁾	28,612	29,193

The following table shows certain financial information derived from the Unipol Group's consolidated financial statements.

	<i>As at 31/12/ 2000</i>	<i>As at 31/12/ 1999</i>
	<i>in ITL billions</i>	
Gross premiums	6,265	3,585
Net operating expenses	840	449
Investments and liquidity ⁽¹⁾	24,152	9,949
Net income from investments	846	503
Gross technical reserves ⁽¹⁾	24,207	9,413
Gross technical reserves/gross premiums (non life)	164.3%	146.4%
Non-life loss ratio	83.2%	83.3%
Group capital & reserves (excluding profit)	2,043	1,199
Net profit	84	73
Return on Equity (ROE)	5.1%	6.3%

⁽¹⁾ Includes values related to BNL Vita (acquired at the end of 2000) of which as of 31st December, 2000 only the balance sheet had been consolidated.

(2) of the total amount of other liabilities and debts, short term debt amounted to ITL 1,487 billion and long term debt amounted ITL 21 billion.

(3) as at 30th April, 2001, 358,603,368 ordinary warrants and 230,750,477 preference warrants were outstanding for 71,720,673 ordinary shares and 46,150,095 preference shares respectively.

Save as otherwise set out in this Offering Circular, there has been no material change in the total capitalisation of the Unipol Group since 31st December, 2000.

Strategy

During the year 2000, Unipol developed its strategy focused on a growth in its structure (also through its new acquisitions) both in the insurance sector and banking and managed savings sectors, which have significantly modified the structure of the Group.

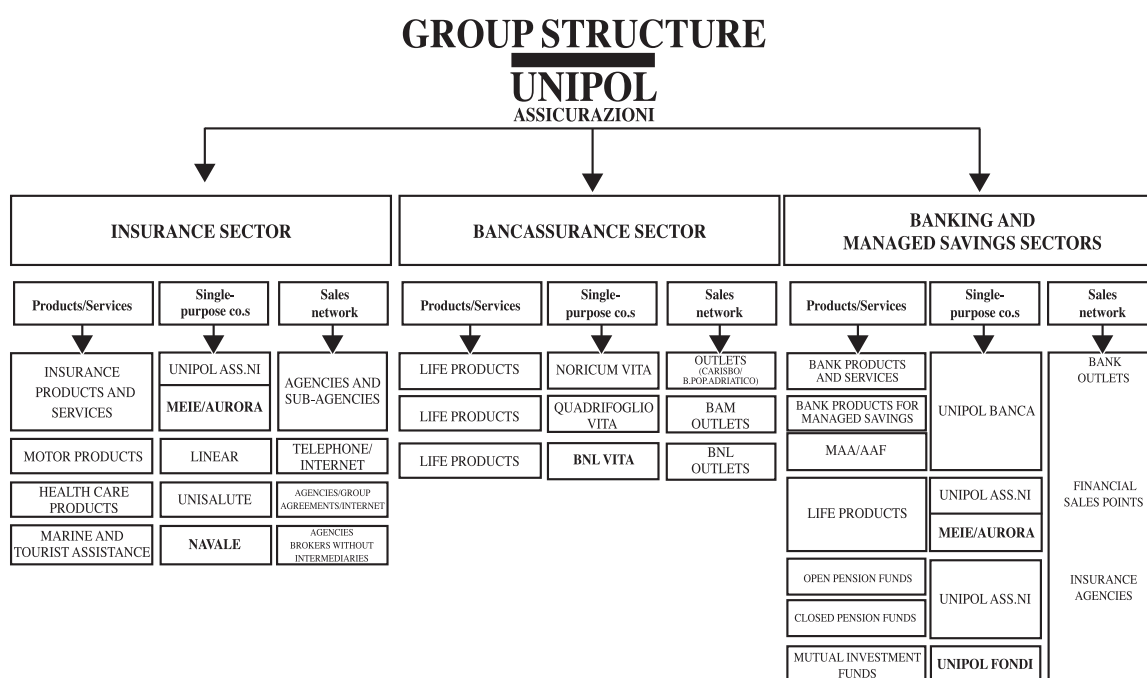
During the year 2000, Unipol acquired controlling interests in Meie, Meie Vita, Aurora, Navale (the “2000 Acquisitions”) and, on 28th December, 2000, BNL Vita. In the banking sector, the Group acquired 51 branches of Banca Intesa (such acquisitions were finalised at the beginning of 2001), which, together with the Group’s current industrial plan, will allow the distribution network of Unipol Banca to increase threefold (from 36 branches at 31st December, 2000 to 95-100 branches estimated by 31st December, 2001) by the end of 2001.

The acquisitions within the insurance sector made in 2000, for which the total costs amounted to ITL 1,573 billion and the investments for the growth of Unipol Banca were approximately ITL 400 billion, were financed by the increase in the share capital of Unipol and through the use of available financial resources.

The current business activities of the Group can be divided into the following sectors:

- Insurance Sector, which may be divided into (i) traditional companies in all sectors of life and non-life insurance operating through a network of individually owned agencies (Unipol, Meie and Aurora which are planned to be merged by the end of year 2001) and (ii) specialised companies such as Linear operating through telephone and internet media (motor vehicle insurance policies), Unisalute (sale of healthcare and assistance insurance products operating mainly through managed group agreements) and Navale (specialised in the marine and tourism sectors, selling mainly through brokers);
- Bancassurance Sector, where Noricum Vita operates (through Cassa di Risparmio di Bologna S.p.A. and Banca Popolare dell’Adriatico S.p.A. outlets); Quadrifoglio Vita (through Banca Agricola Mantovana S.p.A. outlets) and BNL Vita (through a network of BNL bank outlets and financial advisors);
- Banking and Managed Savings Sectors, where Unipol Banca S.p.A. operates through its own outlets, financial sales points, financial advisors and the Group’s agencies.

The following chart shows the current structure of the Group’s business activities.



The Group's strategic objectives can be summarised as follows:

- development and consolidation of the Group in the insurance sector;
- expansion in the banking and managed savings sectors, through the implementation of Unipol Banca S.p.A.'s industrial plan approved by the Bank of Italy;
- extension of the banking and managed savings product portfolio available to the clients of the Group's agencies;
- development of a multi-channel strategy (insurance agencies and bank branches, financial advisor networks, telephone and computer channels), in an integrated and coordinated distribution model; and
- implementation of significant group synergies in relation to markets, clients, products and technology used.

In particular, management believes that the bank assurance strategy will also be implemented by means of acquisitions of shareholding interests in other banks or banking groups.

As a result of the new acquisitions, the Unipol Group will have approximately 4 million clients, a distribution network of 2,500 sales points, about 100 bank outlets and 100 financial sales points with 300 financial advisors in 2001.

The aforementioned structure is part of the industrial plan pursuant to which the following objectives are to be met by 2003:

- a total premium collections figure of ITL 11,500 billion;
- the life sector to represent 61 per cent. of total collections;
- a significant income injection from the acquired insurance companies through the rebalancing of the portfolio, the achievement of synergies with Unipol, the reduction of acquisition and operating costs and careful selection of insurance risks. In the non-life sector management expects to bring, by 2003, Meie, Aurora and Navale up to the levels of efficiency and productivity realised by Unipol in 1999 (a combined ratio equal to 102.1 per cent.);
- an increase in the raising of the banking and managed savings sectors, reaching ITL 4000 billion of direct fund raising and ITL 14,000 of indirect fund raising and improvement in the income injection; and
- a consolidated return on equity greater than 11 per cent.

In furtherance of the Group's strategic objectives (dimensional growth in the insurance sector and diversification, in the banking and managed savings sectors), the Unipol Group recently agreed with the Monte dei Paschi di Siena Group ("MPSG") to form a corporate, an industrial and a commercial alliance (the "Alliance"). The Alliance is intended to create an insurance and banking partnership which will strengthen MPSG's and Unipol Group's ability to compete in the domestic market through the exchange of know-how, the development of cross-selling initiatives in respect of the consolidated market of the two Groups (about 9 million clients) and through increases in the distribution capacity of the respective commercial networks.

The Alliance will be carried out through mutual partnership exchanges, joint entrepreneurial initiatives and commercial agreements in all sectors of the Unipol Group's activities. In particular, the Alliance contemplates that Unipol will become the insurance partner of MPSG by acquiring 50 per cent. of shares in the MPSG insurance companies (MPS Vita and Ticino Assicurazioni) while MPSG will become a shareholder of Unipol Banca S.p.A. with 20 per cent. of outstanding shares.

Furthermore, the Alliance contemplates the acquisition by Unipol and by MPSG of shareholding interests in some of the single-product companies of the two groups and in particular, as far as the Unipol Group is concerned, in those companies of MPSG which will serve to complete the range of products and services available to the Unipol Banca sales network.

Management of the Issuer believes that should the above be achieved within the year 2001, the total premium collections of the Group would exceed ITL 13,000 billion, approximately 70 per cent. of which would come from the life sector, and the Group would be part of a solid partnership for the development of its strategy in the banking and managed savings sectors.

Selected financial figures for the insurance activity of Unipol and the Unipol Group for the year ended 31st December, 2000

Life Sector

The life insurance premiums collected by the Group during 2000, amounting to ITL 2,321 billion, represent 37 per cent. of the total premiums collected and have increased by 53.8 per cent. (an increase of 22.5 per cent. without considering the amount of ITL 472.3 billion brought in by the 2000 Acquisitions) over the corresponding figure for 1999. If the data relating to BNL Vita is also included, the amount of life insurance premium collections relative to the total direct collections increases to 53.6 per cent.

Unipol, with total life insurance premium collections of ITL 879.4 billion, has recorded a significant increase (24.1 per cent.) over the corresponding period in 1999 characterised by the growth of all the divisions, with the sole exception of Group policies. To compensate for this, pension funds, both open-ended and close-ended, have shown an improvement.

The companies operating through bancassurance channels (Noricum Vita and Quadrifoglio Vita) have collected life insurance premiums of ITL 972 billion, indicating a growth rate of 21 per cent. over the corresponding period in 1999.

The increase in productivity achieved by the Group in 2000 arose from actions taken to strengthen the quality of the distribution network, as well as sales initiatives and innovative products.

Payments for claims, expired policies, redemptions and annuities amounted to ITL 851.6 billion including the 2000 Acquisitions (an increase of 88 per cent. over the corresponding period in 1999), and to ITL 653.5 billion excluding the 2000 Acquisitions (an increase of 44.4 per cent. over the corresponding period in 1999).

The technical reserves (including those used to hedge linked contracts and pension funds) reached ITL 17,725 billion as at 31st December, 2000 (compared to ITL 6,373 billion at the end of 1999), of which ITL 8,032 billion was derived from BNL Vita.

Operating costs during the financial year 2000, which include the overall sales commissions and the other expenses related to acquisition and administration, net of the commissions from reinsurance, totalled ITL 114 billion. Such costs represent 5 per cent. of premiums net of reinsurance, or 5.2 per cent. excluding the 2000 Acquisitions (5.9 per cent. in 1999).

As regards close-end pension funds, the activity of Unipol, in a joint venture with Citibank Group, focused, on the one hand, towards the management of previously acquired funds, and on the other hand, towards participation in new tenders for asset management. However, this sector has suffered from the slow start in the social security area of which has characterised the Italian market. The managed capital at the end of the year amounted to ITL 155 billion.

As regards the “Unipol Previdenza” and “Unipol Futuro” open-end pension funds, the investment activity undertaken by the network of contracted banks, by Unipol agencies and directly by the head office, continued during the year 2000. As at 31st December, 2000, the two funds reached a total net worth of ITL 19.4 billion (an increase of ITL 12.4 billion over the corresponding figures for 1999) for a total of 3,206 subscribers.

