

Compagnia Assicuratrice Unipol

Stock Company

*Registered offices - Via Stalingrado 45 – 40128 Bologna - Share Capital €911,580,733 fully paid-up
Company Register 00284160371/BO - R.E.A. 160304 – Authorized to provide insurance services
by M.D. 28.12.62 (O.J. 15 / 18.1.63) and M.D. 29.4.81 (O.J. 135 / 19.5.81)*

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Translation from the original Italian text.

Company's Boards and Officials as at the Shareholders' Meeting (*)

HONORARY CHAIRMAN

Enea Mazzoli

BOARD OF DIRECTORS

CHAIRMAN AND
MANAGING DIRECTOR

Giovanni Consorte

VICE-CHAIRMAN AND
MANAGING DIRECTOR

Ivano Sacchetti

BOARD MEMBERS

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

BOARD OF STATUTORY AUDITORS

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

AREA GENERAL MANAGERS

Franco Migliorini, *Personnel, Organisation and External Relations*

JOINT GENERAL MANAGERS

Carlo Cimbri, *Investments, Property, Shareholdings and Control*
Carmelo De Marco, *Insurance Business*
Riccardo Laurora, *IT Systems*
Salvatore Petrillo, *Administration and Accounting*

CENTRAL MANAGERS

Domenico Brighi / Giancarlo Brunello / Federico Corradini
Stefano Dall'Aglio / Francesco Montebugnoli / Stefano Scavo

(*) *Company's Boards and Officials after the Shareholders' Meeting on page 439.*

UNIPOL ASSICURAZIONI

Compagnia Assicuratrice Unipol – Stock Company
Share Capital €908,102,691 - Company Register in Bologna, Tax Code and VAT Code: 00284160371 - REA No. 160304
Headquarters and Registered Offices – 45, via Stalingrado, 40128 Bologna

NOTICE CONVENING THE ORDINARY AND EXTRAORDINARY GENERAL MEETINGS

Shareholders are convened to a General Meeting at the registered offices (45, Via Stalingrado, Bologna) on 28 April 2004 at 9.30 a.m. in first call and, if necessary, in second call on 29 April 2004 at the same time and place to decide on the following:

AGENDA

Ordinary General Meeting

1. Annual accounts as at 31 December 2003, Board of Directors' Report on business performance, Board of Statutory Auditors' Report; relevant decisions;
2. Appointment of the Board of Directors for the financial years 2004-2005-2006, having previously determined the number of members and established the related remuneration; relevant decisions;
3. Appointment of the Statutory Auditors for the financial years 2004-2005-2006 and determination of their related remuneration; relevant decisions;
4. Deliberations in accordance with Articles 2357, 2357 *ter* and 2359 *bis* of the Civil Code.

Extraordinary General Meeting

1. Changes to the following articles of the by-laws: 1 (Name), 2 (Registered Office), 3 (Duration), 4 (Object), 5 (Capital), 6 (Shares), 7 (Transferring shares), 8 (Convening Shareholders' Meetings), 9 (Procedures for Shareholders' Meetings), 10 (Administrative body), 12 (Meetings and decisions of the Board of Directors), 13 (Powers of the Board of Directors), 15 (Managers), 16 (General Council), 17 (Statutory Auditors), 19 (Company profits), 21 (Disputes), 22 (Shareholders' domiciles); relevant decisions.

Holders of ordinary and preference shares who have the proper certification as laid down by Article 34 of CONSOB Decision 11768 of 23/12/1998, issued, in accordance with the law, by an Intermediary belonging to the Monte Titoli S.p.A. centralised management system, can attend the General Meeting.

Copies of the Directors' Report on the proposal to buy and sell Company's own shares, the Directors' Report on the proposals of changes to the current by-laws and on the proposals concerning other matters on the agenda, are available to the public at Borsa Italiana S.p.A. and at the Company's Shareholders' Office (45, Via Stalingrado, Bologna), in accordance with what is laid down by CONSOB Decision 11971 of 14 May 1999. Copies of the documentation filed will be sent to any shareholders who request it.

It should be remembered that, in accordance with Article 17 of the By-laws, the list of nominations to the Board of Statutory Auditors must be made available to shareholders at least ten days before the date fixed for the Meeting, and lodged at the Shareholders' Office of the Company, together with the documentation required by the said article.

The draft unconsolidated and consolidated accounts as at 31 December 2003, as approved by the Board of Directors, will be made available at the registered offices (45, Via Stalingrado, Bologna) and at the headquarters of Borsa Italiana S.p.A. within 90 days from the closure of the financial year.

Bologna, 26 March 004

*On behalf of the Board of Directors
The Chairman
(Giovanni Consorte)*

COMPANY HIGHLIGHTS

(€m)

	2003	2002	2001
Gross premiums	2,454.2	1,901.7	1,720.3
<i>% variation</i>	29.1	10.5	9.1
Technical provisions	6,091.5	5,122.0	4,735.4
<i>% variation</i>	18.9	8.2	8.6
Technical provisions-to-premiums ratio			
-Non-Life	147.5	147.2	152.4
-Life	376.3	520.4	542.1
-Life and Non-Life	248.2	269.3	275.3
Investments, cash and cash equivalents	8,865.9	6,474.3	5,986.3
<i>% variation</i>	36.9	8.2	13.6
Net investment income and capital gains			
-Class D and value adjustments excluded	322.3	261.7	274.0
<i>% variation</i>	23.2	-4.5	-0.5
-Class D excluded, value adjustments included	271.9	197.2	200.1
<i>% variation</i>	37.8	-1.4	-13.7
Payments (claims, amounts due out of maturity, surrender, annuity)	1,230.3	1,199.9	1,104.0
<i>% variation</i>	2.5	8.7	11.0
Loss ratio - Non-Life business	71.8	71.9	75.1
Operating expenses	345.9	313.0	296.3
<i>% variation</i>	10.5	5.6	6.3
Expense ratio	14.1	16.5	17.2
Combined ratio (1)	92.8	92.1	96.0
Capital and reserves	2,529.5	1,387.7	1,170.9
<i>% variation</i>	82.3	18.5	4.0
Profit before taxation	209.1	175.0	134.9
<i>% variation</i>	19.5	29.7	29.1
Net profit	134.1	103.1	83.2
<i>% variation</i>	30.1	23.9	39.6
Net profit-to-premiums ratio	5.5	5.4	4.8
Total dividends	115.7	56.9	48.8
<i>% variation</i>	103.3	16.6	27.7
Dividend per ordinary share	0.1250	0.1100	0.0950
Dividend per preference share	0.1302	0.1152	0.1002
No agents as at 31.12	769	768	760
No sub-agents as at 31.12	1,124	1,135	1,132
No staff as at 31.12 (excluding salespersons) (2)	1,418	1,419	1,301

(1) Loss ratio and ratio of operating expenses to Non-Life written premiums

(2) No salespersons as at 31/12/2003: 22

Introduction

Dear Shareholders,

The 2003 financial year was particularly significant for Unipol Assicurazioni and for the Group both from the strategic point of view and as regards the results achieved.

The main features of the period were:

- the acquisition of the Winterthur Italia Group and the increase in share capital of €1,054m, which was fully subscribed during the third quarter;
- the launch of the plan to merge the companies in the Winterthur Italia Group with Meieaurora, which will shortly give rise to Aurora Assicurazioni, the third largest composite company in Italy;
- the reorganization of Unipol Assicurazioni to conform to the new Group set-up. This involved unifying the claims-handling system of the composite companies, sharing IT and communications systems, centralizing property and financial management and achieving economies of scale and of investment in order to create value for shareholders;
- further growth in banking and merchant banking business, which now includes medium-term credit operations;
- significant growth in premium income, in particular in Life business, and considerable growth in income for the companies in the Group and in the consolidated result.

As regards growth, consolidated premium income for the Group rose to €7,492.3m (+23.9%), €4,653.5 of which was for Life business (+25%). Premiums written by the Parent Company Unipol Assicurazioni amounted to €2,454.2m, an increase of 29.1%.

In terms of results, at the end of 2003, its 41st year of operation, Unipol Assicurazioni made a net profit of €134.1m (+30.1%), whilst at the consolidated level the net profit was €147.5m, well up on the previous financial year (+44.4%).

The economic and insurance situation

Internationally 2003 was characterized by the weakening of the dollar and the upturn of the economy in the Far East after the downturn caused by the SARS epidemic.

The principal world economies appeared to be on the upturn. This was particularly so in the case of the United States and Japan, less so in the case of Europe, although the principal indicators pointed to consolidation of the economic situation.

Italy also enjoyed a phase of growth driven by consumption and exports. The rate of growth in Italian GDP was +0.3% compared with the same period in 2002, lower than that of the Eurozone as a whole (+0.4%). Annual average inflation remained rather high (+2.7%) compared with the European average (+2.1%).

At the end of the year the level of public debt as a percentage of GDP was 106.2%, a fall compared with the figure of 108% in 2002, although the reduction was achieved by means of economic rather than structural measures, which are unlikely to produce positive effects in 2004.

Bond markets in the Eurozone fluctuated throughout the year. At the end of 2003 the Euribor 3-month rate was 2.12%, the rate for Italian 5-year Government bonds was 3.59%, that for 10-year bonds was 4.42% and that for 30-year bonds was 5.20%.

International stock exchanges ended 2003 on a positive note, benefiting from the upturn in the fortunes of American companies and from figures on the economic situation that showed an increase in the rate of growth despite the rise in long-term rates. The performance of insurance indices was positive (+8.9% in Europe, +15.4% in Italy) compared with the European stock market as a whole (+12.1%).

As regards the figures relating to the insurance market, it is estimated that in 2003 total premium income exceeded €96bn. This overall growth in the market, estimated at around +9/10%, was mainly attributable to Life premium income, which was more than €62bn, a rise of 12%. The continuing uncertainty about the upturn in the economy fostered growth in this sector in

the final part of the year too, thus confirming the trend towards types of insurance with a limited risk profile.

Life premium income continued to be led by banking outlets and post offices, whilst the rise in income recorded by the traditional networks was essentially due to the contribution made by the large amounts of premium income from group and capitalization policies, which were mainly linked to the corporate market. Business from financial advisers ended the year well down after an exceptional performance in 2002.

In Non-Life business the market is estimated to have grown by about 6%, with premium income that is reckoned to have exceeded €34bn. The rate of growth in Motor TPL was down compared with previous years (around +6% compared with +8.6% in 2002), partly as a result of the undertaking to freeze tariffs entered into by the insurance sector under the Memorandum of Understanding signed by the Government, ANIA and the Consumers' Associations.

Finally let us recall some of the new regulations introduced in 2003 that affect the insurance sector:

- the Decree issued by the Ministry of Production on 10 January 2003 further reduced the contribution payable by companies to the Guarantee Fund for the Victims of Road Accidents from 3% to 2.5%, to apply to all Motor TPL premiums collected as from 1 January 2003. Once again Unipol passed this decrease on in full to its policyholders.
- 15 April 2003 saw the launch of the database (set up by ISVAP in accordance with the provisions of Law 273/2002 reforming Motor TPL), which contains the information relating to losses occurring during the year and already provided monthly by the companies since January 2001. The database can be consulted electronically (using a password issued by ISVAP) by the companies, by the courts and by the police in order to obtain information on road accidents and is a valuable weapon in the fight against the fraud that weighs heavily on this sector.
- 18 April 2003 saw the publication in the Official Journal of Law 80 of 7 April 2002 entitled 'Authorization granted to the Government to reform the State taxation system'.
- On 1 May the reform of the Motor TPL Law (L. 273 of 12/12/2002) came into effect. It introduced new measures such as anti-fraud provisions, extending the publication of tariffs to the Internet, the obligation to submit invoices when making Non-

Life claims, streamlining cancellation procedures and measures to protect consumers in their dealings with insurance companies.

- On 5 May a Memorandum of Understanding on Motor TPL was signed by ANIA, the Government and the Consumers' Associations. Consequently almost all Insurance companies (more than 97% of the market) undertook to limit tariff increases for this year and to publicize their criteria for application, in particular in favour of young people and families. In adhering to the Memorandum Unipol undertook, inter alia, not to raise tariffs until the end of 2003 and (as from July) to give a discount of 5% to both existing and new customers between the ages of 18 and 21.
- On 30 June the new traffic regulations came into force. These introduced a system of driving licence penalty points which helped to reduce the incidence of particularly high claims. The outcome will require the new regulations to be rigorously applied but may well lead to a drop in the cost of claims.
- 11 September saw the publication in the Official Journal of the Decree issued by the Ministry of Health on 3 July 2003 for regulating the criteria for the medico-legal assessment of personal injury involving up to 9% permanent disability, which should lead to more accurate assessment of this type of injury.
- On 9 September, in view of the frequent cases of attacks by potentially dangerous breeds of dog, the Ministry of Health issued an order imposing a duty on owners of such dogs to take out third-party insurance. The scope of this new compulsory insurance cannot be assessed until the Decree implementing the order is issued.
- Legislative Decree 269 of 30 September 2003 linked to the 2004 Finance Act (and converted by Law 326 of 24/11/2003) provided for further extending the deadlines for taking advantage of the regulation relating to the tax amnesty, referred to in the 2003 Finance Act (L. 289 of 27/12/2002), to the assessment periods up to 2001. Subsequently the 2004 Finance Act (Law 350 of 24/12/2003) also extended these provisions relating to the tax amnesty to the 2002 assessment period.
- On 3 November 2003 Legislative Decree 307 'Implementation of EC directives 2002/12 and 2002/13 relating to insurance companies' solvency margins for Life and Non-Life business respectively'

was issued. This Decree substantially modified the criteria for ascertaining the solvency margin laid down in Legislative Decree 174/1995 (Life) and 175/1995 (Non-Life). The new provisions will come into force as from the end of the 2004 financial year.