Non-Life Sector

For the year ended 31st December, 2000, the non-life insurance premium income collected by the Group reached a total of ITL 3,944 billion, representing an increase of 90 per cent. over the corresponding period in 1999 (a 7.3 per cent. increase excluding the premiums from the 2000 Acquisitions, equal to ITL 1,715 billion). The third party motor liability (“Motor TPL”) insurance sector totalled ITL 2,068 billion in premiums, accounting for 52 per cent. of the total non-life income.

As at 31st December, 2000, Unipol’s non-life insurance premiums reached a total of ITL 2,174 billion, indicating an increase of 6.4 per cent. over the corresponding period in 1999 (4.3 per cent. in direct business).

Productivity was affected by the negative effects arising from the freezing of Motor TPL insurance tariffs imposed by the Italian Government in March 2000, the effects of which were compensated for by an increase in production in other insurance sectors, including the healthcare sector and various professional categories, in a business environment characterised by fierce competition.

Unisalute, with ITL 59 billion in direct non-life insurance premiums (31.4 per cent. increase) and 50,000 customers, has reached 13-14th position in the ranking of the companies in the Healthcare Insurance sector, while Linear, with a production of ITL 75.9 billion in non-life insurance premiums, has achieved a growth of 76.6 per cent. and maintains an estimated share of 13.5 per cent. in its relevant market.

The newly acquired companies Meie and Aurora, with total non-life insurance premiums of ITL 1,549.9 billion, have registered an increase of 2.1 per cent. and 4.9 per cent. respectively. The containment of such development is to be attributed not only to the freezing of the Motor TPL tariffs, but also to the effects of a more rigorous underwriting policy and specific actions in critical areas.

The payments relating to claims have reached a total of ITL 2,697 billion.

Including the 2000 Acquisitions, the total allocation for reserves for premiums and losses grew by the end of 2000 to ITL 6,482 billion, equal to 164.3 per cent. of the acquired premiums. On a comparative basis, the amount totals ITL 3,356 billion, equal to 150.6 per cent. of the premiums (146.4 per cent. at the end of 1999).

Including the 2000 Acquisitions, as at 31st December, 2000, the average loss ratio including the claims settlement costs and net of reinsurance costs, was equal to 83.2 per cent. of the earned premiums (80 per cent. on a comparative basis, and 83.3 per cent. over the corresponding period in 1999).

Including the 2000 Acquisitions, the operating expenses, which include acquisition and collection commissions and other acquisition and administrative expenses, and net of reinsurance commissions received, totalled ITL 726 billion. Such operating expenses amount to 20.5 per cent. of the premiums, or 19.3 per cent. excluding the 2000 Acquisitions (19.1 per cent. in 1999).

Reinsurance

The indirect premiums as at 31st December, 2000 amounted to ITL 100 billion (ITL 91 billion for the non-life branches and ITL 9 billion for the life branches), representing an increase of 29.7 per cent. over the corresponding period in 1999. Indirect premium collection accounted for 1.6 per cent. of the total underwritten premiums.

Sales Network

Following the acquisitions made in 2000, the Unipol Group has approximately 4 million customers, and the sales network at the end of 2000 was composed of 2,500 domestic sales points, of which 1,300 were exclusive agencies and 1,200 were sub-agencies; of the 1,300 exclusive agencies, 44 per cent. are located in northern Italy, 26 per cent. in central Italy and 30 per cent. in southern Italy.

Collections made through the bancassurance network are made through 1,350 outlets, of which 675 are outlets of Banca Nazionale del Lavoro S.p.A. (60 per cent. of the 1,350 outlets are located in northern Italy and the remaining 40 per cent. are located in central and southern Italy).

The fund raising made through the banking network is carried out through several branches of Unipol Banca (there were 36 such branches at 31st December, 2000 and it is forecast that this figure will increase to approximately 100 by 31st December, 2001), through financial sales points (of which there will be approximately 100 by 31st December, 2001) as well as through approximately 300 financial advisors.

Financial Operations

At the end of the financial year 2000, the total amount of investments, liquidities and monetary funds reached ITL 24,152 billion, an increase of ITL 14,203 billion (+142.8 per cent.) over the corresponding figure for year end 1999.

The newly acquired companies' investments totalled ITL 11,386 billion (of which ITL 8,155 billion is derived from BNL Vita, acquired at the end of the financial year), net of which the increase is 28.3 per cent.

The division of investments and the differences from the previous year are shown in the following table.

Investments and Liquidity

	<i>Financial year 2000</i>	<i>Comp %.</i>	<i>Financial year 1999</i>	<i>Comp. %</i>	<i>Var. % 2000/1999</i>
	<i>(amounts in millions of lira)</i>				
Land and buildings	1,223,514	5.1	963,477	9.7	27.0
Investments in consolidated subsidiaries					
– Shares and quotas	968,892	4.0	882,804	8.9	9.8
– Bonds	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					
– Shares and quotas	845,408	3.5	92,766	0.9	811.3
– Quotas of common investment funds	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
– Financing	120,775	0.5	74,908	0.8	61.2
– Other 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 transferred companies	49,136	0.2	36,532	0.4	34.5
Investments in favour of insured parties which bear the risk and deriving from pension fund management					
– Investment funds 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 elements of assets					
– Bank and post-office deposits, cash 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 LIQUIDITY	24,152,177	100.0	9,948,767	100.0	142.8

(1) Includes repurchase agreements and premiums for derivatives transactions

As at 31st December, 2000, Other Financial Investments amounted to ITL 16,311 billion, representing an increase of ITL 9,465 billion (+138.3 per cent.) over the corresponding figure for 1999.

The newly acquired companies have brought investments of ITL 9,093 billion, net of which the increase is 5.4 per cent.

As at 31st December, 2000, investments in bonds and fixed rate securities amounted to ITL 14,289 billion and made up 87.6 per cent. of the total figure for Other Financial Investments. The balance of that figure is constituted by shares and quotas (5.2 per cent.), by various financial investments (4.4 per cent.), by quotas of investment funds (2.1 per cent.) and by financing (0.7 per cent.).

The Unipol Group has invested almost entirely in bonds issued by sovereign states, supra-national entities (Bei, World Bank) and banking institutions, all with a minimum rating of AA-, with the exception of Italian banks, for which a lower rating has been accepted.

For any investment in bonds which is expressed in a value other than the Euro, the exchange risk is generally covered by means of hedging instruments.

Investments covering life insurance contracts and capitalisation with direct lending linked to investment funds or share indices (unit-linked and index-linked policies), valued at their current value, at the end of 2000 amounted to ITL 4,963 billion, including the 2000 Acquisitions and BNL Vita. Investments deriving from the pension fund management arise from open-end funds, the units of which

are placed by Unipol, and from backed close-ended funds managed by Unipol as well. The amount of such investments, as at 31st December, 2000, was ITL 32.8 billion.

Including the 2000 Acquisitions, the proceeds arising from investments and liquidity, net of financial burdens, amounted to ITL 508 billion (as opposed to ITL 365 billion over the corresponding period in 1999). The net capital gain relating to both long-term and short-term investments reached ITL 338 billion (as opposed to ITL 137 billion over the corresponding period in 1999) of which ITL 112 billion related to long term investments (as opposed to ITL 46 billion over the corresponding period in 1999).

Including the 2000 Acquisitions, as at 31st December, 2000, in aggregate the net yield from investments and the net profits arising from disposals amounted to ITL 846 billion (503 billion in 1999). The net return on investments (including unit-linked contracts and pension funds) was approximately 5.6 per cent. (5.8 per cent. in the corresponding period in 1999).

The Issuer's share capital

Current amount of share capital

As at 31st December, 2000, the share capital of the Issuer was ITL 451,147,226,000.

At the Extraordinary Shareholders' Meeting held on 27th April, 2001, the shareholders resolved to redenominate the share capital in Euro and to increase the nominal value of each share from ITL 1,000 to Euro 1 through the use of asset reserves. Due to the conversion of 332,655 warrants, in the period from 1st January, 2001 to 30th April, 2001, as at 30th April, 2001, the Issuer's share capital subscribed for and fully paid-up amounted to Euro 451,220,805, divided into 273,328,720 ordinary shares and 177,892,085 preference shares, with a nominal value of Euro 1 each.

Principal characteristics of the shares

The Unipol shares are listed on the Milan Stock Exchange (Mercato Telematico Azionario). The preference shares have been listed since 1986, while the ordinary shares have been listed since 1990.

During the year 2000, the ordinary shares reached a maximum price of Euro 3.604 and a minimum price of Euro 2.990, while the preference shares reached a maximum price of Euro 1.941 and a minimum price of Euro 1.459 (those prices have been adjusted following the share capital increase which occurred in July 2000).

As at 30th April, 2001 capitalisation is approximately Euro 2,513 billion.

In the year 2000, the unit dividend was ITL 170 for the preference shares, and ITL 160 for the ordinary shares, unchanged compared to the previous financial year in spite of the significant increase of shares in circulation following the capital increase effected midway through the financial year.

The above mentioned dividends, including the ordinary tax credit of 58.73 per cent., were ITL 269.84 and ITL 253.97 for preference and ordinary shares respectively.

Shareholders

As at 30th April, 2001, the shareholders owning an interest greater than 2 per cent. of the Issuer's share capital are the following:

<i>Principal Shareholders</i>	<i>Number of ordinary shares</i>	<i>%</i>	<i>Number of preference shares</i>	<i>%</i>	<i>Total number of shares</i>	<i>%</i>
Finsoe S.p.A.....	149,264,833	54.6	4,990,000	2.8	154,254,833	34.2
Hopa S.p.A.....	16,599,232	6.1	156,800	0.1	16,756,032	3.7
Società Reale Mutua di Assicurazioni S.p.A.....	14,615,000	5.3	10,000	0.0	14,625,000	3.2
Cardine Banca S.p.A.....	10,200,000	3.7	–	–	10,200,000	2.3

Continuing changes to the Issuer's share capital

The Unipol Board of Directors, in accordance with the powers granted to it by the Extraordinary Shareholders' Meeting held on 28th April, 2000, resolved on 12th May, 2000 to increase the Issuer's share capital for payment of ITL 169,037,100,000, through the issuance of 102,489,918 ordinary shares and 66,547,182 preference shares, all having a nominal value of ITL 1,000 with warrants attached, to be offered for option to shareholders.

At the same meeting, it was resolved to issue two debenture loans, one for the ordinary shares and one for the preference shares, for a total value of ITL 407.6 billion. Both debenture loans had warrants attached, 5 warrants for each debenture loan. The entire subscription of the warrants would result in an increase in the Issuer's share capital of ITL 571 billion by June 2005.

The increase of the Issuer's share capital was concluded in July 2000 with the entire subscription of the ordinary shares, the preference shares and the debenture loans.

The total amount raised was ITL 1,223 billion, of which ITL 815.1 billion resulted from the issue of shares with warrants and ITL 407.6 from the issue of the debenture loans with warrants.

In July 2000, the warrant holders started exercising their rights to purchase new ordinary and preference shares. Such rights will expire on 20th June, 2005.

At the end of April 2001, there remained to be exercised 358,603,368 ordinary warrants and 230,750,477 preference warrants corresponding to 71,720,673 ordinary shares and 46,150,095 preference shares.

Principal Subsidiaries Controlled by the Issuer

The chart on page 18 of this Offering Circular sets out the principal consolidated subsidiaries within the Unipol Group as at 31st December, 2000. The following list sets out the key strategic subsidiaries controlled by the Issuer as at 31st December, 2000 and a description of the business activity of each such subsidiary:

<i>Company Name/Head Office</i>	<i>Share capital in millions of ITL</i>	<i>Direct Unipol shareholding (%)</i>	<i>Business Activity</i>
Aurora Assicurazioni S.p.A., Naples	90,500	99.99	Non-Life/Life
BNL Vita S.p.A., Milan	220,000	51.00 ⁽¹⁾	Life (Bancassurance) Non-Life (Motor) by telephone and Internet
Compagnia Assicuratrice Linear S.p.A., Bologna	24,000	60.00	Internet
Meie Assicurazioni S.p.A., Milan	46,064	51.36 ⁽²⁾	Non-Life
Meie Vita S.P.A., Milan	24,500	51.02 ⁽³⁾	Life
Navale Assicurazioni S.p.A., Ferrara.....	21,000	98.17	Non-Life (Marine and Tourism)
Noricum Vita S.p.A., Bologna	32,000	51.00	Life (Bancassurance)
Quadrifoglio Vita S.p.A., Bologna	45,000	50.00	Life (Bancassurance)
Unisalute S.p.A., Bologna.....	35,000	77.54	Healthcare (Managed care)
Unipol Banca S.p.A., Bologna	250,125	81.03	Banking activities

1. 50 per cent. from 2nd May, 2001.

2. With the conclusion, in the first days of 2001, of the public tender offer on the Meie shares launched in November 2000, Unipol acquired an additional 52,958,308 shares in Meie (equal to 22.99 per cent. of that company's share capital). The shareholding level increased to 74.36 per cent.

3. The remaining 48.98 per cent. of the company is owned by Meie.

Aurora Assicurazioni S.p.A. – Naples

Aurora is the result of the merger (in 1998) between SIAD S.p.A. and the former Aurora Assicurazioni S.p.A. The company is authorised to operate both in the non-life sector and in the life sector, and participates as sole sponsoring partner of Agricoltura Assicurazioni S.p.A., a mutual company which operates in the sector of Hail Insurance.

As at 31st December, 2000, the total premiums collected from direct business were equal to ITL 752.9 billion (an increase of 8 per cent. over the corresponding period in 1999).

Collections were influenced by various factors, including the policy of rationalising the distribution network (the number of the agencies decreased from 388 in 1999 to 346 at the end of 2000), the "Tariff Freeze" which effected the Motor TPL sector and the strengthening of the claims reserve, and therefore for the year ended 31st December, 2000, losses were equal to ITL 12.1 billion while losses during the corresponding period in 1999 were equal to ITL 21.8 billion.

B.N.L. VITA – Milan

The company distributes its own products through 675 BNL branches, the financial advisors of BNL Investimenti Sim S.p.A. and Artigiancassa S.p.A.

As at 31st December, 2000, the premiums collected totalled ITL 2,144.4 billion, indicating a decrease of 5.2 per cent. over the corresponding period in 1999, while the newly produced premiums amounted to ITL 1,781.5 billion (a 6 per cent. decrease compared to 1999). This decrease is due to the termination of the distribution of policies through the branches of Banco di Napoli S.p.A.

The premiums gathered in the unit-linked and index-linked policies sector amounted to 1,435.3 billion ITL and accounted for 67 per cent. of the total premiums.

As at 31st December, 2000, the profits were equal to ITL 39.5 billion, while over the corresponding period in 1999 profits were equal to ITL 26.4 billion (a 50 per cent. increase compared to 1999).

Linear Assicurazioni S.p.A. – Bologna

The company distributes insurance products directly (in particular, Motor Insurance policies) making use mainly of telephone and Internet channels. As at 31st December, 2000, Internet sales yielded very satisfactory results, reaching 15 per cent. of the total premiums collected.

The company received the BICSI – Databank award, for the motor vehicle insurance company reaching the highest level of customer satisfaction for the year 2000.

As at 31st December, 2000, the premium income was equal to ITL 75.9 billion, indicating an increase of 76.6 per cent. over the corresponding period in 1999.

The profits as at 31st December, 2000 were of ITL 1 billion, while over the corresponding period in 1999 profits were ITL 113 million.

Meie Assicurazioni S.p.A. – Milan

Meie was incorporated in 1920 as a mutual insurance company. In 1998, it was converted into a joint-stock company (*Società per Azioni*) with the aim of creating, assisted in this regard by the merger with Meie Rischi Diversi S.p.A., a more balanced and solid insurance company, in financial terms which could operate in the non-life sector.

As at 31st December, 2000, the premium collection from direct business was equal to 924.4 billion (as opposed to ITL 909.7 billion in 1999, an increase of 1.6 per cent.).

These results are the consequence of the distribution network rationalisation and a more selective underwriting policy, which has reduced the motor vehicle insurance portfolio by more than 50,000 policies, and also of the “Tariff Freeze” which has affected the Motor TPL sector.

The losses as at 31st December, 2000 were equal to ITL 19.7 billion (whilst as at 31st December, 1999, profits were equal to ITL 19 billion). Losses are attributed primarily to an adjustment of the claims reserves and to the extraordinary provision of ITL 6.5 billion for a fine imposed against the company by the Italian Antitrust Authority for anti competitive behaviours with other companies operating in the motor vehicle insurance market.

Meie Vita S.p.A. – Milan

As at 31st December, 2000, the premium income was equal to ITL 333.2 billion, indicating an increase of 21.6 per cent. over the corresponding period in 1999.

Various factors contributed to the achievement of such a result, including the confirmation of the production of single premium policies (mainly index-linked and unit-linked), the significant increase of the new yearly premium policies, encouraged by imminent changes in the taxation system, and the increase of group policies.

As at 31st December, 2000, the profits were equal to ITL 6.5 billion, while over the corresponding period in 1999 the profits were equal to ITL 2.7 billion.

Navale Assicurazioni S.p.A. – Ferrara

The company operates the non-life insurance sector and is specialised, in particular, in the marine and tourism sectors.

As at 31st December, 2000 the direct premium collections were equal to ITL 165.1 billion, indicating an increase of 22 per cent. over the corresponding period in 1999.

The premiums are collected for a 58 per cent. through insurance brokers and for 42 per cent. through non-exclusive agencies.

The profits as at 31st December, were of ITL 710 million, compared to ITL 334 million over the corresponding period in 1999.

Noricum Vita S.p.A. – Bologna

The company is specialised in the bancassurance sector and, as at 31st December, 2000, had collected premiums totalling ITL 473.7 billion, showing an increase over the corresponding period in 1999 of 18.5 per cent.

There were 19,303 new policies underwritten during the year 2000, for a total premium amount of ITL 424.7 billion (+19.8 per cent.), 98 per cent. of which was collected through banking channels.

The distribution network is represented mainly by the outlets of the Cassa di Risparmio in Bologna and by the Banca Popolare dell'Adriatico (approximately 300 outlets).

The profits as at 31st December, 2000 were of approximately ITL 8 billion, while the profits over the corresponding period in 1999 amounted to ITL 3.7 billion.

Quadrifoglio Vita S.p.A. – Bologna

The company operates in the bancassurance sector and sells its products through branches of Banca Agricola Mantovana S.p.A., and the Banca Steinhauslin S.p.A. (289 outlets).

As at 31st December, 2000, the premiums collected amounted to ITL 498.7 billion (an increase of 23.4 per cent. over the corresponding period in 1999). A new production equal to ITL 474.3 with an increase of 24.9 per cent. was achieved. The linked products (88 per cent. of the total) significantly contributed to such result.

The profits as at 31st December, 2000 were of ITL 4.5 billion whilst over the corresponding period in 1999 the profits were equal to ITL 2 billion.

Unisalute S.p.A. – Bologna

The company operates in the healthcare and assistance insurance sectors and has reached as at 31st December, 2000 direct premiums in the aggregate amount of ITL 59 billion, indicating an increase of 31.4 per cent. over the corresponding period in 1999. Such increase has mainly concerned healthcare insurance connected with managed care services.

Even though, during the course of 2000, specific initiatives were undertaken (special agreements for specific professional categories, telemarketing, Internet sales) aimed at developing the market for individual policies, the company's portfolio consists predominantly of group policies.

As at 31st December, 2000, profits were equal to ITL 2.1 billion whilst over the corresponding period in 1999 profits were equal to ITL 826 million.

Unipol Banca S.p.A. – Bologna

In the course of the year 2000, an intense development program of Unipol Banca continued through the acquisition of 51 bank outlets from the Gruppo Banca Intesa, a transaction which will become effective from 1st July, 2001 and will enable the bank to double the volume of its current business starting from 1st July, 2001.

As at 31st December, 2000, Unipol Banca's sales network consisted of 36 branches, 17 sales points and 270 financial advisors

In the course of the year 2000, the multi-channel configuration of Unipol Banca was completed, making the telephone banking, Internet banking, trading on-line, and small business services fully operational.

In April 2000 a capital increase was completed, resulting in an increase of the share capital from ITL 155.2 billion to ITL 250.1 billion.

As at 31st December, 2000, Unipol Banca had raised funds amounting to ITL 936 billion (an increase of 32 per cent. over the corresponding period of 1999).

As at 31st December, 2000, profits were ITL 313 million thereby showing a slight improvement over the corresponding period in 1999 (ITL 235 million), in spite of value adjustments and allocations of over ITL 6.5 billion.

In order to provide Unipol Banca with the necessary financing and in order to sustain the planned developments through the acquisition of the bank outlets mentioned above, the Board of Directors passed a resolution on 25th January, 2001 to propose at the Shareholders' Meeting a capital increase from ITL 250.1 billion to ITL 550.1 billion, in addition to the issuing of a debenture loan for Euro 50 million.

Unipol S.G.R. S.p.A. – Bologna

The company carries on investment portfolio management activity for third parties, both in the retail and corporate areas.

As at 31st December, 2000, the total amount managed by Unipol SGR amounted to ITL 3,032 billion, (+47 per cent.) compared to ITL 2,063 billion over the corresponding period in 1999. This increase occurred mainly during the last months of the financial year; consequently, revenues benefited only in part from changes in the managed funds, and saw a more contained growth index (+19 per cent.). The costs relating to the company's expansion and promotion also showed an increase.

As at 31st December, 2000, profits were equal to ITL 308 million as opposed to ITL 302 million over the corresponding period in 1999.

On 24th April 2001, Unipol SGR S.p.A.'s shareholders meeting resolved upon the sale of the individual asset management businesses of the company to Unipol Banca as well as the reduction of the exceeding share capital from Euro 10,320,000 to Euro 2,000,000.

Such resolution is part of the strategy of the Group for concentrating in Unipol Banca the investment services to be addressed to the public and in particular to retail clients.

Unipol Funds Ltd. – Dublin (Ireland)

Towards the end of September 2000, the company, headquartered in Dublin (Ireland), started placing shares in Italy, among institutional investors and the public, through the commercial network of Unipol Banca.

As at 31st December, 2000, the managed funds were equal to Euro 111 million (ITL 214.9 billion as opposed to ITL 116 billion over the corresponding period in 1999).

Profits as at 31st December, 2000 were Euro 186,794 (ITL 362 million) (compared to profits of ITL 218 million over the corresponding period in 1999).

Regulatory

Italian insurance companies are subject to a comprehensive regulatory scheme established by Italian law, supplemented by guidelines issued by the Interministerial Committee for Economic Planning ("CIPE") and administered primarily by the Ministry of Industry Commerce and Artisans (the "Ministry of Industry") and by the Supervisory Body for Private Insurance ("ISVAP"). The most important insurance laws, some of which have been recently amended in order to implement EU directives in Italy, (i) regulate access to insurance activity, (ii) require compliance with certain solvency margins, in part through a guaranteed fund, (iii) determine the form of the financial statements for insurance companies and (iv) regulate the activity of insurance brokers. In addition, the Italian Civil Code contains certain provisions applicable to insurance contracts.