- On 21 November 2003, in Circular 518/D, ISVAP provided that each insurance company should set up a 'register of complaints and procedures for dealing with disputes' which must be kept, in electronic format, as from 31 March 2004. The register must record complaints received and requests made by the ISVAP for information about complaints.
- On 10 December the draft of the new 'private insurance code', which is due to come into effect on 1 January 2005, was submitted to the Ministry of Production. The draft, which consists of around 400 articles, contains the principles and the rules for reorganizing the insurance sector and replaces around a thousand rules that have been expressly repealed.
- On 28 February 2003 and 23 July 2003 ISVAP requested information relating to investments ('investment monitoring') in existence at the end of each quarter. In addition, on 24 December 2003, a request was made for specific proof of investments (and of any guarantees whether of an insurance nature or not) with a credit risk linked to companies in the Parmalat Group.

Finally legislation to make accounts conform to international standards (currently known as LAS, to be known in future as IFRS) continued to be updated: on 13 October 2003 European Regulation 1725 was published, under which 32 of the 34 accounting standards in existence on 14 September 2002 were formally adopted, along with the relative interpretations, whilst LAS 32 and 39 relating to financial instruments are still being revised and are still strongly disputed because of the huge impact they will have particularly on the accounts of banks and finance and insurance companies.

As regards the insurance sector, it should be noted that the accounting principle that specifically relates to the accounts of insurance companies has not yet been issued. In fact this principle is being drawn up in two stages:

- stage I (to be drawn up by March 2004 and applied with effect from 2005) which specifies that a distinction must be drawn between insurance policies

and financial contracts, that equalization provisions and any other catastrophe provisions must be eliminated and that the 'Loss Recognition Test' must be applied to the provisions for unearned premiums and outstanding claims.

- stage II (to be applied as from 2007), which will introduce a new method of valuing insurance assets and liabilities.

The figures for 2004 will also have to be reclassified in order to allow comparative accounts to be drawn up. Nevertheless, until the national and tax regulations have been amended, insurance companies must also continue to draw up individual accounts in accordance with the schemes used up to present.

* * *

The figures relating to the first few months of 2004, for both the USA and China, confirm that economic growth is on the upturn and that world demand is increasing, probably leading to rises in the prices of raw materials.

In the United States the combination of expansionary monetary and fiscal policies has consolidated expectations of an upswing and of a structural weakness in the dollar against the euro.

The situation in the employment market is still giving cause for concern, although there are signs of an improvement.

The economies in the Eurozone are continuing to demonstrate lack of coherence between a weak economic situation and an appreciating exchange rate.

In the first few months of 2004 production indicators have begun to improve but they remain below those of the other industrialized areas.

The expectations of an upswing have given a fresh impetus to stock exchanges, which are up compared with levels at the end of 2003.

Inflation, which is gradually falling, could keep rates stable during the stage of economic recovery or even allow them to fall in order to contend with the fall in the value of the dollar.

The terrorist attack in Spain has now introduced a new element of fear and uncertainty to the whole continent.

In Italy the indication is that the economy is stagnating, leading to the expectation that this will be another year of transition, with consumption still weak, investments and exports considerably down and with a trend in inflation that, according to initial estimates, is likely to

rise (+2.3% in February compared with +2.2% in January).

Market trends are also very much influenced by the court cases involving several listed groups, which have affected savers' confidence.

As regards the insurance sector, during the first few months of 2004 various companies reduced their Motor TPL tariffs for 'good' drivers, in particular for those living in the most risky areas.

Following the meeting between the representatives of the Government and those of Ania held on 5 February 2004 in order to discuss details of Motor TPL tariffs, in accordance with the Association's request to 'provide incentives for good policyholders in Campania' the Compagnia Assicuratrice Unipol decided to grant a discount to the most careful policyholders in that region.

Therefore all Unipol policyholders falling within the maximum discount category and who have not made a claim in the last five years will, as from next April, benefit from a discount of 5% on car premiums.

One new piece of legislation in the first few months of 2004 was Legislative Decree 344 of 12 December 2003 (in implementation of the Law authorizing the Government to reform the State taxation system) under which the first of the tax

reforms, relating to the taxation of companies, came into effect as from 1 January 2004. It introduced IRES (with a single rate of 33%) and consequently abolished IRPEG, Dual Income Tax and the tax credit on dividends.

Other changes of importance for the company contained in the legislation relate to:

- the exemption of capital gains on long-term shareholdings (known as 'participation exemption');
- the change to the system of taxing dividends (linked to the abolition of the tax credit) with the transition to a general regime of almost complete exemption;
- the introduction of optional Group taxation (known as 'tax consolidation') both nationally and worldwide.

Finally it should be recalled that on 1 January 2004 the company reform referred to in Legislative Decrees 5 and 6 of 17 January 2003 came into effect. Legislative Decree 37 was issued on 6 February 2004 and came into effect on 29 February 2004. This made some amendments and additions to the provisions mentioned above and coordinated the single text of the laws relating to banking and credit (Legislative Decree 385 of 1/9/1993) and the single text relating to financial intermediation (Legislative Decree 58 of 24/2/1998).

Parent Company's Accounts Board Report

Dear Shareholders,

The year that has just ended was particularly important for the Company and for the Group as regards both their strategic profile and the results achieved. The main features of the year were the acquisition of the Winterthur Italia Group and the operations to increase the share capital and to issue the subordinated bonded loan, as described below.

In carrying out these operations the Unipol Group consolidated its position as the fourth largest insurance group operating in Italy and at the same time opened the way for major synergies of cost, investment, technology and growth.

The year also saw a substantial rise in premium income, in particular in Life business, continuation of the work on merging the technological and IT systems within the Group, the commencement of the work on restructuring the Group, with the centralization of a range of activities in Unipol Assicurazioni in its role as Parent Company (claims, IT, financial sector, property, procurement, etc.) and, finally, a considerable rise in the profits of Unipol Assicurazioni and of the companies in the Group and of the consolidated result.

The business performance

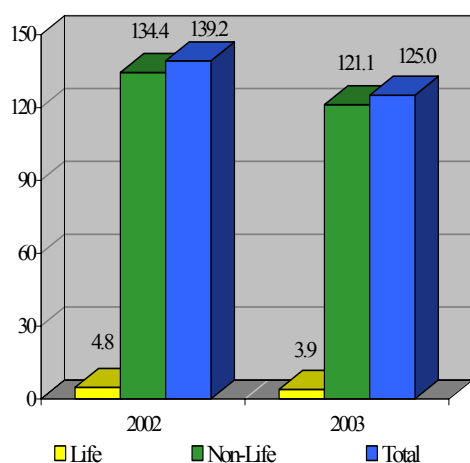
The main features of Unipol Assicurazioni's business, which ended showing net profits of €134.1m compared with €103.1m at the end of the previous financial year, were:

- a rise in premium income from direct business of 31.2% (29.1% for total premiums) with exceptional and unrepeatable growth in Life business of 74.5%;
- a positive technical result in insurance business of €125.0m (€139.2m as at 31/12/2002);
- a reduction in the incidence of operating expenses on premium income (14.1% compared with 16.5% in 2002);
- a rise in investments and liquid assets (+36.9%), in the relevant current net income (+8.4%) and in the net capital gains realized (+100.9%), whilst net value adjustments had less effect on total investments (-21.8%);
- a rise in the ordinary result compared with the previous year (+9.3%) and an even higher rise in the extraordinary result (+97.2%);
- a pre-tax profit of €209.1m (+19.5%) and a net profit for the year of €134.1m (+30.1%).

Coming to the most significant data we notice first and foremost that at the end of 2003 premium income reached a total of €2,454.2m, €2,399.3m of which came from direct business. Non-Life direct business grew by 9.2% whilst Life direct business grew by 74.5%.

Premium income (in €m)	Non-Life	Life	Total	Var. %
Direct business	1,323.1	1,076.2	2,399.3	+31.2
Indirect business	50.7	4.1	54.8	-24.8
	1,373.9	1,080.3	2,454.2	+29.1
Ceded premiums	116.3	2.2	118.5	+1.8
Retained premiums	1,257.6	1,078.1	2,335.7	+30.8
Breakdown %	53.8	46.2	100.0	

Balance on the Technical Account
(€m)



At the Group level consolidated premiums from direct business amounted to €7,462.8m (+24.3%) and total premium income was €7,492.3m (+23.9%).

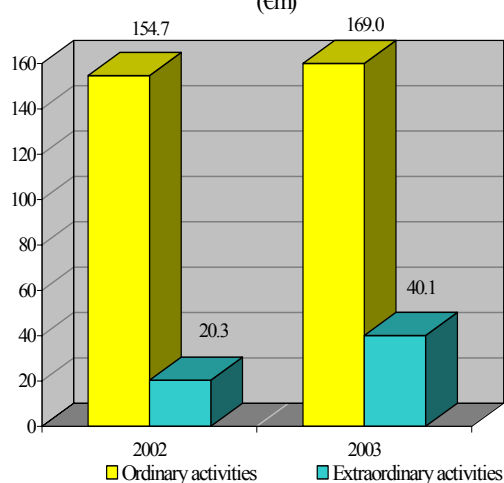
The net retention of premiums written was 95.2%, up on the previous financial year (93.9%).

The result of technical insurance business, including operating expenses and allocation of investment income, was a positive balance of €3.9m in the case of Life business and of €121.1m in the case of Non-Life business. Overall this result was €125.0m (€139.2m in 2002).

Payments made for claims, matured policies, surrendered policies and annuities, including claims-handling costs, came to a total of €1,230.3m (+2.5%).

By the end of 2003 the technical provisions set aside for Life and Non-Life business had reached a total of €6,091.5m (+18.9%), which was €5,983.6m (+20%) net of the reinsurers' share. Despite a drop in the frequency in Motor TPL the ratio of technical provisions to premium income was 147.5% for Non-Life business (147.2% in 2002) and 376.3% for Life business (520.4% in 2002).

Balance on Ordinary and Extraordinary Activities
(€m)



The drop in the ratio in the case of Life business was linked to the strong growth in premium income from new business in 2003.

Operating expenses, which included acquisition and renewal commissions and other acquisition and administrative expenses, came to a total of €345.9m (+10.5%). The relative incidence on premiums fell to 14.1% (16.5% in 2002). Net of commissions paid by reinsurers the total was €307.5m (+12.9%).

Investment income, net of investment charges and excluding those relating to investments for the benefit of policyholders who bear the risk thereof and to investments arising out of pension fund management (Class D), amounted to €238.6m (€220.0m in 2002). Net capital gains for the year, on both long-term and short-term investments, amounted to €83.7m (€41.7m in 2002).

Net value adjustments totalled €50.4m (€64.5m in 2002).

Overall, therefore, in 2003 net ordinary and extraordinary income from investments (€322.3m), less value adjustments, amounted to €271.9m (+37.8% compared with the previous financial year).

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

positive net result of €29.6m (-€20.6m as at 31/12/2002).

Investments and liquid assets, including deposits with ceding undertakings and net of value adjustments, amounted to €8,865.9m, €597.2m of which (€494.0m at the end of 2002) related to Class D investments, an increase of €2,391.6m (+36.9%) compared with the situation as at 31 December 2002.

46.7% of investments were in bonds and other fixed-income securities, units and shares in investment funds and other financial investments (down from 49.9% in 2002). Investments in Group undertakings and in other participating interests rose from 29.5% to 38.9%, whilst investments in directly-owned property fell to 3.6% from 5.3% in 2002. Investments relating to benefits linked to investment funds and market indices and arising out of pension fund management fell to 6.7% (from 7.6% in 2002). Cash at bank fell to 3.1% (6.3% in 2002).

The ordinary result for the year totalled €169.0m compared with €154.7m in 2002 (+9.3%), whilst the result of extraordinary business was €40.1m (+97.2%).

Total taxation, consisting of IRAP and IRPEG on revenue (€209.1m), amounted to €75.0m (€71.9m in 2002).

The Company's equity, including the net profit for the year and the increase in the share capital described below, came to a total of €2,529.5m (€1,387.7m as at 31/12/2002).

Assets covering the solvency margin were well above the level required by law.

Newly - acquired participating interests in insurance companies

On 26 September 2003, continuing to apply the strategy introduced with the acquisitions made during 2000 and in implementation of the contract drawn up on 21 June 2003, Unipol acquired the following holdings in companies in Italy from Winterthur Swiss Insurance Company and Winterthur Life:

- 89.99% of Winterthur Assicurazioni and indirectly 100% of NewWin spa and Winterthur SIM spa, plus minor holdings including two property companies (also 100%);
- 60.22% of Winterthur Vita;
- 100% of Winterthur Italia Holding, which in turn owned 29.78% of Winterthur Vita.

On the same date Unipol's holding company, Finsoe, acquired 10% of both Winterthur Assicurazioni and Winterthur Vita.

As at 31 December 2002 the Winterthur Italia Group was the eighth largest insurance Group (fourteenth if the bancassurance companies are taken into account), with a network of some 800 agencies countrywide and around 1.8m customers.

In particular Winterthur Assicurazioni's corporate purpose is to carry out all Non-Life insurance and reinsurance business both in Italy and abroad. Winterthur Vita's corporate purpose is to carry out Life insurance and reinsurance business both in Italy and abroad, including capital redemption operations and pension fund management. Winterthur Italia Holding is an investment company and held 29.78% of Winterthur Vita. This holding was transferred to Winterthur Assicurazioni on 29 December 2003.

During the 2003 financial year the insurance companies acquired had consolidated premium income of €1,931m and made a total net profit of €93m.

In order to finance this operation, which cost a total of €1,319.2m, on 21 June 2003 Unipol passed a resolution to increase the share capital for a countervalue of €1,054.3m and to issue a subordinated bonded loan of €300m for a term of twenty years as described below.

On 27 January 2004 the Shareholders' Meetings of Meieaurora spa, Winterthur Assicurazioni spa and NewWin Assicurazioni spa approved the plan to merge Meieaurora and the Winterthur Italia Group, which will give rise to 'Aurora Assicurazioni spa', the third largest composite insurance company in Italy, with premium income of €3.2bn, capital and reserves of €1bn and investments of €9bn (pro forma figures for

2003).

Aurora Assicurazioni will be registered in Milan and will be a focus for the Unipol Group's insurance business in Milan (with a sales network of more than 1,300 agencies throughout the country and around three million customers) as a complement to the centre in Bologna represented by the Parent Company Unipol Assicurazioni and by the other subsidiary insurance companies.

Operation to increase the share capital and to issue a subordinated bonded loan

At the meeting held on 21 June 2003 the Board of Directors, using the powers granted to it by the Extraordinary Meeting of Shareholders held on 30 April 2003, resolved to increase the share capital for a price above par by issuing 252,829,824 ordinary shares and 144,241,617 preference shares, each with a nominal value of €1, cum coupon and with the same characteristics as those in circulation, to be offered as an option to shareholders at a ratio of 39 new ordinary and/or preference shares for every 50 shares in the same category held, at a price of €3.40 per ordinary share, €2.40 of which was the price above par, and €1.35 per preference share, €0.35 of which was the price above par, for a total countervalue of €1,054.3m.

During the same meeting, likewise using the powers granted to it by the Extraordinary Meeting of Shareholders, the Board decided to issue a subordinated bonded loan for a total nominal amount of €300m, to mature in twenty years, aimed at institutional investors.

These operations were carried out during the third quarter of 2003 and culminated in both the increase in the share capital and the bonded loan being fully subscribed and paid up.

The stock-exchange market value of Unipol's securities at the end of the year was €2,530m (€2,658m as at 22/03/2004) and was still suffering from the negative trend in the share markets.

Insurance Business

Premiums

Premiums written as at 31 December 2003 totalled €2,454.2m, an increase of 29.1%.

The breakdown of premiums according to class of business, the composition indices and the

percentage variations compared with the same period of 2002 are given in the table below, which conforms to the classification of risks provided for in point A of the table attached to Legislative Decree 175 of 17 March 1995 in the case of Non-Life business and to the similar table attached to Legislative Decree 174 of 17 March 1995 in the case of Life business.

BREAKDOWN OF WRITTEN PREMIUMS PER CLASS OF BUSINESS

(Amounts in €K)

	Financial yr 2003	comp. %	Financial yr 2002	comp. %	2003/2002 variation	
					amount	in %
DIRECT ITALIAN INSURANCE BUSINESS						
Non-Life insurance business						
1 Accident	116,580	4.9	105,804	5.8	10,776	10.2
2 Health	50,675	2.1	48,146	2.6	2,529	5.3
3 Land vehicles - Own damage or loss	121,028	5.0	114,765	6.3	6,263	5.5
4 Railway rolling stock	529	0.0	496	0.0	33	6.7
5 Aircraft- Hull	5	0.0	24	0.0	-19	-79.5
6 Marine - Hull	935	0.0	783	0.0	152	19.4
7 Goods in transit	6,941	0.3	6,733	0.4	209	3.1
8 Fire	51,572	2.1	46,822	2.6	4,750	10.1
9 Other damage to property	76,808	3.2	69,850	3.8	6,958	10.0
10 Land vehicles -T.P.L.	709,324	29.6	645,728	35.3	63,595	9.8
11 Aircraft- T.P.L.	7	0.0	65	0.0	-58	-89.3
12 Marine- T.P.L.	743	0.0	672	0.0	71	10.6
13 General T.P.L.	137,175	5.7	124,331	6.8	12,843	10.3
14 Credit	403	0.0	235	0.0	168	71.8
15 Bonds	20,883	0.9	20,474	1.1	409	2.0
16 Pecuniary losses	13,595	0.6	12,955	0.7	640	4.9
17 Legal protection	9,896	0.4	8,469	0.5	1,427	16.8
18 Assistance	6,046	0.3	5,575	0.3	471	8.5
Total Non-Life insurance business	1,323,144	55.1	1,211,927	66.3	111,218	9.2
Life assurance business						
I Life assurance	322,775	13.5	324,937	17.8	-2,162	-0.7
III Unit-linked / Index-linked products	116,567	4.9	112,012	6.1	4,554	4.1
V Capital redemption operations	617,374	25.7	158,882	8.7	458,492	288.6
VI Pension funds	19,456	0.8	20,999	1.1	-1,543	-7.3
Total Life assurance business	1,076,171	44.9	616,830	33.7	459,341	74.5
Total direct insurance business	2,399,315	100.0	1,828,756	100.0	570,559	31.2
INWARD REINSURANCE						
Non-Life business	50,721	92.5	67,258	92.3	-16,537	-24.6
Life assurance business	4,118	7.5	5,637	7.7	-1,519	-26.9
Total inward reinsurance	54,839	100.0	72,895	100.0	-18,056	-24.8
TOTAL PREMIUM INCOME	2,454,154		1,901,651		552,503	29.1

In the year 2003 tax on premiums (due by policyholders) amounting to €176,833K was also collected (+9,1%), as well as contributions payable to the NHS amounting to €74,210K.

In real terms there was 27.8% growth in direct premiums.

Sales and new products

Despite the upturn in the financial markets, families continued to be very prudent in 2003, seeking out products capable of maintaining their capital value.

In this context insurance investment policies were a better reflexion of consumers' new requirements and so received more of their savings than funds and managed accounts.

Likewise in the case of Unipol Assicurazioni marketing activities for **Life** products were mainly in instruments able to guarantee that customers' capital sum would be maintained and offering a fixed yield. As regards policies with a mainly financial content, there was a return to Index-Linked types of product with the introduction of 'Uninvest 9CENTRO' and 'Uninvest BASE11'.

The aims of 'Uninvest 9CENTRO', placed during the first half of the year, are to pay annual interest (of a total of 9% of the sum invested over the 5-year term of the investment), to protect the capital on maturity and finally on maturity to pay a bonus (based on the trend in a basket of 15 securities).

'Uninvest BASE11', placed during the second half of the year, offers capital protection on maturity, the payment of two 'coupons' (3% and 4% respectively) in the first two years of the investment and the possibility of accruing bonuses in the following four years based on the trend in a basket of securities (in addition to the coupons mentioned above). These bonuses will be paid on maturity and will range from a guaranteed minimum of 4% to a maximum of 34%.

The launch of these two products was backed up by training and refresher courses for the whole of the distribution network and by marketing campaigns aimed at obtaining the maximum marketing exposure during the pre-placement stage.

2003 also saw a further rise in interest in 'traditional' Life policies. The features they offer of guaranteed minimum return and consolidation of results proved to be attractive

to savers driven by emotion and uncertainty.

Hence the introduction of the new single-premium endowment policies with terminal bonus, known as *Tariffs 340, 341 and 342*, which respond to the expectations of savers who prefer safe types of investment since it is clear when they take them out what the benefit will be on maturity. These policies also represent a short-term investment solution in that early redemption of the appreciated capital is allowed with no penalty.

During the year new single-premium capital redemption policies with terminal bonus were also placed, bringing in considerable flows of savings from both families and businesses. The value of the benefit on maturity of *Tariffs 541, 542* (where the policyholder is an individual) and *543* (where the policyholder is a legal entity) is fixed. *Tariffs 225* (where the policyholder is an individual) and *226* (where the policyholder is a legal entity) provide for the payment of a single premium and allow any number of additional payments to be made at any time but with a limit on the total amount of the premiums that can be paid. The value of the benefits is based on the results achieved by the *Vitattiva* segregated account, with a guaranteed minimum of 2%. The charges fall as the amount of premiums paid in rises and the capital plus earnings may be repaid after a year.

In **Non-Life** business a lot was done in 2003 to coordinate the work of the Head Office and the agencies with the aim of improving marketing efficiency by using the same methods and working procedures and all concerned being fully aware that profitability and quality of growth are priority targets.

In addition to improvements made to the range of products offered and to the efficacy of the work done by the agencies, all parts of the business were urged to develop new organizational skills and specific professional skills and to make strenuous efforts to improve the quality of the segments of the portfolio that are the most profitable for the Company and for the agencies.

Some examples of this type of activity are the 'price freeze' on accident insurance, the 'first risk' operation giving generous discounts on

home insurance and the 'it's time to grow' operation relating to insurance covering Motor miscellaneous risks other than TPL. The aim was to offer better cover and at the same time promote road safety and loss prevention. Marketing campaigns aimed at families involved around a million insurance items.

Finally particular mention should be made of the launch in April 2003 of the experiment to install in motor vehicles the device known as *Unibox Strada Sicura*, which can transmit information about the vehicle and its position to a 24-hour call centre and if necessary can send a breakdown vehicle or an ambulance direct to the scene of the incident.

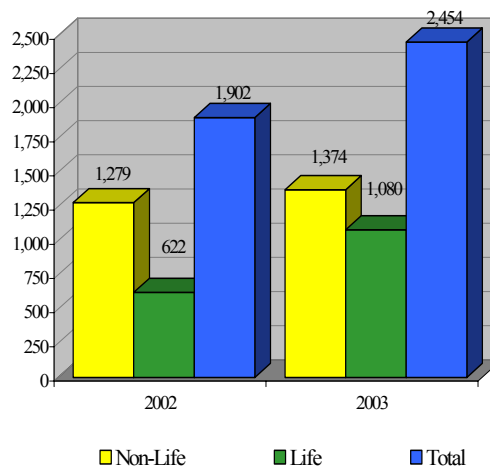
As regards **marketing**, the last quarter of 2003 saw the implementation of two measures aimed at introducing new methods of communication and marketing, making the agency the focus for communications with existing and potential customers.

The first project focused on activities linked to sponsorship of the exhibition 'Duccio: at the origins of Sieneese painting' which opened in Siena on 4 October 2003. Unipol provided insurance cover for the whole event and the agencies were a point of reference for all those involved in the exhibition and for customers.

The second initiative, known as *Casainsieme*, involved Unipol and other companies in the sector, including Tecnocasa (the European leader in property franchising), in a joint venture to offer exclusive conditions and easy terms for acquiring products and services linked to the home.

By the end of the year all the agencies were fully computerized, which led to improved working methods and more effective marketing. The widespread use of the most advanced web technology in all the agencies will enable the network to eliminate any red tape that might otherwise hinder flows of information and business between Head Office and the agencies and will enable it to be more customer-friendly by using the new channels of communication, which respond more rapidly and efficiently to customers' requirements.

Total Premium Income
(€m)



At the end of the year there were 769 Agents in the **sales network** (768 at the end of 2002), plus 1,124 full-time subagents (1,135 at the end of 2002).

A feature of 2003 was the further consolidation and extension of the relationship between the Unipol agencies and Unipol Banca's sales network. As an addition to the approved agencies, the finance shops and the integrated agencies, an experiment was launched in 2003 known as 'nearby agencies' which, once up and running, will involve the Unipol agencies (and those belonging to the other Companies in the Group) located 500 metres from a branch of Unipol Banca (1,000 metres in towns or villages that are not the chief town of a province). In this way the branch of the Bank will be a centre of gravity providing a service that can fulfil the banking and financial requirements of insurance customers.

At the end of 2003 there were:

- 53 finance shops, each in an agency (the decrease compared with the 57 finance shops in 2002 being due to the fact that some of them had been transformed into 'integrated agencies');
- 81 agencies each integrated with a branch of Unipol Banca (compared with 60 in 2002);
- 425 financial advisers.

To these must be added another 104 traditional branches of Unipol Banca.

Implementing Unipol Banca's development plan was made easier by the willing participation of the Unipol Agents who not only were in favour of the strategy but made a major contribution to achieving the expected results.

Sertel

The further work done on the call centre now enables Sertel to operate nationwide and also to handle claims for Meicaurora.

Together with changes to the way in which external claims are handled, the setting up of the Group Claims-Handling Centres thus created the conditions for all Group claims to be handled in this way.