Except for some powers specifically reserved to the Ministry of Industry, all control and supervisory powers relating to the insurance industry are exercised autonomously by ISVAP. ISVAP's purposes include: (i) monitoring of financial, technical and asset and liability management and monitoring solvency ratios; (ii) auditing of financial statements; (iii) supervision of the activity of insurance brokers and agencies; (iv) advising the Ministry of Industry with respect to the business plans submitted by companies seeking authorisation to conduct insurance activities; (v) proposing disciplinary measures including the revoking of authorisation; (vi) approving restructuring plans; (vii) advising the Ministry of Industry with respect to the admission to the forced liquidation procedure for financially troubled entities; and (viii) communicating and collaborating with other EU insurance supervisory authorities. ISVAP has the power

to request information from insurance companies, conduct audits of their activities and question their legal representatives, to appoint members of the Board of Directors and of the Board of Statutory Auditors, and to convene shareholders, directors and auditors meetings in order to propose the necessary measures necessary to conform the insurance companies' management to the provisions of law. In addition to the foregoing, insurance companies are required to submit the minutes of the shareholders' meetings to ISVAP within 15 days from the date of their approval.

Moreover, the acquisition by insurance companies of controlling interests or interests which exceed certain limits in companies other than insurance companies, must be notified to ISVAP within 30 days. ISVAP has the power to order a reduction in such shareholdings if they do not satisfy conditions prescribed by the law and to apply sanctions. In some cases ISVAP can also propose to the Ministry of Industry to revoke the authorization to conduct insurance activity.

Management and Employees of the Issuer

Board of Directors

The Board of Directors, in office until the approval of financial statements for the financial year 2003, is composed of:

<i>Name</i>	<i>Place and date of birth</i>
Giovanni Consorte <i>Chairman and Managing Director</i>	Chieti, 16th April, 1948
Ivano Sacchetti <i>Deputy Chairman and Managing Director</i>	Montecchio Emilia (RE), 27th July, 1944
Antonio Silvano Andriani <i>Director</i>	Giovinazzo (BA), 31st August, 1933
Roger Belot <i>Director</i>	Chail (Deux-Sèvres) France, 22nd May, 1946
Francesco Bocchetti <i>Director</i>	Vernio (FI), 5th November, 1948
Rocco Carannante <i>Director</i>	Castelvoturno (CE), 31st March, 1941
Claudio Casini <i>Director</i>	Fontanelice (BO), 26th April, 1946
Piero Collina <i>Director</i>	Bologna, 24th February, 1946
Pier Luigi Fabrizi <i>Director</i>	Siena, 23rd April, 1948
Giulia Franciosi <i>Director</i>	Marino (RM) 19th September, 1946
Vanes Galanti <i>Director</i>	Imola (BO), 15th November, 1949
Fabrizio Gillone <i>Director</i>	Vische (TO), 28th December, 1939
Emilio Gnutti <i>Director</i>	Brescia, 6th August, 1947
Claudio Levorato <i>Director</i>	Pianiga (VE), 15th February, 1949
Ermanno Lorenzani <i>Director</i>	Campegine (RE), 29th April, 1934
Enrico Migliavacca <i>Director</i>	Milan, 18th April, 1952
Gian Carlo Sangalli <i>Director</i>	Arezzo, 1st September, 1952
Leone Sibani <i>Director</i>	Bologna, 14th April, 1937
Jean Simonnet <i>Director</i>	Niort – Ste Pezenne (Deux-Sèvres) France, 5th August, 1936
Aldo Soldi <i>Director</i>	Piombino (LI), 25th November, 1951

<i>Name</i>	<i>Place and date of birth</i>
Giovanni Consorte <i>Chairman and Managing Director</i>	Chieti, 16th April, 1948
Giuseppe Solinas <i>Director</i>	Venaria Reale (TO), 6th June, 1933
Pierluigi Stefanini <i>Director</i>	Sant' Agata Bolognese (BO), 28th June, 1953
Graziano Trerè <i>Director</i>	Faenza (RA), 27th March, 1947
Marco Giuseppe Venturi <i>Director</i>	San Pietro a Maida (CZ), 4th November, 1947
Mario Zucchelli <i>Director</i>	Castelfranco Emilia (MO), 23rd January, 1946

According to Article 14 of Unipol's By-laws, the Chairman is the legal representative of Unipol. The Deputy Chairman is the legal representative only when the Chairman is either absent or unable to perform his/her function.

The Board of Directors in accordance with Article 13 of Unipol's By-laws, has granted to the Managing Directors, severally (although with some exceptions) the power to manage Unipol's businesses and in particular to perform all the activities connected to the implementation of the resolutions of the Board of Directors and the Shareholders' Meetings, and to coordinate the activities for the achievement of the corporate purpose.

All of the members of the Board of Directors have their offices at the Company's headquarters.

No Executive Committee has been appointed.

Statutory Auditors

The Board of the Statutory Auditors, in office until the approval of the financial statements for the financial year 2001, is composed of:

<i>Name</i>	<i>Place and date of birth</i>
Umberto Melloni <i>Chairman</i>	Bologna, 10th December, 1940
Omer Caffagni <i>Auditor</i>	Carpi (MO), 13th October, 1946
Lorenzo Roffinella <i>Auditor</i>	Savona, 25th July, 1944
Diego Bassini <i>Alternate Auditor</i>	Sala Bolognese (BO), 23rd February, 1944
Giorgio Raggi <i>Alternate Auditor</i>	Foligno (PG), 19th January, 1951

General Manager and Senior Management

General Manager

The Issuer has not appointed a General Manager.

Unipol's senior management is represented by Managing Directors Giovanni Consorte and Ivano Sacchetti, who are respectively Chairman and Deputy Chairman of the Board of Directors, by three General Area Managers and two Joint General Manager, who report directly to the Managing Directors and who participate in establishing the Issuer's strategies.

General Area Managers:

- **Maria Bettazoni** – *General Manager of the Group's Administration, Financial Statements and Auditing Area* – born in San Cesario sul Panaro (MO) on 27th September, 1941 – employed by the Issuer since September 1966.
- **Valter Cacciari** – *General Manager of the Group's Information Systems Area* – born in Monterenzio (BO) on 23rd September, 1938 – employed by the Issuer since March 1968.

- **Franco Migliorini** – *General Manager of the Group's Personnel, Organizational and Communication Area* – born in Bagno a Ripoli (FI) on 8th December, 1940 – employed by the Issuer since February 1974.

Joint General Area Managers:

- **Carmelo De Marco** – *Joint General Insurance Manager* – born in Messina on 24th June, 1946 – employed by the Issuer since October 1973.
- **Giancarlo Berti** – *Joint General Manager – Head of Incorporated and Direct Agencies* – born in Siena on 3rd November, 1939 – employed by the Issuer since July 1973.

Central Managers:

- **Giancarlo Brunello** – *Central Manager of Press and Public Relations* – born in Treviso on 26th August, 1948 – employed by the Issuer since July 1973.
- **Riccardo Laurora** – *Central Manager of Software Development and Maintenance* – born in Trani (BA) on 17th January, 1948 – employed by the Issuer since March 1988.
- **Salvatore Petrillo** – *Central Manager Administration* – born in Napoli on 2nd February, 1943 – employed by the Issuer since 1st February, 1968.

Staff

As at 31st December, 2000, Unipol Group had 2,607 employees of which 1,312 were employees of Unipol.

Legal proceedings

With a decision adopted on 28th July, 2000 and notified to Unipol on 31st July, 2000, the Italian Antitrust Authority (*Autorità Garante per la Concorrenza ed il Mercato*) completed an investigation which was carried out against various insurance companies with the purpose of ascertaining the existence of anti-competitive behaviour in the motor vehicle insurance market. The Italian Antitrust Authority imposed a fine on 39 companies, Unipol's share of which was equal to ITL 33 billion and Meie's share of which was equal to ITL 12.1 billion. Unipol and Meie, together with the other sanctioned companies, have filed an appeal with the Regional Administrative Court (TAR) of Lazio which, on 28th March, 2001, rendered public its decision to reject the request for appeal filed by the sanctioned companies. Unipol and Meie will file an appeal with the State Council against the decision of TAR of Lazio.

In relation to the liabilities arising out of such proceedings, in the financial statements as at 31st December, 2000 Unipol and Meie made provisions equal to ITL 20 billion and ITL 6.5 billion respectively, based on a different calculation of the fine.

No material adverse changes

Except as disclosed in this Offering Circular there has been no material adverse change in the financial or trading position or prospects of Unipol or of Unipol Group since 31st December, 2000.

Recent developments

In the first months of 2001, significant transactions in order to increase the Unipol Group value have been carried out. These transactions will enable the Group to further strengthen its position in terms of profits and competitive size.

In particular:

- in the first days of 2001, the public tender offer launched in November 2000 on the shares of Meie was finalised. Unipol purchased an additional 52,958,308 shares in Meie (equal to 22.99 per cent. of the company's share capital) for a total consideration of ITL 144 billion. The actual shareholding of the Issuer in Meie increased up to 74.36 per cent. of the share capital;
- in January 2001, Unipol Banca acquired 51 bank branches from Banca Intesa S.p.A.. Following this acquisition (which will be completed by 30th June, 2001) Unipol Banca has extended its presence in 11 other regions allowing it to strengthen the strategic and operative integration of the services offered to its customers;

- As part of the Alliance, Unipol has increased its shareholding interest in MPS to 2 per cent. and MPS resolved on 22nd March, 2001 to increase its shareholding in Finsoe S.p.A. from a current 5.6 per cent. to 25.6 per cent.
- on 27th April, 2001 at the Extraordinary General Meetings of Meie and Aurora, the respective shareholders decided to merge the two companies, through the incorporation of Aurora into Meie. The operation, as already mentioned, was resolved in the light of implementing the industrial plan which provides at a Group level for the achievement of significant economies of scale through operative synergies (products/services offered, common technological platforms, unification of managing activities), together with the reorganisation of the distribution structure and improvement of the quality of acquired portfolios.

The following tables set out in summary form the consolidated and unconsolidated balance sheet and profit and loss account relating to the Issuer. Such information is derived from a translation of the original Italian text of the audited consolidated and unconsolidated financial statements of the Issuer prepared in accordance with generally accepted accounting principles in Italy as at and for the years ended 31st December, 2000 and 31st December, 1999.

CONSOLIDATED BALANCE SHEET

ASSETS

	<i>as at 31st December, 2000</i>		<i>as at 31st December, 1999</i>	
	<i>(Amounts in millions of ITL)</i>			
A. SUBSCRIBED SHARE CAPITAL UNPAID		0		0
of which called-up capital	0		0	
B. INTANGIBLE ASSETS				
1. Deferred acquisition commissions.....	127,730		72,252	
2. Other acquisition costs	3,055		2,390	
3. Goodwill	16,274		18,581	
4. Other intangible assets.....	39,503		5,295	
5. Differences arising from consolidation ...	837,428	1,023,989	31,995	130,512
C. INVESTMENTS				
I - Land and buildings.....		1,223,514		963,477
II - Investments in affiliated undertakings and participating interests:				
1. Shares and participating interests in:				
a) holding companies	25,445		18,708	
b) subsidiaries	236,101		137,571	
c) associated undertakings	2,175		1,721	
d) affiliated undertakings	97,857		77,325	
e) other undertakings.....	607,313	968,892	647,480	882,804
2. Debt securities		960		960
3. Corporate financing .	7,209	977,060	22,320	906,083
III- Other financial investments				
1. Shares and participating interests.....	845,408		92,766	
2. Unit trust holdings ...	342,835		108,866	
3. Bonds and other fixed-income securities	14,288,634		5,572,069	
4. Loans.....	120,775		74,908	
5. Participation in investment pools.....	0		0	
6. Deposits with credit institutions	0		0	
7. Sundry financial investments.....	713,104	16,310,757	997,180	6,845,790
IV- Deposits with ceding undertakings.....	49,136	18,560,468	36,532	8,751,882
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE RISK THEREOF AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT		4,996,276		910,310
	to carry forward	24,580,733	to carry forward	9,792,705

ASSETS (continued)

as at 31st December, 2000

as at 31st December, 1999

(Amounts in millions of ITL)

	carried forward 24,580,733			carried forward 9,792,705		
D. bis TECHNICAL PROVISIONS – REINSURERS' SHARE						
I - NON-LIFE INSURANCE BUSINESS						
1. Provision for unearned premiums .	154,584			41,919		
2. Provision for claims outstanding	599,306			123,791		
3. Other technical provisions.....	675	754,564		0	165,710	
II - LIFE ASSURANCE BUSINESS						
1. Mathematical provisions.....	809,846			296,547		
2. Provision for amounts payable.....	5,413			1,725		
3. Other technical provisions.....	280			16		
4. Technical provisions for life assurance policies where investment risk is borne by policyholders and pension fund management provision	0	815,538	1,570,103	0	298,288	463,998
E. DEBTORS						
I - Debtors arising out of direct insurance operations		875,442			477,352	
II - Debtors arising out of reinsurance operations..		294,818			146,646	
III- Other debtors.....		329,285	1,499,544		129,128	753,126
F. OTHER ASSETS						
I - Tangible assets and stocks.....		30,169			10,429	
II - Cash at bank and in hand.....		588,207			273,549	
III- Own shares.....		7,226			13,025	
IV- Other assets.....		117,161	742,763		25,208	322,210
G. PREPAYMENTS AND ACCRUED INCOME.....			218,776			83,517
TOTAL ASSETS			28,611,919			11,415,556

CONSOLIDATED BALANCE SHEET

LIABILITIES

as at 31st December, 2000

as at 31st December, 1999

(Amounts in millions of ITL)

	as at 31st December, 2000			as at 31st December, 1999		
A. CAPITAL AND RESERVES						
I - Capital and reserves – Group						
1. Subscribed share capital or equivalent funds	451,147			281,729		
2. Free reserves	1,576,898			903,364		
3. Consolidation reserve	(16,799)			(20,151)		
4. Reserve for valuation differences on unconsolidated shareholdings	(1,330)			1,836		
5. Exchange risk reserve	0			0		
6. Reserves for own shares and holding company's shares	32,671			31,733		
7. Profit (loss) for the financial year	83,877	2,126,464		73,389	1,271,900	
II - Capital and reserves – minority interests						
1. Capital and reserves – minority interests ..	362,371			62,989		
2. Profit (loss) for the year – minority interests	(130)	362,242	2,488,706	2,965	65,954	1,337,853
B. SUBORDINATED LIABILITIES			0			0
C. TECHNICAL PROVISIONS						
I - NON-LIFE INSURANCE BUSINESS						
1. Provision for unearned premiums .	1,446,978			785,482		
2. Provision for claims outstanding	5,017,826			2,249,124		
3. Equalization provision	13,186			791		
4. Other technical provisions	4,292	6,482,283		4,412	3,039,809	
II - LIFE ASSURANCE BUSINESS						
1. Mathematical provisions	12,334,363			5,357,524		
2. Provision for amounts payable	103,565			25,587		
3. Other technical provisions	293,005	12,730,932	19,213,215	79,595	5,462,706	8,502,516
D. TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PENSION FUND MANAGEMENT PROVISION			4,994,246			910,236
E. PROVISIONS FOR OTHER RISKS AND CHARGES						
1. Provisions for pensions and similar obligations		0			0	
2. Provision for taxation		12,418			6,294	
3. Contingent consolidation provision		0			0	
4. Other provisions		38,072	50,490		6,619	12,913
		to carry forward	26,746,657		to carry forward	10,763,517

LIABILITIES (continued)

as at 31st December, 2000

as at 31st December, 1999

(Amounts in millions of ITL)

	carried forward 26,746,657	carried forward 10,763,517
F. DEPOSITS RECEIVED FROM REINSURERS	596,887	146,566
G. CREDITORS AND OTHER LIABILITIES		
I - Creditors arising out of direct insurance operations	54,312	21,427
II - Creditors arising out of reinsurance operations..	60,874	22,286
III- Debenture loans	407,557	0
IV- Amounts owed to credit institutions	325	27
V - Debts secured by a lien on property	21,133	23,476
VI- Sundry debts and other financial debts	50,750	40,791
VII- Staff leaving indemnity.	75,738	44,986
VIII-Other creditors	311,721	167,113
IX- Other liabilities	246,014	158,311
	1,228,424	478,418
H. ACCRUALS AND DEFERRED INCOME	39,951	27,055
TOTAL LIABILITIES	<u>28,611,919</u>	<u>11,415,556</u>

CONSOLIDATED BALANCE SHEET

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

as at 31st December, 2000 as at 31st December, 1999
(Amounts in millions of ITL)

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS		
I - Guarantees by the Company	41,612	31,151
II - Guarantees received from third parties	165,962	199,580
III - Guarantees by third parties in favour of consolidated undertakings	26,071	18,129
IV - Commitments	3,342,943	3,523,448
V - Third parties' assets held in deposit	8,529	182
VI - Pension fund assets managed on behalf of third parties	141,511	91,939
VII - Securities deposited with third parties	23,266,345	8,516,949
VIII - Other memorandum accounts	225,977	8,612

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	<i>for the year ended</i> 31st December, 2000		<i>for the year ended</i> 31st December, 1999	
	<i>(Amounts in millions of ITL)</i>			
I. TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS				
1. EARNED PREMIUMS, NET OF REINSURANCE				
a) Gross premiums written	3,944,206		2,076,202	
b) (-) Outward reinsurance premiums	394,912		189,522	
c) Change in the provision for unearned gross premiums	43,863		32,526	
d) Change in the provision for unearned premiums, reinsurers' share	13,127	3,518,558	5,014	1,859,168
2. OTHER TECHNICAL INCOME, NET OF REINSURANCE		14,912		5,182
3. CLAIMS INCURRED, NET OF SUMS RECOVERABLE AND REINSURANCE				
a) Claims paid				
aa) Gross amount	2,696,670		1,456,062	
bb) (-) Reinsurers' share	235,910		94,022	
cc) change in the sums recoverable, net of reinsurers' share	84,838	2,375,923	38,597	1,323,443
b) Change in the provision for claims				
aa) Gross amount	662,399		246,912	
bb) (-) Reinsurers' share	111,589	550,809	21,676	225,236
4. CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE		(35)		(11)
5. BONUSES AND REBATES, NET OF REINSURANCE		3,061		6,176
6. OPERATING EXPENSES:				
a) Acquisition commissions	509,917		266,152	
b) Other acquisition costs	86,057		42,028	
c) Change in deferred acquisition commissions and costs	1,696		(623)	
d) Renewal commissions	78,269		45,840	
e) Administrative expenses	166,242		73,283	
f) (-) Reinsurance commissions and profit participation	112,743	726,047	67,199	360,727
7. OTHER TECHNICAL CHARGES, NET OF REINSURANCE		51,444		4,623
8. CHANGE IN THE EQUALIZATION PROVISIONS		432		103
9. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)		(174,211)		(55,949)

for the year ended *for the year ended*
31st December, 2000 *31st December, 1999*
(Amounts in millions of ITL)

II. TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS					
1.	WRITTEN PREMIUMS, NET OF REINSURANCE				
	a) Gross premiums written	2,321,043		1,508,785	
	b) (-) outward reinsurance premiums	59,119	2,261,924	13,985	1,494,800
2.	(+) ALLOCATED INVESTMENT RETURNS TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (Item III.5).....		385,103		285,461
3.	UNREALIZED GAINS ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND FOR PENSION FUNDS.....		61,318		55,708
4.	OTHER TECHNICAL INCOME, NET OF REINSURANCE.....		18,021		2,970
5.	CLAIMS INCURRED, NET OF REINSURANCE				
	a) Claims paid				
	aa) Gross amount.....	851,585		452,431	
	bb) (-) Reinsurers' share.....	61,190	790,394	36,865	415,566
	b) Change in the provision for claims				
	aa) Gross amount.....	1,089		10,901	
	bb) (-) Reinsurers' share.....	(437)	1,526 791,920	671 10,230	425,796
6.	CHANGE IN THE MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
	a) Mathematical provisions				
	aa) Gross amount.....	528,688		623,707	
	bb) (-) Reinsurers' share.....	20,809	507,880	(4,646)	628,353
	b) Other technical provisions				
	aa) Gross amount.....	20,588		18,052	
	bb) (-) Reinsurers' share.....	285	20,303	0	18,052
	c) Technical provisions for life assurance policies where investment risk is borne by policyholders and pension fund management provision				
	aa) Gross amount.....	1,071,030		597,183	
	bb) (-) Reinsurers' share.....	0	1,071,030 1,599,213	0 597,183	1,243,588
7.	BONUSES AND REBATES, NET OF REINSURANCE.....		1,106		1,113
8.	OPERATING EXPENSES				
	a) Acquisition commissions	70,552		39,482	
	b) Other acquisition costs	20,052		14,948	
	c) Change in deferred acquisition commissions and costs		9,299		805
	d) Renewal commissions.....	20,288		14,840	
	e) Administrative expenses.....	30,737		21,941	
	f) (-) Reinsurance commissions and profit participation.....	18,521	113,809	2,357	88,050
9.	INVESTMENT CHARGES AND UNREALIZED LOSSES ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND FOR PENSION FUNDS.....		119,582		33,702
10.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE.....		18,645		7,755
11.	BALANCE ON THE TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS (Item III.2).....		82,091		38,934

for the year ended *for the year ended*
31st December, 2000 *31st December, 1999*
(Amounts in millions of ITL)

III. NON-TECHNICAL ACCOUNT					
1.	BALANCE ON THE TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS (Item I.9) ..			(174,211)	(55,949)
2.	BALANCE ON THE TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS (Item II.11)			82,091	38,934
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	1,512		772	
	bb) other income	25,361	26,873	9,842	10,614
	b) Income from other investments				
	aa) income from land and buildings	46,814		34,418	
	bb) income from other investments	599,012	645,827	386,426	420,844
	c) Value re-adjustments on investments		3,817		638
	d) Realized gains on investments		266,506	943,022	102,689
					534,785
4.	INVESTMENT CHARGES				
	a) Investment management charges, including interest		137,813		98,795
	b) Value adjustments on investments		151,615		37,815
	c) Realized losses on investments		39,881	329,309	11,015
					147,625
5.	(-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE LIFE ASSURANCE TECHNICAL ACCOUNT (Item II.2)			385,103	285,461
6.	OTHER INCOME			76,764	36,629
7.	OTHER CHARGES				
	a) Interest on financial debts		8,924		1,988
	b) Sundry charges		102,917	111,841	37,218
					39,206
8.	BALANCE ON ORDINARY ACTIVITIES			101,412	82,107
9.	EXTRAORDINARY INCOME			125,126	56,546
10.	EXTRAORDINARY CHARGES			43,242	2,952
11.	BALANCE ON EXTRAORDINARY ACTIVITIES			81,883	53,594
12.	PROFIT BEFORE TAXATION			183,296	135,701
13.	TAX ON PROFIT			99,549	59,346
14.	CONSOLIDATED PROFIT			83,747	76,354
15.	PROFIT (LOSS) FOR THE FINANCIAL YEAR – MINORITY INTERESTS			(130)	2,965
16.	PROFIT (LOSS) FOR THE FINANCIAL YEAR – GROUP			83,877	73,389