Internet

www.unipol.it is the Company's official site offering full information to both institutional investors and customers. In 2003 the Investor Relations section, which contains press releases, the accounts and reports on the results and on Group strategies, was a major channel of communication with the market and institutional investors since it provided information on acquisition operations and operations relating to the merger of companies in the Group. Another site is activated every year giving direct access to the annual accounts (in Italian and in English) and to the social report.

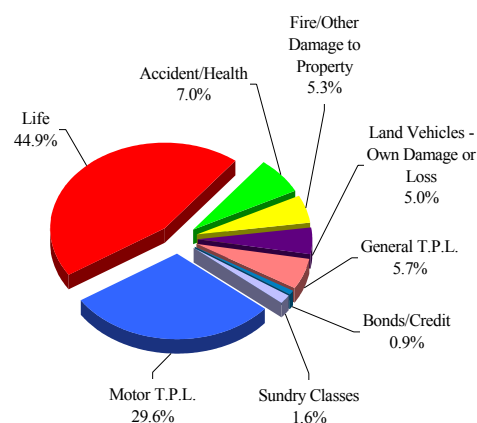
www.agenziaunipol.com is the site through which Unipol agencies can interact direct with their customers, respond to their requests, provide information and carry out marketing activities.

www.unipolonline.com is the service site for Unipol Agents and provides information and training for the sales network. In 2003 monthly newsletters, the Life products marketing handbook, quoting programmes, new tools for contacting customers and procedures for managing the *Duccio* and *Casainsieme* schemes mentioned above were added.

Results by class of business

Below we illustrate the trend in the main classes of business during 2003. The figures are set out in detail, together with the relative technical results, in the specific statements appended to the Notes to the Accounts.

Breakdown of Premiums



LIFE business and pension funds

Total premium income (direct business and inward reinsurance) for the 2003 financial year rose considerably (+73.5%) thus continuing the trend already in evidence in previous years.

Premium income from group policies (Classes I and III), together with capital redemption operations (Class V), exceeded that for individual policies. The substantial change in the composition of premium income can be put down to the continuing dynamism of capital redemption products, as in the preceding years.

Individual policies with recurrent premiums maintained a level of growth above 45%.

Direct premiums written during the year totalled €1,076.2m and recorded a rise of 74.5% over the corresponding figure for 2002.

Direct premiums for individual policies, excluding Class V, amounted to €384.7m (-0.7%), broken down as follows:

	2003	Variation over 2002
Class I	250.8	(2.3)
Class III	114.5	4.1
Class VI	19.5	(7.3)
Total	384.7	(0.7)

Mention must be made of the considerable interest shown by customers for the Index-Linked types of policy (€58.4m) covered by Class III.

Direct premium income from group policies amounted to €74.1m (+5.3%), €72.0m of which was ascribable to Class I (+5.4%) and €2.1m to Class III.

Direct premiums from capital redemption operations (Class V) amounted to €617.4m (€158.9m as at 31/12/2002). This amount included premium income of €112.5m (€18.5m as at 31/12/2002) for capital redemption policies taken out by retail customers.

First-year direct premiums amounted to €47.5m (€25.4m as at 31/12/2002), almost all ascribable to Class I. Direct premiums for subsequent years amounted to €158.8m (€165.5m as at 31/12/2002), almost all in Class I, whilst single premiums amounted to €869.9m (+104.2% compared with 31/12/2002), broken down as follows:

	2003	Variation over 2002
Class I	117.7	(13.0)
Class III	115.3	4.1
Class V	617.4	288.6
Class VI	19.5	(7.3)
Total	869.9	104.2

Taking inward reinsurance into account too, premium income reached a total of €1,080.3m (+73.5%).

Operating expenses, including acquisition and renewal commissions and other acquisition and administrative expenses, totalled €49.1m (€48.9m net of commissions received from reinsurers), with an incidence on premiums of

4.5% (6.7% in the previous financial year).

The increase in the sums paid was 4.8% (+14.7% in the previous year), whilst the corresponding sum reached €377.7m, broken down as follows (in €m):

	2003	Variation over 2002
Class I	267.5	(12.1)
Class III	57.2	70.9
Class V	49.7	140.5
Class VI	3.3	72.0
Total	377.7	4.8

Sums insured at the end of 2003 amounted to €7,653m (+11.5%).

The technical provisions in the direct and indirect portfolios amounted to €4,064.8m, an increase of 25.5%.

The result of the technical account showed a positive balance of €3.9m (€4.8m as at 31/12/2002).

The Vitattiva and Vitattiva 90 segregated accounts produced an average return of 4.90% and 5.09% respectively. The minimum annual write-up allocated to policyholders was 3.92% in the case of Vitattiva 90 and 4.58% in the case of Vitattiva, including the technical interest rate.

Pension funds

There was no change in the elements of uncertainty that put a brake on growth in Pension Funds in 2002. Pensions reform continued to be problematic throughout 2003 and the financial markets were still not giving out reassuring signals capable of attracting savers back.

This situation was a hindrance to the expected rise in numbers investing in these funds but did not prevent the recovery in business that had begun as early as the second half of 2002 in occupational pension funds and in group and negotiated memberships of open-end Funds.

2003 closed with a slightly higher number of members in occupational pension funds as in the previous year.

However, the number of occupation pension funds entering the operational phase rose. In fact, in 2003 four funds obtained permission from COVIP to become fully active, another four funds began the process of selecting financial managers and another two (Fondenergia and Fonchim) called for bids for the renewal of management mandates. Major changes relating to asset management were introduced, such as the transition to composite of the first funds to become active, a greater spread of criteria for socially-responsible investments and renewed attention to the provision of guarantees.

Unipol was also able to respond to these new requirements, being awarded both business providing socially-responsible investments and business providing guaranteed return. In total in 2003 Unipol and J.P. Morgan Fleming – a new strategic partner in this type of business – were awarded the management mandates of two major Funds (Eurofer – for employees of the state railways, and Fondo GommaPlastica – covering rubber, plastic and cables) and retained the mandate for the Fondo Pensione Bayer Italia.

Business relating to the funds already administered proceeded normally – Fonchim, Fondo Pensione Bayer Italia, Fondo Pensione Dipendenti B.A.M., Cooperlavoro, Solidarietà Veneto, Previcoper and Fundum. In April work began on managing Arco's assets (wood, furniture and bricks).

Assets managed at the end of the year reached €238.2m, to which were added the share in the assets of the pension fund for the employees of the Banca Agricola Mantovana and those of Fundum, totalling €11m and €1.5m respectively. As these are guaranteed operations, requiring the transfer of the assets, the amount is included in D.II on the balance sheet.

The new mandates put into effect in 2003 (Arco and Bayer Prudente) recorded assets of €19.4m by the end of the year.

Features of the first few months of 2004 were the commencement of new management mandates (Fon.Te., Eurofer and GommaPlastica), the completion of the selection processes in which

Unipol took part (Byblos – paper industry and commercial artists, Filcoop – agricultural and food cooperatives and Fonchim) and continuing participation in the new stage of selecting managers, the most important of which is the renewal of the mandates for Cometa (metallurgical and mechanical industries), the largest pension fund in Italy.

As regards open-end pension funds, as in previous years the most consistent results were achieved in group pension schemes carried out at head office by agreements with businesses not covered by occupational pension schemes. Overall Unipol succeeded in maintaining its market share, retaining its position amongst the leaders, in particular amongst insurance companies.

As at 31 December 2003 the combined assets of the three funds came to €49.4m (+€15.9m compared with the position as at 31/12/2003), representing a total of 7,240 members.

NON-LIFE business

As at 31 December 2003 premium income from direct business amounted to €1,323.1m, an increase of €111.2m (+9.2%) compared with premiums written in 2002. In real terms the rate of growth was 6.3%.

Including indirect business (inward reinsurance), premiums written during the financial year amounted to €1,373.9m (+7.4%).

As regards the trend in insurance business under freedom to provide services, during the course of 2003 premium income totalling €1,419K, was recorded, mostly accounted for by income from non-EU countries, an increase of 13.9% compared with 2002.

Both policies aimed at families and services offered to businesses and in particular to professionals contributed to the rise in Non-Life business.

For MV products too, both TPL and other guarantees linked to motor vehicles, the trend in growth continued, not only because of new policies but also because of greater customer loyalty.

Operating expenses, including acquisition and renewal commissions and other acquisition and administrative expenses, amounted to €296.8m (€258.7m net of commissions received from reinsurers), compared with €271.2m in 2002. The relative incidence on premiums was 21.6% (21.2% in 2002).

During the course of the financial year 381,412 claims were reported, an increase of 5.0% compared with the number received in 2002.

During 2003 the Group Claims-Handling Centres were opened. These operate on behalf of Unipol, Meieaurora and Linear and are intended to rationalize management procedures, improve the service to users and keep operating costs down. In addition, the *Sertel* claims call centre has been in operation at Group level since 2002.

As regards Unipol, in 2003 *Sertel* received more than 249,000 new claim reports (+13% compared with 2002) and settled more than 75,000 claims.

The rise in the number of claims, which was less than that recorded in the first half of the year, was attributable the personal sector, which was affected by the new group policies.

The reduction in the claims frequency for Motor TPL continued, though less markedly than in previous years, which was just as expected.

The main effect of the introduction on 30 June 2003 of the new traffic regulations seems to have been a reduction in the frequency of major claims. Once these first results are consolidated the cost of particularly large claims could be reduced, provided that the forces of law and order continue to enforce the regulations throughout the country.

The following table, which relates to Italian direct business, indicates the speed with which claims were handled compared with the previous financial year according to the main classes. These figures are obtained by comparing the number of claims paid during the financial year with the number of claims reported in 2003 or outstanding at the end of 2002, excluding those that were not followed

up (as a percentage).

Class	Incurred during the year		Incurred during previous years	
	2003	2002	2003	2002
Accident	65.9	65.6	80.4	81.3
Health	79.9	82.5	87.7	91.8
Land vehicles – own damage or loss	81.4	83.0	81.3	80.5
Fire	57.7	51.3	77.6	75.2
Other damage to property	70.4	71.4	84.9	82.7
Motor T.P.L.	66.4	68.1	62.8	63.4
General T.P.L.	54.2	53.7	40.0	45.0

Claims paid, incurred in 2003 and in previous years, involved the disbursement (net of the coinsurers' share and of sums recovered, including the loss adjusters' fees), of €755.2m, an increase of €24.9m compared with 2002 (+3.4%).

At the end of the year total provisions for unearned premiums and claims outstanding reached €2,026.7m, an increase of €144.0m (+7.6% compared with the position as at 31/12/2002), i.e. 147.5% of the premiums written (147.2% as at 31/12/2002).

The average loss ratio for all Non-Life business, including claims-handling expenses, was 71.2% (70.9% in 2002) and the combined ratio, which also includes operating expenses, rose slightly to 92.8% of earned premiums (92.1% in 2002). If the results of outward reinsurance are included the loss ratio was 71.8% (71.9% in 2002).

The balance on the technical account showed a profit of €121.1m, slightly down on the previous financial year (€134.4m).

Accident

Direct premiums €116.6m (+10.2%)

Number of claims reported 49,595 (+6.4%)

Claims paid €54.9m (+4.7%)

At the end of the year premium income showed an improvement over the figures recorded at the close of the previous financial year. This was achieved thanks to the efforts made to retain existing policyholders by restructuring the portfolio and adjusting the sums insured and work on obtaining new business from public and private bodies,

enterprises and banks.

The marketing policy of targeting specific types of customer and geographic areas also proved to be very effective, being based in particular on 'Multiguarantee for individuals', the multirisk modular structure of which proved to be suitable for fulfilling, in various ways, the insurance requirements of both the 'family' market and other types of customer.

The rise in the number of claims and in the cost of claims was low owing to the continuing work carried out on restructuring critical policies, on improving claims-handling procedures and on combating speculation.

Thus at the end of 2003 a further rise in profitability in this class was recorded.

Health

Direct premiums €50.7m (+5.3%)

Number of claims reported 33,542 (+24.5%)

Claims paid €32.5m (+8.3%)

The constant upward trend in the rise in premium income in this class that had been a feature of the previous few years continued, and this rise was also recorded by Unisalute (the Group company specializing in health care).

These positive results can be attributed to constant efforts to acquire and retain major policies, including those covering the whole country, and to the popularity of the most traditional products.

The cost of claims, and even more so the number of claims reported, rose over the previous year. This rise was largely attributable to the new policies written and to the broadening of benefits provided under existing policies, whilst in the case of policies delegated to others it was attributable to claims reported in previous years but not paid until the current year.

The overall level of profitability in this class, although slightly down on the previous year, was nevertheless positive.

Land vehicles – Own damage or loss

Direct premiums €121.0m (+5.5%)

Number of claims reported 33,359 (+1%)

Claims paid €50.5m (+0.6%)

The feature of the current year for this class was

positive growth, which was a continuation of the trend in the rise in premium income recorded in the preceding years and was certainly largely due to the stimulus provided by Motor TPL.

The careful selection of risks at the underwriting stage and constant monitoring of the technical results enabled the rise in the number of claims and in the cost of claims to be kept down, with a consequent improvement in the technical result for this class.

Fire

Direct premiums €51.6m (+10.1%)

Number of claims reported 4,350 (+12.5%)

Claims paid €25.9m (-2.7%)

The positive trend in premium income recorded in the previous year continued in 2003.

Growth in certain sectors, such as families, artisans, commerce and agriculture, which are targeted with specific multiguarantee products, was particularly positive.

A contribution to this positive result was made by the use of a flexible tariff structure based on the productivity and profitability of the agencies, and this made it possible to improve market penetration and provide greater sales opportunities.

In order to improve customer service further measures were taken to adjust sums insured and to restructure the portfolio.

Work also continued on restructuring multiclaim policies and on agencies that showed negative trends in certain types of business.

There was a major claim during the year but it was amply reinsured.

When high risks were being underwritten we continued to offer professional advice, including advice on fire prevention and fire safety.

The technical result remained slightly positive.

Other damage to property

Direct premiums €76.8m (+10%)

Number of claims reported 27,506 (-7.7%)

Claims paid €36.1m (-2.4%)

This class covers the guarantees mentioned below:

Additional guarantees in the Fire class

Direct premiums €27.3m (+10.3%)

Number of claims reported 17,998 (-10.3%)

Claims paid €13.8m (+11.9%)

As these are guarantees added to fire policies, the steps taken are similar to those already described for the Fire class.

Theft

Direct premiums €24.3m (+8.4%)

Number of claims reported 4,077 (+6.1%)

Claims paid €12.4m (+8.1%)

The significant increase in premium income reversed the trend recorded in the previous financial year and in particular confirmed that the actions carried out in the last few months – allowing greater underwriting flexibility to the agencies in the small-business sector and restructuring the existing portfolio – were correct.

Underwriting policies continued to be characterized by prudence and by the selection and accurate evaluation of risks, in particular in potentially risky sectors.

The rise in the number of claims was constantly monitored and attention was paid to policies on which claims were made, with work being carried out on restructuring and, in particular, on reinforcing both active and passive preventive measures.

The good technical result for this class continued in 2003.

Hail

Direct premiums €8.9m (+2.1%)

Number of claims reported 2,837 (-3.4%)

Claims paid €4m (-47.6%)

The limited growth in premium income can mainly be put down to the spring frosts, which had negative repercussions on sums insured and hence on premiums, but it was also due to the ceiling on the State contribution to the cost of insurance cover, which discouraged farmers from taking out policies.

Although as far as the loss ratio was concerned the first half of the year was rather negative,

subsequently an exceptionally favourable trend was recorded, enabling the 2003 Hail Campaign to close with a very positive result.

Technological risks

Direct premiums €14.8m (+18.2%)

Number of claims reported 1,976 (-15.5%)

Claims paid €5.5m (+4.9%)

Growth in premium income continued to be excellent in 2003. Growth in the building sector in particular continued to be high because the Merloni Law now makes it compulsory for bidders tendering for public works to take out insurance for each tender.

The high number of applications for insurance cover was easily absorbed through the implementation of an appropriate software that enabled the agencies to issue policies simply and swiftly.

The good rate of growth also continued in the private construction sector owing to the impetus provided by tax relief on reconstruction work.

Finally there was a substantial rise in the number of policies in the electronics sector taken out by public bodies and in leasing cover for small and medium-sized businesses.

The fall in the number of claims reported was largely due to measures aimed at improving the result, such as restructuring multiclaim policies and taking direct action in the case of agencies showing negative trends.

The technical result was positive.

Other Guarantees

Direct premiums €1.5m (+4.8%)

Number of claims reported 618 (-2.1%)

These consist in the main of risks relating to plate glass.

No significant amounts were paid out for claims during the year.

Land vehicles – Motor TPL

Direct premiums €709.3m (+9.8%)

Number of claims reported 157,898 (+3.4%)

Claims paid €444.1m (+2.3%)

The 2003 financial year closed substantially the

same as 2002 as far as percentage growth in premium income was concerned.

The result was attributable to the increase in the number of policies in the portfolio, confirming that the tariff policies operated by the Company continued to be popular in 2003. In fact it is clear that a feature of the year just ended was tariff stability, to which should be added the implementation of concrete measures targeted at specific policyholders with the aim of keeping the premiums for Motor TPL down or of granting considerable discounts. These measures included reducing tariffs for young policyholders, thus going against the accepted wisdom that they are more of a risk, and extending the no-claims bonus to a second vehicle belonging to the same owner, which also translates into a great financial advantage for the policyholder. However, these are only two examples of the contents of the 'Memorandum of Understanding on Motor TPL Insurance' signed by the Government, ANIA and the Consumers' Associations, which Unipol has chosen to apply in a way that is most appropriate for its policyholders. As part of company policy of focussing on the customer, the current experiment with *Unibox Strada Sicura* should also be remembered. When this has been concluded it will be possible to assess to what extent knowledge of how the vehicle is used can be used for further tailoring the tariff to the individual customer.

The fall in the claims frequency continued, though this was not as marked as in previous years.

The positive result achieved was in part attributable to various factors, such as the constant checks carried out nationwide to ensure that underwriting policies were correctly applied and investigations into fraud and measures taken to combat it. The fact that these measures were put into effect at the same time, combined with the accurate selection of tariffs, ensured that the year closed with a technical result that was once again positive.

General TPL

Direct premiums €137.2m (+10.3%)

Number of claims reported 35,549 (+1%)

Claims paid €95.0m (+13.7%)

The increase in business in this class confirmed the popularity of this type of cover with customers. In

fact premium income rose more than in the previous year (+10.3% compared with +6.7%).

This figure is even more impressive if account is taken of the fact that:

- this class was carefully restructured, which led to even some policies that brought in significant premium income being cancelled;
- particular attention was paid to the 'Public Bodies' sector (health and local authorities) which actually led to a more selective policy.

Positive results were achieved in the 'professional' sector, partly owing to business deriving from the Inarcassa agreement and from the 'Planner's TPL' policy required by the Merloni Law, and from the modular product known as 'Corporate TPL'.

Given the continuing critical condition already mentioned relating to 'Health in general and Public Bodies', the scrupulous selection policy at the underwriting stage continued to be implemented and work on restructuring the portfolio of policies on which claims had been made continued.

The number of claims was only slightly up on the previous year.

The final technical result, although still negative, showed an improvement.

Credit and Bonds

Direct premiums €21.3m (+2.8%)

Number of claims reported 519 (+3.2%)

Claims paid €3.8m (-12.1%)

Although absolute figures were low, the Credit class, in which the premium income is largely derived from commercial credit, benefited from an extraordinary operation relating to mortgage lending in the second half of the year.

Premium income in the Bond class recorded a modest increase as a result of existing business in the most typical sectors (guarantees for tenders, repayment of VAT credit, building permits, advance payment of tax), in a market situation which suffered from the stress caused by the crisis in major companies and requests for ever more onerous guarantee terms from beneficiaries of surety bonds.

Nevertheless particular care was taken when underwriting risks.

The number of claims reported during the year was slightly up but there was a fall in the individual absolute values.

After the extraordinary claims settled in the first half year, the level of payments returned to normal.

The technical result for this class continued to be positive.

Sundry pecuniary losses

Direct premiums €13.6m (+4.9%)

Number of claims reported 19,342 (+10.9%)

Claims paid €5.1m (-13.1%)

Growth in premium income in this class was in line with trends recorded for other guarantees linked to Motor policies, bearing in mind that it mainly covers these types of risk.

The number of claims reported continued to increase whilst a reduction in costs was recorded.

The technical result for this class continued to be very positive.

Legal protection

Direct premiums €9.9m (+16.8%)

Number of claims reported 2,904 (+15.4%)

Claims paid €2.0m (+12.1%)

The rise in premium income was largely attributable to the considerable growth in guarantees linked to Motor policies but was also helped by the cross-selling transactions undertaken during the year intended to broaden

insurance cover for our customers, and to a lesser extent by the guarantees linked to TPL.

Despite the rise in the number of claims the result for this class continued to be positive.

Assistance

Direct premiums €6.0m (+8.5%)

Number of claims reported 15,385 (+20.1%)

Claims paid €2.0m (+59.7%)

This class mainly covers guarantees linked to motor vehicles and the rise in premium income over the previous year was due, inter alia, to the positive effect of the work done to broaden insurance cover.

Although remaining high, the growing loss ratio did not affect the positive result achieved in this class.

Marine, Aviation and Goods in Transit

Direct premiums €9.2m (+4.4%)

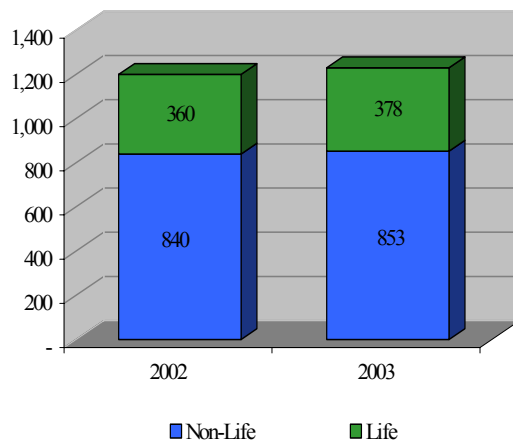
Number of claims reported 1,663 (-14%)

Claims paid €3.4m (-10.3%)

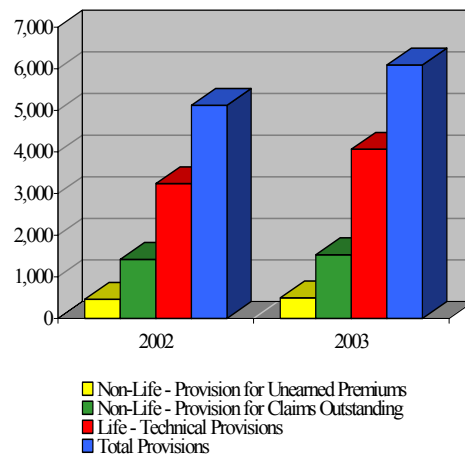
There was only a slight rise in premium income, which suffered both from stagnation in road haulage and from competition, which remained fierce. In addition, marine hull insurance did not benefit from the tariff increases recorded in the last two years.

Nevertheless the final technical result was positive.

Claims Paid (€m)



Technical Provisions (€m)



Reinsurance

Inward reinsurance

At the end of 2003 premium income from inward reinsurance amounted to €54.8m (-24.8%).

In particular, premiums relating to Non-life business amounted to €50.7m, a drop of 24.6% compared with the previous year, as a result of the termination of a series of reinsurance schemes that were no longer placed by the original ceding undertakings and because of the cessation of participation in the reinsurance schemes of the subsidiary Meieaurora.

Premium income from subsidiary companies is broken down as follows (in €K):

Company	Premiums	% variation compared with 2002
Unisalute	26,098	-2.5
Linear	1,697	+38.8
Navale	45	-31.2
Meieaurora	39	-99.3

The overall result for policies in the Non-Life classes, net of reinsurance, was a marked improvement over the previous financial year.

Life business premiums fell from €5.6m as at 31 December 2002 to €4.1m as at 31 December 2003, a drop of 26.9%.

Premium income from subsidiaries is broken down as follows (in €K):

Company	Premiums	% variation compared with 2002
BNL Vita	170	-2.0
Meieaurora	82	+8.6

The overall result for policies in the Life classes, net of reinsurance, continued to be positive.

Outward reinsurance

As regards Non-Life business, the reinsurance scheme set up for 2003 to protect the Company was based on proportional types of cover for all

the classes that were subject to outward reinsurance, except for TPL (both Motor Vehicles and General) and for risks relating to insurance for Hail damage, for which non-proportional types of cover were set up.

In addition non-proportional reinsurance schemes were set up to cover the risks retained by the Company in Fire, Accident, Land Vehicles – Own Damage and Loss, Accidents and Goods in Transit.

For Life business too, the reinsurance structure was based on proportional types of cover.

In addition, non-proportional reinsurance schemes were set up to cover the risks retained by the Company.

The entire reinsurance scheme was placed with major reinsurance companies having a high degree of financial solidity attributed to them by the major rating companies.

The total of direct Non-Life cessions rose from €103.6m in the previous year to €112.7m in 2003, an increase of 8.8%.

The overall result of the cessions operated in Non-Life business was positive for our reinsurers and reflects the good technical result achieved by the Company.

The total volume of premium income for direct business ceded for Life business fell from €4.8m in 2002 to €1.9m in 2003, a decrease of 59.4% following the expiry of the cessions carried out on the former Lavoro & Previdenza portfolio acquired by Unipol at the end of 1997.

The overall result for direct cessions for Life business was positive for our reinsurers.

The retention ratio for Non-Life business was 91.5%, exactly the same as in 2002. The retention ratio for Life business rose from 99.2% in 2002 to 99.8% in 2003.

The overall retention ratio (Non-Life + Life) for direct business rose from 94.1% to 95.2%.

Litigation

In the claims-settlement sector the main goal remains that of limiting litigation as far as possible, partly in order to avoid the expense of court cases.

Thus once again in 2003 pending disputes were reexamined and compromise solutions were sought, and close attention was paid to assessing new cases.

As regards criminal law, the Company worked with ANIA in order to strengthen the prevention and combating of fraud at both the claims-handling and the underwriting stages, including filing numerous complaints with the judicial authorities.