BALANCE SHEET

ASSETS

as at 31st December, 2000

as at 31st December, 1999

(Amounts in millions of ITL)

	as at 31st December, 2000		as at 31st December, 1999	
A. SUBSCRIBED SHARE CAPITAL UNPAID				
of which called-up capital	0		0	0
B. INTANGIBLE ASSETS				
1. Deferred acquisition commissions.....				
a) life assurance business	56,267		50,691	
b) non-life assurance business	21,308	77,575	21,203	71,893
2. Other acquisition costs		0		0
3. Start-up costs.....		7,105		1,781
4. Goodwill		2,774		3,281
5. Other deferred costs		1,201	88,655	547
				77,502
C. INVESTMENTS				
I - Land and buildings				
1. Buildings used for corporate business....		90,958		93,519
2. Buildings leased to third parties		597,508		627,655
3. Other buildings		0		0
4. Other real property rights.....		0		0
5. Work in progress and advance payments		4,500	692,966	1,664
				722,837
II - Investments in affiliated undertakings and participating interests:				
1. Shares and participating interests in:				
a) holding companies	25,445		18,708	
b) subsidiaries.....	2,013,065		516,475	
c) associated undertakings	1,729		1,729	
d) affiliated undertakings	100,065		80,043	
e) other undertakings.....	600,438	2,740,742	644,906	1,261,861
2. Debt securities issued by:				
a) holding companies	0		0	
b) subsidiaries.....	0		0	
c) associated undertakings.....	0		0	
d) affiliated undertakings	0		0	
e) other undertakings.....	960	960	960	960
3. Corporate financing to:				
a) holding companies	0		0	
b) subsidiaries.....	500		500	
c) associated undertakings.....	0		0	
d) affiliated undertakings	0		0	
e) other undertakings.....	6,709	7,209	21,820	22,320
		2,748,911		1,285,141
		to carry forward	88,655	to carry forward
				77,502

ASSETS (continued)

as at 31st December, 2000

as at 31st December, 1999

(Amounts in millions of ITL)

	carried forward		88,655	carried forward		77,502
C. INVESTMENTS (continued)						
III- Other financial investments						
1. Shares and participating interests						
a) listed shares.....	334,823			69,946		
b) non-listed shares..	0			488		
c) participating interests.....	0	334,823		0	70,434	
2. Units in unit trusts ...		282,707			107,859	
3. Debt securities and other fixed-income securities:						
a) listed securities	4,596,822			4,160,331		
b) non-listed securities.....	231,093			250,130		
c) convertible bonds	60,165	4,888,080		88,306	4,498,768	
4. Loans:						
a) loans secured by a lien on property...	42,236			31,896		
b) loans on insurance policies	48,721			40,299		
c) other loans.....	1,578	92,535		2,002	74,197	
5. Participation in investment pools.....		0			0	
6. Deposits with credit institutions		0			0	
7. Sundry financial investments.....	339,538	5,937,684		915,174	5,666,432	
IV- Deposits with ceding undertakings.....		75,914	9,455,475		72,961	7,747,370
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK AND DERIVING FROM PENSION FUNDS						
I - Investments relating to benefits linked to unit trusts and market indexes		460,114			198,170	
II - Investments deriving from pension funds		32,754	492,868		7,030	205,200
D. bis TECHNICAL PROVISIONS – REINSURERS’ SHARE						
I - NON-LIFE INSURANCE BUSINESS						
1. Provision for unearned premiums..	41,519			41,919		
2. Provision for claims outstanding	127,670			123,791		
3. Provision for bonuses and rebates..	0			0		
4. Other technical provisions.....	0	169,189		0	165,710	
		to carry forward	10,036,998		to carry forward	8,030,072

ASSETS (continued)

as at 31st December, 2000

as at 31st December, 1999

(Amounts in millions of ITL)

	carried forward 10,036,998			carried forward 8,030,072		
D. TECHNICAL PROVISIONS (continued)						
II - LIFE ASSURANCE BUSINESS						
1. Mathematical provisions.....	276,208			288,461		
2. Ancillary risks - Provision for unearned premiums..	0			0		
3. Provision for amounts payable.....	1,190			1,717		
4. Provisions for bonuses and rebates..	19			16		
5. Other technical provisions.....	0			0		
6. Technical provisions for life assurance policies where investment risk is borne by policyholders, and pension fund management provision	0	277,416	446,605	0	290,195	455,905
E. DEBTORS						
I - Debtors arising out of direct insurance operations:						
1. Policyholders						
a) premiums for the year.....	273,813			257,287		
b) prior years' premiums.....	10,025	283,838		10,986	268,273	
2. Insurance intermediaries		144,289			130,489	
3. Insurance undertakings - amounts receivable...		30,485			23,226	
4. Policyholders and third parties - amounts recoverable		38,895	497,507		30,437	452,425
II - Debtors arising out of reinsurance operations:						
1. Insurance and reinsurance undertakings.....		179,040			145,635	
2. Reinsurance intermediaries		0	179,040		9	145,644
III- Other debtors.....			98,182	774,729		91,322
						689,391
F. OTHER ASSETS						
I - Tangible assets and stocks						
1. Furnishings, office equipment, internal means of transportation.....		4,370			2,780	
2. Movable goods in public registers.....		317			256	
3. Fixtures, fittings and equipment		6,106			5,830	
4. Stocks and sundry goods		0	10,794		0	8,865
II - Cash at bank and in hand						
1. Deposits with credit institutions and post office accounts.....		251,768			233,733	
2. Cheques and cash in hand.....		318	252,086		382	234,115
			to carry forward	11,208,332		to carry forward
						9,175,368

ASSETS (continued)

as at 31st December, 2000

as at 31st December, 1999

(Amounts in millions of ITL)

	as at 31st December, 2000			as at 31st December, 1999		
	carried forward			carried forward		
F. OTHER ASSETS (continued)			11,208,332			9,175,368
III- Own shares.....		7,226			13,025	
IV- Other assets						
1. Deferred reinsurance accounts receivable ..	34,858			22,382		
2. Sundry assets.....	58,002	92,860	362,965	49,336	71,718	327,723
G. PREPAYMENTS AND ACCRUED INCOME						
1. Interest.....		86,899			70,337	
2. Rent.....		275			357	
3. Other prepayments and accrued income ..	4,529		91,703	1,315		72,009
TOTAL ASSETS			11,713,000			9,575,099

BALANCE SHEET**LIABILITIES***as at 31st December, 2000**as at 31st December, 1999**(Amounts in millions of ITL)*

	<i>as at 31st December, 2000</i>		<i>as at 31st December, 1999</i>	
	<i>(Amounts in millions of ITL)</i>			
A. CAPITAL AND RESERVES				
I - Subscribed share capital or equivalent funds	451,147		281,729	
II - Share premium reserve	1,216,993		569,544	
III- Revaluation reserves.....	40,082		40,082	
IV- Legal reserve.....	56,346		51,559	
V - Statutory reserves.....	0		0	
VI- Reserves for own shares and holding company's shares.....	32,671		31,733	
VII- Other reserves.....	267,099		242,998	
VIII- Profit (loss) brought forward.....	0		0	
IX- Profit (loss) for the financial year	115,384	2,179,722	76,014	1,293,659
B. SUBORDINATED LIABILITIES		0		0
C. TECHNICAL PROVISIONS				
I - NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums..	768,899		747,194	
2. Provision for claims outstanding	2,473,403		2,218,272	
3. Provision for bonuses and rebates..	3,320		3,405	
4. Other technical provisions.....	944		978	
5. Equalization provision	928	3,247,494	791	2,970,639
II - LIFE ASSURANCE BUSINESS				
1. Mathematical provisions.....	4,622,974		4,383,564	
2. Ancillary risks - provision for unearned premiums..	0		0	
3. Provision for amounts payable.....	23,112		21,334	
4. Provision for bonuses and rebates..	326		671	
5. Other technical provisions.....	57,044	4,703,456	54,431	4,460,000
		7,950,950		7,430,639
D. TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS, AND PENSION FUND MANAGEMENT PROVISION				
I - Technical provisions for life assurance policies with benefits linked to unit trusts and market indexes	460,114		198,169	
II - Pension fund management provision..	32,754	492,868	7,030	205,199
	to carry forward	10,623,539	to carry forward	8,929,497

LIABILITIES (continued)

as at 31st December, 2000

as at 31st December, 1999

(Amounts in millions of ITL)

	carried forward 10,623,539		carried forward 8,929,497	
E. PROVISIONS FOR OTHER RISKS AND CHARGES				
1. Provisions for pensions and similar obligations	0		0	
2. Provisions for taxation	6,979		6,037	
3. Other provisions	22,655	29,634	6,509	12,546
F. DEPOSITS RECEIVED FROM REINSURERS		145,029		146,566
G. CREDITORS AND OTHER LIABILITIES				
I - Creditors arising out of direct insurance operations:				
1. Insurance intermediaries	3,783		3,820	
2. Insurance undertakings - accounts payable.....	9,938		8,266	
3. Policyholders - deposits and premiums	1,534		1,744	
4. Policyholders - guarantee funds	6,032	21,287	5,441	19,272
II - Creditors arising out of reinsurance operations:				
1. Insurance and reinsurance undertakings	25,818		24,608	
2. Reinsurance intermediaries	642	26,460	742	25,350
III- Debenture loans		407,557		0
IV- Amounts owed to credit institutions		300		0
V - Debts secured by a lien on property		21,108		23,476
VI- Sundry loans and other financial debts		1,812		8,187
VII- Staff leaving indemnity..		45,943		43,890
VIII-Other creditors				
1. Policyholders' tax due	39,252		39,024	
2. Sundry taxes	98,356		69,712	
3. Social security contributions	7,987		8,727	
4. Sundry creditors	25,623	171,218	28,001	145,464
IX- Other liabilities:				
1. Deferred reinsurance accounts payable.....	62,314		47,592	
2. Commissions on pending premiums....	39,127		37,961	
3. Sundry liabilities.....	93,367	194,808	114,202	199,755
		890,493		465,394
H. ACCRUALS AND DEFERRED INCOME.....				
1. Interest	23,921		20,526	
2. Rent	362		570	
3. Other accruals and deferred income.....	22	24,304	1	21,097
TOTAL LIABILITIES		11,713,000		9,575,099

BALANCE SHEET**GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS**

	<i>as at</i>	<i>as at</i>
	<i>31st December,</i>	<i>31st December,</i>
	<i>2000</i>	<i>1999</i>
	<i>(Amounts in millions of ITL)</i>	
SURETIES, EXPOSURES AND OTHER MEMORANDUM ACCOUNTS		
I - Sureties by the Company		
1. Surety bonds	2,184	3,844
2. Endorsements	0	0
3. Other unsecured guarantees.....	16	16
4. Guarantees secured by a lien on property.....	0	0
II - Sureties received from third parties		
1. Surety bonds	44,489	187,793
2. Endorsements	0	0
3. Other unsecured guarantees.....	35	132
4. Guarantees secured by a lien on property.....	9,022	11,175
III - Sureties from third parties in favour of the Company.....	18,186	17,629
IV - Exposures	2,802,399	3,334,899
V - Third parties' assets held in deposit.....	418	182
VI - Pension fund assets managed on behalf of third parties	141,511	91,939
VII - Securities deposited with third parties.....	8,873,937	6,551,232
VIII - Other memorandum accounts.....	9,998	8,612