As for litigation initiated in 2003, in some cases there was an increase in the number of actions owing to the Company making a firmer stance directly linked to intensifying its activities to prevent fraud.

During 2003, as a consequence of the fine imposed in 2000 by the Antitrust Authority, approximately 3,200 policyholders applied to the Justices of the Peace for a refund of 20% of the Motor TPL premiums they had paid between 1995 and 2000. Unipol deemed the applications to be without foundation and decided to take the matter to the courts.

In 2003 487 judgements were handed down in favour of the Company and 1,307 against, at a total cost of approximately €1.1m.

The number of applications and of cases fell substantially when Decree Law 18 of 8 February 2003, which obliged Justices of the Peace to base their decisions on law and not on equity, came into force, owing to the fact that decisions based on law allow the companies involved to challenge any rulings that go against them in the courts. 115 appeals were submitted in 2003.

Finally, turning to the dispute with the Antitrust Authority regarding the appeal before the Lazio Regional Administrative Court on the ruling relating to an agreement alleged to have been made between Unipol and other leading insurance companies relating to insurance

policies taken out by public bodies in Emilia Romagna, it should be noted that the hearing took place on 28 January 2004. In its judgement, which was filed on 4 February 2004, the Lazio Regional Administrative Court rejected the appeal submitted by Unipol, which reserves the right to consider the possibility of appealing to the Council of State against the decision.

Operating and claims-handling expenses

Reorganization work carried out during 2003 included the completion of the unification of the Unipol and Meicaurora national claims-handling systems into a single Group Claims-Handling Department, which Linear also uses, with a single network of offices and external staff. This structure is answerable to Unipol Assicurazioni's Group Claims-Handling Directorate, to which employees from Meicaurora's claims-handling network were transferred. The individual Companies continued to deal direct with particularly large or complex claims. This integration of claims-handling procedures was in addition to the process already carried out of centralizing other management activities within the Parent Company ('Sertel' telephone and internet claims-reporting and claims-handling service, property and financial investments, IT system management). The cost of Group services was divided up and invoiced to the Companies that used them on the basis of actual use, ascertained by applying analytical accounting methods.

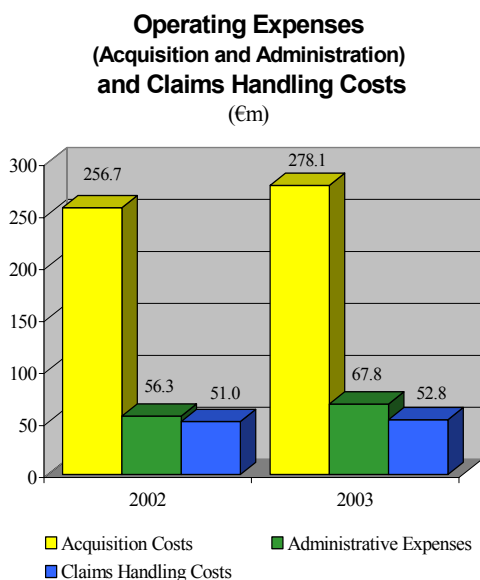
Operating expenses, which included acquisition and renewal commissions and other acquisition and administrative expenses, are shown below net of costs incurred for services provided to other companies.

The relative total amount was €345.9m at the end of 2003 compared with €313.0m in 2002 (€307.5m and €272.4m respectively net of commissions received from reinsurers).

The rise in the above-mentioned expenses was 10.5% but the relative incidence on premium income fell once again, from 16.5% in 2002 to

14.1% in 2003, partly as a result of the strong growth in premium income recorded for Life business.

These expenses do not include claims-handling expenses, which amounted to €52.8m (€51.0m in 2002), an increase of 3.5%.



Acquisition and renewal commissions, together with other acquisition expenses, amounted to a total of €276.4m (+8.7%) and other administrative expenses to €67.8m (+20.5%), which was an incidence on premiums written of 11.3% and 2.8% respectively (13.4% and 3% in 2002).

Staff

As at 31 December 2003 the Company had 1,440 employees, 22 of whom were salespersons, a net decrease of 2 compared with the position as at 31 December 2002.

Whilst 73 employees left the company (1 of whom was a salesperson), 2003 ended with 71 new recruits, 41 of whom were for the Sertel call centre.

In 2003 staff costs, gross of recoveries from subsidiaries and other companies, amounted to €70.0m for salaries, social security contributions and staff leaving indemnity, and to €78.2m if account is also taken of travel expenses,

training costs and all other related costs, an increase over 2002 of 7.7%.

The incidence of total staff costs on premiums written was 3.2%. The incidence of these costs in 2002 was 3.8%.

The direct premium/employee ratio (excluding salespersons) rose to €1,692K per employee (€1,289K in 2002).

On 18 July 2003 the National Labour Agreement, which governs relationships between insurance companies and non-managerial staff and had lapsed on 31 December 2001, was renewed. The arrears were paid and the relative salary scales were adjusted, in accordance with the procedures laid down in the Agreement, in October 2003.

The financial part of the National Labour Agreement for managerial staff, which had expired on 30 June 1999, was also renewed, with salary scales being adjusted and arrears being paid in November 2003.

An arrangement was also made to terminate the agreement made with Italiana Assicurazioni in October 2000, which related to recruiting a certain number of employees.

In 2003 training courses were organized for both employees and for external staff working in the agency network.

Employees were involved in some 3,000 training days.

A major part of the training was geared towards claims-handling procedures. Particular mention should be made of the courses relating to the integration of Unipol and Meieaurora's external networks, as should the continuing professional development courses for supervisors, assistants and 'Sertel' call-centre operators, including those working in the call centre in Naples.

During the year agency staff took part in a total of almost 3,200 training days.

In particular courses for new insurance advisers were run in order to enable customers to be offered an even better advice service, and managers of some of the corporate agencies took part in seminars on internal reorganization procedures and on marketing.

Finally it should be mentioned that in 2003 work on updating the technology used in the network of Claims-Handling Centres and the sales outlets was completed, with the installation of new systems to enable administrative procedures to be carried out more swiftly and efficiently and to provide better links between the external network and the head office.

Data protection

In accordance with the provisions of the 'Data Protection Code', which came into force on 1 January 2004 as a replacement for Law 675/1996, Unipol Assicurazioni updated its Data Protection Document (originally drawn up in March 2000 and updated annually).

The Data Protection Document was drawn up in accordance with Presidential Decree 318/1999, which remains in force until 30 June 2004, and contains the following information:

- a list of ways in which personal details are processed;
- tasks and responsibilities within the Company;
- risk analysis and security of areas and premises and control of access;
- risk analysis and guarantees relating to the completeness, accuracy and availability of data;
- transmission security;
- information and training;
- minimum security measures taken by those external to the Company when carrying out the procedures entrusted to them.

By 30 June 2004 the Company will have adapted the security measures provided for in Appendix B of the new 'Data Protection Code'.

Property and Financial Management

Investments and liquid assets

During 2003 investments and liquid assets, net of property depreciation and taking account of value adjustments, rose from €6,474.3m to €8,865.9m, an increase of €2,391.6m compared with the previous financial year (+36.9%).

This increase, which mainly involved investments in participating interests (+€1,522m compared with the position as at 31/12/2002) following the acquisitions made during the year, as already mentioned, and the investments in bonds and other fixed-income securities

(+€1,045.1m), was strictly related to the liquid assets acquired when the share capital was increased (€1,054.3m) and the subordinated bonded loan issued (€300m) and with the growth in the technical provisions (mathematical provisions and other technical provisions in the case of Life business, provisions for unearned premiums and provisions for outstanding claims in the case of Non-Life business), which rose from €5,122.0m to a total of €6,091.5m (+€969.5m).

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

INVESTMENTS AND LIQUID ASSETS						
<i>(Amounts in €K)</i>						
	31/12/03	comp.	31/12/02	comp.	2003/2002 variation	
		%		%	amount	in %
Land and buildings	321,716	3.6	340,062	5.3	-18,346	-5.4
Investments in Group undertakings and other participating interests						
-Stocks and shares	3,400,681	38.4	1,878,305	29.0	1,522,376	81.1
-Debt securities	44,614	0.5	31,721	0.5	12,892	40.6
-Corporate financing	1,872	0.0	1,253	0.0	620	49.5
Total	3,447,167	38.9	1,911,279	29.5	1,535,888	80.4
Other financial investments						
-Stocks and shares	230,163	2.6	183,954	2.8	46,209	25.1
-Units and shares in investment funds	84,236	1.0	111,076	1.7	-26,840	-24.2
-Bonds and other fixed-income securities	3,476,953	39.2	2,431,902	37.6	1,045,051	43.0
-Financing	56,737	0.6	55,567	0.9	1,170	2.1
-Sundry financial investments (1)	349,629	3.9	502,685	7.8	-153,056	-30.4
Total	4,197,719	47.3	3,285,185	50.7	912,534	27.8
Deposits with ceding undertakings	23,021	0.3	25,701	0.4	-2,680	-10.4
Investments for the benefit of Life assurance policyholders who bear the risk thereof and arising out of pension fund management						
-Unit-Linked and Index-Linked	535,327	6.0	450,500	7.0	84,827	18.8
-Pension funds	61,905	0.7	43,481	0.7	18,424	42.4
Total	597,232	6.7	493,982	7.6	103,250	20.9
Cash and cash equivalents						
-Bank and postal deposits, cash	279,074	3.1	410,771	6.3	-131,697	-32.1
-Company's own shares	0	0.0	7,313	0.1	-7,313	-100.0
Total	279,074	3.1	418,084	6.5	-139,010	-33.2
TOTAL INVESTMENTS AND LIQUID ASSETS	8,865,929	100.0	6,474,293	100.0	2,391,637	36.9

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

Land and buildings

The Company owned property assets to the value of €321.7m, a net decrease of €18.3m compared with the position as at 31 December 2002.

Of the disposals, totalling €16m, 61% were of residential property. These were sales of parts both of residential complexes, parts of which had already been sold during previous years, and of a recently renovated building in Livorno. Non-residential disposals involved only office premises and included two buildings with a floor area of more than 2,000 square metres.

In addition to the contracts already concluded, another 11 promises to sell were drawn up involving a total book value of approximately €2.5m.

No acquisitions were made during the year.

Investments in Group undertakings

For details of investments in companies within the Group and in other participating interests, which as at 31 December 2003 amounted to €3,447.2m, you are referred to the account given in a later section of this Report.

Other financial investments

Against the background of worldwide economic uncertainty over the timetable for recovery and the trend in the main financial variables, the guidelines for investment activities during 2003 continued to be aimed at short-term low-risk cash investments and trading activity on the bond market intended to take advantage of the opportunities offered by the volatility in interest rates recorded during the period.

The effects of this policy involved restructuring the portfolio of financial holdings, with an increase in the proportion of cash holdings and variable-rate Government bonds.

The level of long-term investments included in 'Other financial investments', net of corporate financing, rose by approximately €185m

compared with the position in 2002, whilst the relative incidence on the whole portfolio fell (from 38% in 2002 to 34% in 2003). However, if the portfolio is adjusted to take account of investments to cover policies providing guaranteed benefits (amounting to €263.7m as at 31/12/2003), as laid down by the resolution passed by the Board on 16 July 1999 in order to specify an upper limit for long-term investments, this incidence fell from 33.4% in 2002 to 29.8% by 31 December 2003.

At the end of 2003 the item 'Other financial investments' amounted to €4,197.7m (€3,285.2m at the end of 2002).

The net increase over the previous year of €912.5m (+27.8%) was largely due to the increase in bonds, from €2,431.9m to €3,477.0m (+€1,045.1m), and to the increase in stocks and shares, from €184.0 to €230.2m (+€46.2m), whilst there was a decrease in operations in repo securities, the countervalue of which at the end of 2003 amounted to €330.2m (-€152.5m).

The fall in investments in units and shares in investment funds, from €111.1m to €84.2m (-€26.8m), was mainly due to the sale of some funds.

The total amount invested in diversified assets was €529.5m (€374.1m at the end of 2002), €116.8m of which was attributed to Non-Life business and €412.7m to Life business, and included the following types of investment: collateralized bond obligation, collateralized loan obligation, reverse convertible, bonds linked to Stock-Exchange indices and funds of funds, and subordinated bonds amounting to €427.9m, which are described in detail in the Notes to the Accounts.

As regards the composition of the bond portfolio, which at the end of 2003 amounted to €3,477.0m (€2,431.9m as at 31/12/02), it should be noted that fixed-rate securities accounted for 49.2% whilst variable-coupon securities accounted for 50.8%, the proportions not having changed significantly when account is taken of business in derivatives.

Moving on to the split between Government bonds and debt securities, the incidence of debt securities fell from 76.7% to 57.2% whilst the incidence of Government bonds rose from 23.3% to 42.8%.

As regards the risk pertaining to the selection of issuing bodies, the Company operated mainly in bonds issued by sovereign states, supranational bodies (EIB, World Bank) and by banking institutions, all with a rating of at least AA- except for the 'Istituti Bancari Italiani' for which a lower rating was accepted. The Company also operated in banking bonds at the first level of subordination with a minimum rating of A.

As for the proportion of the various foreign currencies in the bond portfolio, securities from the Eurozone accounted for 99.2% of the entire portfolio and non-euro securities (dollars and Swedish krone) accounted for the remaining 0.8%.