PROFIT AND LOSS ACCOUNT

for the year ended
31st December, 2000 *for the year ended*
31st December, 1999
(Amounts in millions of ITL)

	<i>for the year ended</i> <i>31st December, 2000</i>		<i>for the year ended</i> <i>31st December, 1999</i>	
	<i>(Amounts in millions of ITL)</i>			
I. TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS				
1. EARNED PREMIUMS, NET OF REINSURANCE:				
a) Gross premiums written	2,174,251			2,043,937
b) (-) Outward reinsurance premiums	184,987			190,459
c) Change in the provision for unearned gross premiums	34,596			25,016
d) Change in the provision for unearned premiums, reinsurers' share	1,512	1,956,181		4,944 1,833,406
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)			35,777	70,225
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE			3,412	5,077
4. CLAIMS INCURRED, NET OF SUMS RECOVERABLE AND REINSURANCE:				
a) Claims paid				
aa) Gross amount	1,445,343			1,437,759
bb) (-) reinsurers' share	87,840	1,357,502		93,959 1,343,799
b) Change in the sums recoverable, net of reinsurers' share				
aa) Gross amount	54,279			39,633
bb) (-) reinsurers' share	4,324	49,955		1,446 38,186
c) Change in the provision for claims				
aa) Gross amount	277,836			242,914
bb) (-) reinsurers' share	20,210	257,626	1,565,173	21,646 221,268 1,526,881
5. CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			(34)	(15)
6. BONUSES AND REBATES, NET OF REINSURANCE			3,061	6,176
7. OPERATING EXPENSES:				
a) Acquisition commissions	303,501			277,845
b) Other acquisition costs	32,164			33,428
c) Change in deferred acquisition commissions and costs	106			256
d) Renewal commissions	47,064			45,806
e) Administrative expenses	76,783			74,345
f) (-) Reinsurance commissions and profit participation	64,643	394,762		68,680 362,489
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			2,993	4,558
9. CHANGE IN THE EQUALIZATION PROVISIONS			137	103
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)			29,277	8,515

for the year ended
31st December, 2000
(Amounts in millions of ITL)

for the year ended
31st December, 1999

II. TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS					
1.	WRITTEN PREMIUMS, NET OF REINSURANCE				
	a) Gross premiums written	879,371		708,396	
	b) (-) Outward reinsurance premiums	14,337	865,034	13,985	694,411
2.	INVESTMENT INCOME				
	a) Income from shares and participating interests...	7,872		4,004	
	(of which derived from affiliated undertakings	7,636)		(of which derived from affiliated undertakings	3,728)
	b) Income from other investments				
	aa) income from land and buildings	1,116		1,409	
	bb) income from other investments	273,325	274,441	253,237	254,646
	(of which derived from affiliated undertakings	3,197)		(of which derived from affiliated undertakings	2,565)
	c) Value re-adjustments on investments.....	992		277	
	d) Realized gains on investments	101,423		59,539	
	(of which derived from affiliated undertakings	0)	384,728	(of which derived from affiliated undertakings	0)
3.	UNREALIZED GAINS ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND FOR PENSION FUNDS		21,621		7,382
4.	OTHER TECHNICAL INCOME, NET OF REINSURANCE		8,904		2,770
5.	CLAIMS INCURRED, NET OF REINSURANCE				
	a) Claims paid				
	aa) Gross amount	480,367		367,624	
	bb) (-) Reinsurers' share	42,801	437,566	36,189	331,435
	b) Change in the provision for claims				
	aa) Gross amount	1,727		7,929	
	bb) (-) Reinsurers' share	(529)	2,257	297	7,633
6.	CHANGE IN THE MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
	a) Mathematical provisions, net of reinsurance				
	aa) Gross amount	273,493		396,302	
	bb) (-) Reinsurers' share	(8,549)	282,042	(4,570)	400,871
	b) Ancillary risks - provision for unearned premiums				
	aa) Gross amount	0		0	
	bb) (-) Reinsurers' share	0	0	0	0
	c) Other technical provisions				
	aa) Gross amount	2,613		3,985	
	bb) (-) Reinsurers' share	0	2,613	0	3,985
	d) Technical provisions for life assurance policies where investment risk is borne by policyholders and pension fund management provision				
	aa) Gross amount	285,072		76,904	
	bb) (-) Reinsurers' share	0	285,072	0	76,904
7.	BONUSES AND REBATES, NET OF REINSURANCE		692		1,113

**UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE THREE MONTHS ENDED
31ST MARCH, 2001**

The quarterly report for the Unipol Group as at 31st March, 2001 has been drafted in accordance with CONSOB Regulation no. 11971 of 14th May, 1999. The information provided shows the operating results from ordinary activities, including value recoveries and adjustments on investments derived from market trends but not including the extraordinary income made in the 1st quarter (approximately ITL 30 billion).

During the first quarter of 2001, the Group's structure was not significantly different from that at 31st December, 2000. On the other hand, it should be noted that with respect to the Group's structure as at 31st March, 2000, the insurance companies acquired by Unipol during 2000 now form part of the consolidation area.

An overview of the main highlights for the first quarter of 2001, compared with those for the corresponding period last year and those at the end of the year, are indicated in the table below:

ORDINARY ACTIVITIES – SUMMARY

(Amounts in ITL billion)

UNAUDITED

	31st March, 2001			31st March, 2000			31st December, 2000		
	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total
TECHNICAL ACCOUNT									
Net of reinsurance premiums									
Life and Non-Life premiums for the financial year.....	1,269.2	890.6	2,159.8	449.5	495.3	944.9	2,261.9	3,518.6	5,780.5
Claims paid and change in Life technical provisions and provisions for Non-Life claims outstanding	(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)
Other income and technical charges	1.5	(3.3)	(1.7)	(0.7)	1.8	1.0	(1.7)	(40.0)	(41.7)
Net investment income from technical account and class D capital losses/gains.....	(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 return on investment ⁽²⁾			109.5			36.7			376.4
Net value adjustments			(126.6)			(12.8)			(147.8)
Balance other income/other charges			(9.4)			0.9			(35.1)
Balance on ordinary activities			44.6			43.0			101.4

(1) Consolidated annual accounts do not provide for income transfers from the non-technical account for the non-life sector.

(2) Investment income after transfers to the life sector technical account.

The most significant aspects of the interim results as at 31st March, 2001 are as follows:

- Group premium income, including outward reinsurance premiums, was ITL 2,326 billion (+130.3 per cent. on the first quarter of 2000, +16.4 per cent. including the acquisitions made in 2000 in both quarters) and ITL 2,160 billion net of outward reinsurance premiums and the balance relating to provisions for unearned premiums for the period (ITL 945 billion as at 31/3/2000). As regards the non-life sector (+1.3 per cent. in homogenous terms) there was, in particular, premium income from Linear, which recorded continuing high growth (+65 per cent.). This performance was largely due to Internet sales, which represented 33 per cent. of all new production contracts, compared with approximately 15 per cent. achieved in 2000. In terms of the life sector, (+31.7 per cent. in homogenous terms) BNL Vita (+76 per cent.) and Unipol (+24 per cent.) achieved remarkable levels of performance.
- The technical account balance was up at ITL 71.2 billion (ITL 18.2 billion as at 31st March, 2000 and ITL 61.8 billion as at 31st March, 2001 in homogenous terms).
- The non-life loss ratio trend in the first quarter confirms the strong improvement trend already observed at the end of 2000, especially for Unipol. The average loss ratio, including claims settlement charges and net of outward reinsurance premiums, was 75.5 per cent. (80.4 per cent. as at 31st March, 2000 and 83.2 per cent. at the end of 2000).

- Investments and liquid assets rose to ITL 25,180 billion, showing an increase of ITL 1,028 billion on 31st December, 2000 (+4.3 per cent.).
- Net investment income for the period and net trading profits were ITL 241.6 billion (ITL 171.4 billion as at 31st March, 2000).
- Net value adjustments noted at the end of this quarter came to ITL 126.6 billion (ITL 12.8 billion as at 31st March, 2000).
- Net operating expenses, totalling ITL 245.5 billion, had an incidence on earned premium income of 11.4 per cent. (12.9 per cent. as at 31st March, 2000).
- The balance from ordinary activities as at 31st March, 2001 came to ITL 44.6 billion (ITL 43 billion as at 31st March, 2000). This result reduces depreciation relating to consolidation differences by ITL 13.8 billion, compared with ITL 1.1 billion as at 31st March, 2000.

During the reference period, the process implemented within the Group to increase integration between the various sectors continued in the banking and managed savings sectors. The aim of this is to provide customers with a wide range of services from insurance to banking to managed savings. Unipol Banca continued to implement the development plan with the opening of five branches and nine financial sales points. The first quarter of 2001 was characterised by a significant rise in the interest margin (+67.2 per cent. on the first quarter of 2000) and an increase of 4 per cent. in the commissions margin, which together contributed to a 59.8 per cent. increase in the brokerage margin on the first quarter of 2000. As at 31st March, 2001, the managed savings portfolio was worth ITL 432 billion.

TAXATION

The following is a general guide only, based upon the tax laws of the Republic of Italy as in effect on the date of this Offering Circular and should be treated with appropriate caution. The information below is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of Notes.

Prospective purchasers of Notes who are in doubt as to their tax position on purchase, ownership or transfer of any Note are strongly advised to consult their own tax advisers.

1. Tax treatment of Notes – General

Legislative Decree No. 239 of 1st April, 1996, as amended, (“**Decree 239**”) regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price hereinafter collectively referred to as “**Interest**”) from notes issued, *inter alia*, by Joint Stock Companies whose shares are negotiated in Italian regulated markets. The provisions of Decree 239 only apply to those Notes issued by the Issuer with a maturity of eighteen months or more which qualify as *obbligazioni* or *titoli similari alle obbligazioni* pursuant to Article 41, paragraph 2(c) of Presidential Decree n. 917 of 22nd December, 1986, as amended.

2. Italian Resident Noteholders

Where the Italian resident Noteholder, who is the beneficial owner of the Notes, is (i) an individual not engaged in entrepreneurial activity, (ii) a partnership, other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership, (iii) a non-commercial private or public institution, (iv) a real estate investment fund, or (v) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes are subject to a final tax, referred to as *imposta sostitutiva*, levied at the rate of 12.5 per cent. (either when the Interest is paid by the relevant Issuer, or when payment therefor is obtained by the Noteholder on a sale of the relevant Notes).

Where a Noteholder, who is the beneficial owner of the Notes, is an Italian resident is a corporation or a similar commercial entity, or a permanent establishment in Italy of a foreign corporation and the Notes are deposited with an authorised intermediary, payments of interest will not be subject to *imposta sostitutiva*, but must be included on an accrual basis in the relevant Noteholder’s annual income tax return and are therefore subject to general Italian corporate taxation, according to the ordinary rules.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (“**SIMs**”), fiduciary companies, exchange agents and other qualified entities resident in Italy or by permanent establishments in Italy of banks or SIMs resident outside Italy or organisations or companies non-resident in Italy, acting through a system of centralised administration of securities, having appointed as their agent in Italy, for the purposes of Decree 239, a bank or SIM resident outside Italy, which are directly connected with the Italian Ministry of Finance (each an “**Intermediary**”).

Intermediaries must intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

Where the Notes are not deposited with authorised Intermediaries, the *imposta sostitutiva* is applicable and withheld by any entity or the bank paying interest to a Noteholder.