In the case of bond investments expressed in a non-euro currency, the foreign exchange risk was generally hedged.

The duration for 2003 on the fixed-rate portfolio was 7.9 years (6.1 years as at 31/12/02). The overall duration (on both fixed-rate and variable-rate portfolios) was 4.2 years, exactly the same as in 2002.

The overall duration on the bond portfolio allocated to segregated accounts (with the exception of bonds the yield of which is tied to Stock-Exchange indices or to individual securities, securities tied to the return on investment funds and CBO/CLOs) was 3.9 years, whilst the duration for Non-Life business and for the assets of Life business was 6.8 years, which falls to 3.3 years if account is also taken of repo securities and cash at bank and in hand.

The average duration of the portfolio fell to 9.6 years in 2003 compared with 9.8 years in 2002.

At the end of 2003 the bond portfolio showed a positive balance between unrealized capital gains and losses of €6.8m (€1.3m at the end of 2002), consisting of net capital gains on debt securities of €3.5m and on derivatives linked to

these securities of €3.3m.

The portfolio allocated to Life business segregated accounts (shares, fixed-income securities and repo contract operations) amounted to €3,171.2m (€2,313.4m in 2002).

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

Investments for the benefit of policyholders who bear the risk thereof consisted of investments covering Life assurance and capitalization policies with benefits directly linked to investment funds or market indices. These investments were assessed at their market value, in strict correlation with the assessment of their respective liabilities (technical provisions).

At the end of 2003 these investments amounted to €535.3m, €106.9m of which consisted of assets covering Index-Linked policies (bonds to the value of €95.2m and cash at bank and in hand of €10.5m) and €428.4m was made up of assets covering Unit-Linked policies (investment funds amounting to €397.5m, bonds amounting to €29.1m and cash at bank and in hand, net of items to be settled, amounting to €1.8m).

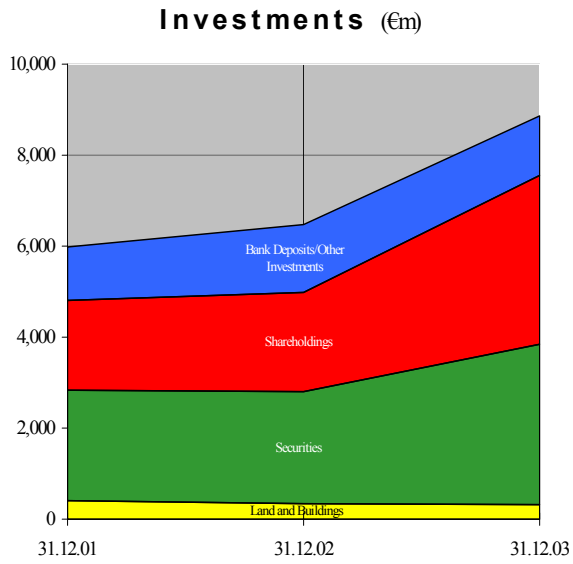
Investments arising out of pension fund management related to investments against subscriptions to open-end pension funds promoted by Unipol and against closed-end pension funds with guarantee managed by the Company.

As at 31 December 2003 the amount of these investments was €61.9m, €8.5m of which was stocks and shares, €38.7m was bonds, €10.3m was investment funds, €3.7m was liquid assets and €0.7m was for various net items.

Liquid assets

Bank deposits and cash in hand as at 31 December 2003 constituted liquid assets to the value of €279.1m, a decrease of €131.7m compared with the balance as at

31 December 2002, which can be put down to the prevalence given at the end of the year to investments in variable-rate Government bonds.



CURRENT INVESTMENT INCOME
CAPITAL GAINS AND LOSSES FROM TRADING
(Amounts in €K)

	Fin. year 2003	Comp. %	Fin. year 2002	Comp. %	2003/2002 Variation amount	in %
NET INVESTMENT INCOME						
Land and buildings	8,587	3.6	8,586	3.9	1	0.0
Stocks and shares	96,578	40.5	83,963	38.2	12,616	15.0
Debt securities	138,218	57.9	138,543	63.0	-325	-0.2
Financing	2,651	1.1	2,751	1.3	-100	-3.6
Deposits with credit institutions	3,485	1.5	0	0.0	3,485	
Bank and postal deposits	11,636	4.9	13,764	6.3	-2,128	-15.5
Sundry financial investments	6,744	2.8	-1,419	-0.6	8,163	-575.3
Balance on reinsurance deposits	-648	-0.3	-2,051	-0.9	1,403	-68.4
Interest on subordinated callable notes	-28,661	-12.0	-24,118	-11.0	-4,543	18.8
Total (a)	238,590	100.0	220,019	100.0	18,572	8.4
Capital gains (losses)						
Land and buildings	2,080	2.5	10,125	24.3	-8,045	-79.5
Stocks and shares	36,979	44.2	6,435	15.4	30,544	474.7
Debt securities	32,632	39.0	20,886	50.1	11,747	56.2
Sundry financial investments	12,025	14.4	4,230	10.1	7,795	184.3
Total (b)	83,716	100.0	41,675	100.0	42,041	100.9
Total (a+b)	322,306		261,694		60,612	23.2
Net value adjustments on investments						
Land and buildings	-5,627	11.2	-5,516	8.6	-111	2.0
Stocks and shares	-15,574	30.9	-38,104	59.1	22,530	-59.1
Debt securities	-35,437	70.3	-8,053	12.5	-27,385	340.1
Other financial investments	6,230	-12.4	-12,778	19.8	19,008	-148.8
Total (c)	-50,409	100.0	-64,451	100.0	14,042	-21.8
TOTAL (a-b+c)	271,897		197,243		74,655	37.8
Net income from Class D investments						
-LIST OF SHAREHOLDINGS AS AT 31 DECEMBER 2003 (amc)	27,547		-18,946		46,493	-245.4
-Pension funds	2,093		-1,619		3,712	-229.3
Total Class D	29,640		-20,565		50,205	-244.1

Current investment income, capital gains and losses from trading

Details of current investment income and capital gains and losses from trading are given in the table above, showing net income relating to investments for the benefit of policyholders who bear the risk thereof and net income arising out of pension fund management separately (Class D).

Income from investments and investments of cash, net of investment charges, amounted to €238.6m (€220.0m in 2002) and benefited

significantly from the dividends distributed by the participating interests.

Net capital gains realized amounted to a total of €83.7m (€41.7m at the end of 2002), €41.8m of which was accounted for by long-term investments (€18.1m in 2002).

As at 31 December 2003 income and net profits from property and financial investments amounted to €322.3m (€261.7m as at 31/12/2002).

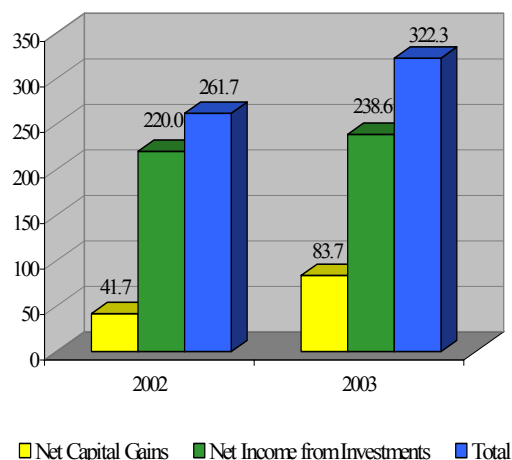
The net rate of return on assets invested averaged 4.6% (4.6% in 2002 too).

The value adjustments on investments (including depreciation) fell from €64.5m in 2002 to €50.4m in 2003.

Overall, net ordinary and extraordinary income, including value adjustments on investments, totalled €271.9m in 2003 compared with €197.2m in 2002 (+37.8%).

Net results from investments relating to Class D were €29.6m (-€20.6m in 2002).

Investment Income (€m)



LIST OF SHAREHOLDINGS AS AT 31 DECEMBER 2003 (amounts in €K)

Company	Type of business	Share capital	% holding		Book value
			direct	indirect	
ITALIAN SUBSIDIARIES					
BNL Vita S.p.A.	Insurance and reinsurance	110,000	50.00		140,353
Compagnia Assicuratrice Linear S.p.A.	Insurance and reinsurance	19,300	80.00		21,506
Meieaurora S.p.A.	Insurance and reinsurance	190,777	84.61		623,223
Navale Assicurazioni S.p.A.	Insurance and reinsurance	10,500	98.24		52,570
NewWin Assicurazioni S.p.A.	Insurance and reinsurance	5,200		100.00	
Quadrifoglio Vita S.p.A.	Insurance and reinsurance	27,200	50.00		28,400
Unisalute S.p.A.	Insurance and reinsurance	17,500	87.44		24,429
Winterthur Assicurazioni S.p.A.	Insurance and reinsurance	129,455	89.99		1,067,604
Winterthur Vita S.p.A.	Insurance and reinsurance	117,000	60.22	29.78	166,088
Smallpart S.p.A.	Holding company	12,000	100.00		12,000
Winterthur Italia Holding S.p.A.	Holding company	132,600	100.00		89,461
Centro Servizi Missori S.r.l.	Property	26		100.00	
Immobiliare San Vigilio S.p.A.	Property	6,714		100.00	
Midi S.r.l.	Property	72,000	100.00		55,973
Unifimm S.r.l.	Property	43,350	100.00		30,682
Grecale S.r.l.	Loan securitization	10		100.00	
Unipol SGR S.p.A.	Financial brokerage	2,000	100.00		2,351
Winterthur SIM S.p.A.	Financial brokerage	2,582		100.00	
Unipol Banca S.p.A.	Bank	426,300	82.86	10.00	410,399
Unipol Merchant S.p.A.	Bank	99,614		53.47	
Unisalute Servizi S.r.l.	Health care services	52		100.00	
Uniservice S.p.A.	Data transmission services	104		99.00	
Unieuropa S.r.l.	Market analysis and research	510		98.00	
Advenia S.r.l.	Insurance agency	100		75.00	
BNL Servizi Assicurativi S.r.l.	Insurance agency	10		100.00	
Wintervesa S.r.l.	Insurance agency	100		100.00	
TOTAL ITALIAN SUBSIDIARIES					2,725,038
FOREIGN SUBSIDIARIES					
Unipol Fondi Ltd	Unit trust management	125		100.00	

Company	Type of business	Share capital	% holding direct	indirect	Book value
ITALIAN AFFILIATED UNDERTAKINGS					
Hotel Villaggio Città del Mare S.p.A.	Tourism/Hotels	4,000	49.00		1,985
Assicoop Genova S.p.A. - in liquidazione	Insurance agency	260	49.00		39
Finec Holding S.p.A.	Holding company	153,730	37.44	1.50	57,651
TOTAL ITALIAN AFFILIATED UNDERTAKINGS					59,676
FOREIGN AFFILIATED UNDERTAKINGS					
Euresa Holding S.a.	Holding company	10,000	24.05		1,661
OTHER SHAREHOLDINGS					
Bios S.p.A.	Holding company	143,000	7.31	2.41	30,953
Hopa S.p.A.	Holding company	709,800	6.71		244,488
P & V Holding S.a.	Holding company	345,050	2.39		8,241
Banca Monte dei Paschi di Siena S.p.A.	Bank	1,935,273	1.98		235,838
Sanpaolo Imi S.p.A.	Bank	5,144,065	0.48		86,286
Other Italian shareholdings					2,683
Other foreign shareholdings					5,816
TOTAL OTHER SHAREHOLDINGS					614,306
GRAND TOTAL					3,400,681

Investments in Group undertakings and other participating interests

At the end of 2003 the resources invested in stocks and shares in Group undertakings and in other participating interests totalled €3,400.7m, €2,725.0m of which was in subsidiaries.

Details are given in the table above ('List of shareholdings as at 31 December 2003').

The split of shareholdings by type of business and the variations compared with the previous year, net of book capital losses, are as follows (in €K):

	2003	Variations compared with 2002
Insurance (including holdings)	2,139,891	1,245,186
Banks and financial services	1,140,778	278,957
Property	86,654	(468)
Other holdings	33,358	(499)
	3,400,681	1,522,376

During the year the major strategic operations carried out in order to enable Unipol Assicurazioni to acquire the companies in the

Winterthur Italia Group, which were mentioned at the beginning of this Report, were successfully concluded.

In addition, on 3 December the entire holding in Noricum Vita (51%) was sold to the Sanpaolo IMI Group for a total of €40.2m, the capital gain amounting to €29.4m.

Amongst other investments made in 2003 were:

capital increases

- in insurance companies of €23.1m (€18.1m of which related to the increase in share capital of the subsidiaries Linear Assicurazioni and Quadrifoglio Vita and the remaining €5m to the payment to the subsidiary Navale Assicurazioni to increase its share capital);
- in finance companies of €149.8m (Unipol Banca);
- in other companies of €9.7m (Finec Holding €9.4m and Hotel Villaggio Città del Mare €0.3m).

increases in shares in participating interests

- in finance companies of €34m (Banca Monte Paschi and Unipol Banca);
- in other companies of €35.3m (Hopa);
- in subsidiary property companies of €0.3m (Unifimm).