The *imposta sostitutiva* regime described herein does not apply in case where the Notes are held in a discretionary investment portfolio managed by an authorised Intermediary and the investor opts to be taxed at a flat rate of 12.5 n per cent. on the year-end appreciation of the investment portfolio accrued, even if not realised (which appreciation includes Interest accrued on the Notes), pursuant to the so-called discretionary investment portfolio regime (the *Risparmio Gestito* regime, as described below under “**Capital Gains**”). Italian resident collective investment funds are subject to a 12.5 per cent. annual substitute tax on the increase in value of the managed assets accrued at the end of each tax year (which increase includes interest accrued on the Notes).

3. Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident individuals or corporation without a permanent establishment in Italy to which the Notes are effectively connected, an exemptive regime from *imposta sostitutiva* applies with respect to any Interest payment in favour of a Noteholder residents, for fiscal purposes, in a country with which Italy has entered into a double taxation treaty which, by its terms,

recognises the Italian fiscal authorities' right to an exchange of information in order to assess whether the investor is entitled to the exemption.

For the purpose of the application of the exemption, such countries are listed in the Decree of the Ministry of Finance of 4th September, 1996 (as subsequently integrated) and include *inter alia*, all members of the European Union, Australia, Brazil, Canada, Japan and the United States, but exclude, *inter alia*, Switzerland and Cyprus.

To ensure payments of Interest and other proceeds in respect of the Notes without the application of the *imposta sostitutiva*, investors mentioned above must (i) be the beneficial owners of payments of Interest and other proceeds of the Notes, (ii) deposit directly or indirectly the Notes together with the Coupons relating to such Notes with an authorised financial intermediary and (iii) in the event of non-Italian resident beneficial owners of the Notes, file with the relevant depository, prior to, or at the time of, the deposit of the Notes (and periodically thereafter on or before 31 March of each year) an appropriate form required by Decree 239 (the Model 116 IMP) bearing, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-resident beneficial owners of the Notes.

The 12.5 per cent. *imposta sostitutiva* will be applicable to Interest payments received by beneficial owner Noteholders resident, for fiscal purposes, in (i) countries with which Italy has not entered into a double tax treaty, (ii) double tax treaty countries which do not recognise the Italian fiscal authorities' right to an exchange of information in order to assess the status of the investor and (iii) countries which benefit from a privileged fiscal regime (so called "tax havens"), pursuant to Italian tax law, as expressly listed in Ministerial Decree of 24th April, 1992.

The 12.5 per cent. *imposta sostitutiva* may be reduced or reduced to zero under applicable double tax treaties, if more favourable.

4. Early Redemption

Without prejudice to the above provisions, Notes issued with an original maturity of eighteen months or longer, which are made subject to early redemption within eighteen months from the date of issue, are subject to an additional tax due by the Issuer at the rate of 20 per cent. in respect of Interest and premium (if any) accrued on the Notes up to the date of the early redemption pursuant to Article 26, 1st paragraph, of Presidential Decree n. 600 of 29th September, 1973, as amended ("**Decree 600**").

5. Capital Gains

Italian resident Noteholders

Pursuant to Legislative Decree No. 461 of 21st November, 1997, as amended ("**Decree 461**") a 12.50 per cent. capital gains substitutive tax (referred to as *imposta sostitutiva*) is applicable to capital gains realised by Italian resident individuals not engaged in entrepreneurial activities, non-commercial entities, associations and partnership, as well as non-resident individuals and corporations without a permanent establishment in Italy, on any sale or transfer of the Notes for consideration or redemption thereof.

Under the tax declaration regime, which is the standard for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities, the 12.5 per cent. *imposta sostitutiva* on the capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital losses, realised by Noteholders pursuant to all investment transactions carried out during any given fiscal year. Capital gains realised in a tax year, net of any incurred loss, must be detailed in an tax annual income return to be filed with Italian tax authorities. Capital losses that exceed gains may be carried forward and deducted from subsequent capital gains for up four tax years.

Alternatively to the tax declaration regime, Noteholders, who are Italian resident individuals not engaged in entrepreneurial activities, may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes ("**Risparmio Amministrato**" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other intermediaries to be determined by means of Ministerial decree and (ii) an express election of separate taxation being timely made in writing by the relevant Noteholder. The separate taxation election lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting from *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities. Where a particular sale or transfer or redemption of the

Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains subsequently realised on assets held with the same intermediary in the same tax year, in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime the Noteholder is not required to detail the gains in its annual income tax return and remains anonymous.

In the event that the period between the purchase of the Notes and their subsequent sale exceeds twelve months, the amount of which the capital gains substitutive tax will be charged, will be determined by multiplying the capital gain realised by an adjustment factor (referred to as *equalizzatore*) set by the Italian Ministry of Finance. Therefore, the capital gains amount, which is subject to *imposta sostitutiva*, will vary according to the duration of the possession of the Notes. *Equalizzatore* is applicable in order not to penalise the regime of taxation of the incomes accrued in respect of the regime of taxation on incomes paid. Therefore, *equalizzatore* is not applied if the Noteholder is taxed under the *Risparmio Gestito* regime.

Special rules apply if the Notes are part of (i) a portfolio managed in a regime of *Risparmio Gestito* by an Italian asset management company or certain authorised intermediaries or (ii) an Italian *Organismo di Investimento Collettivo del Risparmio* (which includes *Fondo Comune di Investimento* or *SICAV*) or a Luxembourg investment fund regulated by Article 11-bis of Law Decree 30th September, 1983, No. 512 (the “**Fund**”). In both cases, capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 12.5 per cent. *imposta sostitutiva* but will contribute to determine the annual accrued appreciation of the portfolio. The annual accrued, even if not realised, appreciation of the portfolio is subject to *imposta sostitutiva* of 12.5 per cent., final tax required to be applied, on behalf of the taxpayer and remitted to the tax administration by the asset management company. Under the *Risparmio Gestito* regime any depreciation of the investment portfolio accrued at year-end may be carried forward against appreciation accrued in each of the following years up to the fourth. Under the *Risparmio Gestito* regime the Noteholders remains anonymous.

Non-Italian resident Noteholders

Pursuant to Decree 461, as amended by legislative decree No. 259 of 21st July, 1999, any capital gains realised by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, through the sale, transfer or redemption of the Notes, is exempt from taxation in Italy to the extent that the Notes are listed on a regulated market, in Italy or abroad, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

6. Transfer tax

Pursuant to Royal decree 30th December, 1923, No. 3278 as amended by legislative decree 21st November, 1997, no. 435, in general, no Italian transfer tax is payable, *inter alia*, on transfers of securities such as the Notes:

- (a) entered into on a regulated market;
- (b) entered into outside regulated markets provided that they are entered into between:
 - (i) banks or SIMs or other professional intermediaries of stockbrokers among themselves;
 - (ii) the intermediaries of paragraph (i) above, on the one hand, and non-Italian residents, on the other hand;
 - (iii) the intermediaries of paragraph (i) above, even if not resident in Italy, on the one hand and *Organismi di Investimento Collettivo del Risparmio*, on the other hand.
- (c) occurring in the context of a public offering aimed at the listing of the securities on a regulated market or concerning securities already listed on a regulated market.
- (d) for a consideration of less than ITL. 400,000.

If applicable, transfer tax is payable as follows:

- (a) Lit. 9 per Lit. 100.000 or fraction thereof the price at which the Notes are transferred if the transaction is entered into (i) between private parties and banks. SIMs or other professional intermediaries or stockbrokers or (ii) between private parties amongst themselves, through banks, SIMs or other professional intermediaries or stockbrokers. In these cases, however, the amount of the transfer tax cannot exceed Lit. 1,800,000 for each transaction.

- (b) Lit. 16 per Lit. 100,000, or fraction thereof, of the price at which the Notes are transferred if the transaction is entered into (i) between private parties directly or (ii) between private parties through intermediaries not falling within paragraph (a) above.

7. Proposed EU Savings Tax Directive

The European Union is currently considering proposals for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding system for a transitional period in relation to such payments. The proposals are not yet final and they may be subject to further amendment and/or clarification.

SUBSCRIPTION AND SALE

ABN AMRO Bank N.V., J.P. Morgan Securities Ltd., Finec Merchant S.p.A. and MEDIOBANCA, Banca di Credito Finanziario S.p.A. (together, the “Managers”) have, in a subscription agreement dated 13th June, 2001 (the “Subscription Agreement”) and made between the Issuer and the Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe and pay for the Notes at their issue price of 100.925 per cent. of their principal amount less a combined management and underwriting commission of 0.55 per cent. of their principal amount and a selling concession of 1.45 per cent. of their principal amount. The Issuer has also agreed to reimburse ABN AMRO Bank N.V. for certain expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has further represented and agreed that:

- (a) it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to the expiry of the period six months from the Closing Date except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (b) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (c) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes to a person who is of a kind described in article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

Republic of Italy

The offering of the Notes has not been registered pursuant to the Italian securities legislation and, accordingly, each of the Managers has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in a solicitation to the public, and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations.

Each of the Managers has represented that it will not offer, sell or deliver any Notes or distribute copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy except:

- (a) to “Professional investors”, as defined in Article 31.2 of CONSOB Regulation No. 11522 of 1st July, 1998 (“Regulation No. 11522”), as recently amended, pursuant to Article 30.2 and 100 of Legislative Decree No. 58 of 24th February, 1998 (“Decree No. 58”), or in any other circumstances where an express exemption from compliance with the solicitation restrictions provided by Decree No. 58 or CONSOB Regulation No. 11971 of 14th May, 1999, as amended, applies, provided however, that any such offer, sale or delivery of Notes or distribution copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy must be:
 - (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1st September, 1993, as amended (“Decree No. 385”), Decree No. 58, Regulation No. 11522 and any other applicable laws and regulations;
 - (ii) in compliance with Article 129 of Decree No. 385 and the implementing instructions of the Bank of Italy, pursuant to which the issue, trading or placement of securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending, *inter alia*, on the amount and the characteristics of the Notes issued or offered in the Republic of Italy, applies; and
 - (iii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy; or
- (b) to Italian residents who submit unsolicited offers to any of the Managers to purchase the Notes.

General

No action has been or will be taken in any jurisdiction by the Issuer or any Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 26th March, 2001.
2. Save as disclosed in this Offering Circular, there are no litigation or arbitration proceedings against or affecting the Issuer, any of its subsidiaries or any of their respective assets, nor is the Issuer aware of any pending or threatened proceedings, which are or might be material in the context of the issue of the Notes.
3. Save as disclosed in this Offering Circular, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of the Issuer or any of the Issuer's subsidiaries since 31st December, 2000 that is material in the context of the issue of the Notes.
4. For so long as any of the Notes are outstanding, copies of the following documents may be inspected during normal business hours at the Specified Office of each Paying Agent:
 - (a) the Fiscal Agency Agreement; and
 - (b) the Deed of Covenant.
5. For so long as any of the Notes are outstanding, copies of the following documents (together with English translations thereof) may be obtained free of charge during normal business hours at the Specified Office of each Paying Agent:
 - (a) the audited consolidated and unconsolidated financial statements of the Issuer for the years ended 31st December, 1999 and 31st December, 2000;
 - (b) the unaudited consolidated quarterly report of the Issuer for the three months ended 31st March, 2001; and
 - (c) the latest published quarterly reports and the unaudited semi-annual interim and audited year-end consolidated and unconsolidated financial statements of the Issuer.
6. In connection with the application for the Notes to be listed on the Luxembourg Stock Exchange, copies of the Deed of Incorporation and by-laws of the Issuer (together with English translations thereof) and a legal notice relating to the issue of the Notes will be deposited prior to listing with the *Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*, where they may be inspected and copies obtained upon request.
7. The Notes and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Note or Coupon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0130717134 and the common code is 013071713.

THE ISSUER

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