As regards disposals particular mention should be made of the sale of the entire shareholding in the affiliated company Unipol Merchant for a total of €32.9m (resulting in capital gains of €3m) and the sale of 1,943,000 shares in Finec Holding for €1.9m, largely corresponding to the book value.

The holdings in Assicoop Ferrara spa, Unieuropa srl, Inarcheck spa, Cooptecnital scarl and Autonomia scarl were also sold to the subsidiary Smallpart at their various book values.

Bonds and corporate financing

As at 31 December 2003 bonds to the amount of €44.6m (€31.7m as at 31/12/2002) issued by participating interests were held, €43.9m classified as short-term and the remaining €0.7m as long-term.

Financing to Group undertakings, of €1.9m (€1.3m as at 31/12/2002), related entirely to the subsidiary Unifimm srl.

Own shares and shares in the holding company

The following operations to buy and sell own shares were carried out within the limits and in accordance with the procedures laid down by the General Meeting of Shareholders (amounts in €K):

	N°	Face value	% of capital	Amount
Own ordinary shares:				
- purchases	36,324	36	0.01	144
- sales	1,870,519	1,871	0.21	7,452

The shares were sold at a price close to their book value, advantage being taken of a favourable period in the market.

Thus as at 31 December 2003 no own shares were held.

No trading was carried out in shares in the holding company Finsoe S.p.A. during the financial year and as at 31 December 2003 there were no shares in the portfolio.

No trading was carried out in shares in the indirect holding company Holmo S.p.A. since the General Meeting did not pass any resolutions in accordance with Article 2359/bis of the Civil Code.

Shares held by Directors and Statutory Auditors

(CONSOB ruling 11971 of 14/5/1999, Article 79)

The following table shows the Company shares held during 2003 by the directors and the statutory auditors, either directly or indirectly (through subsidiaries or persons acting as intermediaries), according to the shareholders'

register, to information received and to other information acquired from the directors and statutory auditors themselves.

No shareholdings in subsidiaries were owned by these persons.

Person Surname and forename	Company	Type of share	Shares owned as at 31/12/2002	Purchased in 2003	Sold in 2003	Shares owned as at 31/12/2003
GNUTTI Emilio	Unipol Assicurazioni	Pref.	156,800	12,872,304	176,053	12,853,051
LORENZANI Ermanno	Unipol Assicurazioni	Ord.	4,360	3,393	-	7,753
		Pref.	12,800	9,984	-	22,784
ZUCCHELLI Aldo	Unipol Assicurazioni	Pref.	-	6,500	-	6,500
CAFFAGNI Omer	Unipol Assicurazioni	Ord.	3,200	3,960	-	7,160
BASSINI Diego	Unipol Assicurazioni	Pref.	-	3,200	-	3,200

The Unipol Group

As at 31 December 2003 the Unipol Group consisted of 27 subsidiaries (controlled either directly or indirectly), one of which was registered abroad (Unipol Fondi Ltd), and four affiliated companies, one of which was registered abroad (Euresa Holding s.a.).

The breakdown by business sector gave nine insurance companies, ten operating in the banking and finance sector (subsidiaries/

affiliated), four insurance agencies, four property companies and four companies operating in other sectors.

The following tables summarize the important figures as at 31 December 2003 (in €K) relating to the main companies in the Group, broken down by business sector.

Insurance companies

(Amounts in €K)

Company name	Registered office	Gross premiums	% variation	Investments and liquid assets	Year-end result
BNL Vita SpA	Milan	2,077,169	22.8	7,659,817	31,385
Compagnia Assicuratrice Linear SpA	Bologna	130,233	33.0	133,894	10,318
Meieaurora SpA	Milan	1,238,994	13.4	3,051,111	38,265
Navale Assicurazioni SpA	Ferrara	127,793	-0.6	112,017	-9,429
Winterthur Assicurazioni SpA	Milan	1,333,853	1.2	2,443,012	75,453
Winterthur Vita SpA	Milan	595,907	-17.4	3,444,854	18,823
Quadrifoglio Vita SpA	Bologna	886,906	8.1	2,463,767	7,300
Unisalute SpA	Bologna	64,828	20.8	40,366	3,760

Companies operating in the banking and financial services sector

Company name	Registered office	Total income	% variation	Capital and reserves	Year-end result
Unipol Banca SpA	Bologna	199,759	60.6	476,917	15,100
Unipol Fondi LTD	Dublin	3,552	82.5	129	811
Unipol Merchant Banca per le Imprese Spa	Bologna	8,669	106.6	106,419	2,009

Transactions within the Group and with related parties

With reference to CONSOB communications 97001574/97 and 98015375/98 concerning information pertaining to transactions with related parties, it should be pointed out that Unipol carried out normal business transactions with the other companies within the Group regarding:

- reinsurance and coinsurance with subsidiaries and affiliated companies that carry out insurance activities;
- building and company rental (the holiday village);
- agency mandates;

- financial loans;
- secondment of staff and provision of management and claims-handling services;
- rental of IT systems;
- asset management and subscription to units or shares in investment funds;
- management of current accounts;
- internal auditing services (ISVAP Circular 336/D/1999).

These business relations, which did not include any atypical or unusual operations, were governed by normal market conditions, with the exception of the secondment of staff and the provision of services, which were mainly invoiced on the basis of the costs actually incurred and ascertained by applying analytical accounting criteria.

Moreover, these services enabled operations to be streamlined and led to the provision of a better level of services to the undertakings concerned.

Contractual conditions pertaining to corporate agencies, which brought in premium income of €580m during 2003, were to a large extent those in force throughout the entire network of agencies.

The amount and nature of assets, liabilities, guarantees and other memorandum accounts, income and charges relating to the most important relations with undertakings within the Group are set out in detail in Annex 16 (Group undertakings and other participating interests – detailed statement of assets and liabilities) and in Annex 30 (Transactions with Group undertakings and other participating interests – income and charges) in the Notes to the Accounts.

In addition, during the year the following transactions were carried out with Group undertakings in the interests of the Company and in conformity with Articles 8 and 9 of Legislative Decree 239/2001:

- the sale to the subsidiary Unipol Banca spa of the entire holding in Unipol Merchant spa (42.54%) for a total of €32.9m;
- the acquisition from the affiliated company Finec Holding spa of 850,000 shares in Unifimm srl, equalling 1% of the share capital, for a total price of €0.3m;
- the acquisition from the holding company Finsoe spa of 7,642,016 shares in Unipol Banca spa, i.e. 1.79% of the share capital, for a total of €12m;
- the sale to the subsidiary Smallpart Spa of the entire holdings in Assicoop Ferrara spa, Unieuropa srl, Inarcheck spa, Cooptecnital scarl and Autonomia scarl, at their book values, for a total of €0.7m.

According to the information received and the checks carried out, the Company carried out no other significant transactions with related parties other than those mentioned in this Report.

Transition to IAS/IFRS

In accordance with CONSOB's recommendation contained in its press release of 30 December 2003, which covers the request made by the CESR (Committee of European Securities Regulators), of which CONSOB is a member, the measures Unipol Assicurazioni is putting into effect to prepare for the transition to the IFRS are described below.

The first accounting document drawn up on the basis of the IAS/IFRS should be the Consolidated Report for the period ending 31 March 2005, showing the figures for the corresponding period of the preceding financial year, drawn up in accordance with the new standards.

Representatives of the Parent Company and of some of the subsidiaries are playing an active part in the working groups set up by ANIA to analyse accounting and financial issues.

At the end of 2003 the Parent Company Unipol Assicurazioni set up a project to make the transition to the IAS/IFRS in collaboration with a major firm of business consultants and with the assistance of the company that currently has the task of auditing and certifying the accounts.

A unit was also set up for this purpose within the Joint DG 'Administration, Accounting and Group Consolidated Accounts'.

Systems, processes and bookkeeping and accounting models to be reviewed in order to conform to the new standards at company level (Parent Company and subsidiaries) are being analysed in detail. The business areas most affected by the new accounting system are general bookkeeping, finance and shareholdings, Life, property and IT.

The main differences ascertained so far are expected to relate to:

- the Life technical account, where financial products will no longer be classified as insurance policies but will have to be recorded as investment contracts, thus leading to a reduction in premium income for Life business;

- finance, where, because of the new rules on classification and valuation, the current categories of long-term and short-term investments will be replaced by the following four categories:
 - financial assets and liabilities held for trading,
 - investments held to maturity,
 - loans and receivables,
 - financial assets available for sale;
- listed strategic holdings of less than 20%, that can no longer be maintained at cost but valued at the fair value;
- some multiyear costs (e.g. costs of advertising, fixtures and fittings and expansion, training and increases in share capital), that can no longer be capitalized;
- the goodwill paid to acquire controlling interests, which can no longer be depreciated using the current criteria but will have to be subject to a test, at least annually, to ascertain whether it is holding its value (*impairment test*);
- the proportional consolidation of jointly-controlled bancassurance companies, which are currently consolidated on a line-by-line basis (Quadrifoglio Vita and BNL Vita). This will lead to the proportion of all the consolidated items not relating to the Group (50%) being eliminated from the assets, the liabilities and the profit and loss account (including premiums);
- the consolidation on a line-by-line basis of the companies that carry out different types of business activity (Unipol Banca Group), currently valued by the equity method.

Significant events after the end of the financial year

Among the most significant events occurring after 31 December 2003 the following transactions should be noted:

- On 22 January 2004 the entire holding in Winterthur Vita spa (60.22%) was sold to Winterthur Assicurazioni spa at its book value of €166.1m;
- On 23 January the increase in the share

capital of the affiliated company Finec Holding spa, from €153.7 to €177.7m, was subscribed.

9,000,000 shares were subscribed, for which a total of €9m was paid;

- On 29 January 2004 the entire holding in Unipol SGR spa (100%) was sold to Unipol Banca spa for €2.4m, a little above its book value;
- On 6 February 2004 Unipol Assicurazioni spa entered into an agreement with the Fondo Immobiliare Whitehall (managed by Goldman Sachs) to acquire the property in San Donato Milanese (MI) known as the 'E Tower'. Under this agreement Unipol Assicurazioni spa will also sell a property in Milan. The operation will involve a total investment of €129.1m, financed from available funds.
The building in San Donato Milanese will house the registered office of Aurora Assicurazioni spa, the company resulting from the merger of the companies in the Winterthur Italia Group and Meieaurora Assicurazioni spa;
- On 23 March 2004 €20m was paid to Navale Assicurazioni in order to increase its share capital and give the Company more funds with which to undertake its business activities.

Business outlook

As at 20 March 2004 Non-Life premium income had risen by 5% whilst Life premium income was approximately in line with that achieved in the same period last year, a feature of which was the issue of several major single-premium policies that have not reached the same level this year. Apart from this, which has mainly affected Class V 'capital redemption', the other Life classes (I, III and VI), taken as a whole, have increased by 20% compared with last year.

The number of claims reported during the period has been substantially the same as last year.

Property and financial management has been positive, in line with expectations.

Management costs have been as normal and in line with expectations.

Overall, activity has been characterized by a positive trend, in line with the Company's targets of further growth both in premium income and in profits.

Solvency margin

The solvency margin to be set at the close of the 2003 financial year, both for Non-Life business and for Life business, was amply covered by the admissible items (totalling €2,486m), with a surplus of €2,133m.

The Group solvency margin

Based on the criteria for calculating the

solvency margin laid down for undertakings belonging to an insurance group in Legislative Decree 239 of 17 April 2001 (detailed by ISVAP in Ruling 2050 of 26/2/2002 and in Circular 478/D of 18/3/2002), using the method based on the consolidated balance sheet (Article 14), the solvency margin to be set at the close of the 2003 financial year amounted to €1,205m. The covering items amounted to €1,542m, leaving a surplus of €337m.

* * *

We should like to express our sincere thanks to all our employees and associates, and to the network of Agencies, the partner organizations and to all those who have contributed to the progress of the Company and of the Unipol Group.

Proposals to the General Meeting

Result for the financial year and allocation of profits

Dear Shareholders,

Along with the 2003 Annual Accounts and Board Report, we should like to submit, for your approval, the following proposal relating to profits.

The net profit for the year amounted to €134,106,917.

Bearing in mind Articles 5 and 19 of the Company's By-laws and Annex 3 to the Notes to the Accounts (Breakdown of profit for the year by type of business – Life and Non-Life), we hereby submit the following proposal for allocation for your approval:

-to the Life business legal reserve	4,087,593
-to the Non-Life business legal reserve	9,323,099
-to the Non-Life business extraordinary reserve	5,012,128
- dividends to 333,943,334 preference shares (3.62% of face value)	12,088,749
- dividends to 577,637,399 ordinary shares (3.10% of face value)	17,906,759
- ¹ dividends to 911,580,733 additional preference and ordinary shares (9.40% of face value)	85,688,589

With the allocation shown above we submit for your approval the proposal for a total dividend of €115,684,097 (+103.3%). The dividend is thus €0.1302 on each preference share and €0.1250 on each ordinary share, an increase of 12.6% and 13.2% respectively, albeit after a capital increase that raised the number of shares from 508,535,307 to 911,580,733. The pay-out would therefore rise from 55.2% to 86.3%.

The ordinary tax credit, if any (see Article 4 of Legislative Decree 344/2003), is 51.51% of this dividend.

We also propose that dividend payment begin on 20 May 2004 (coupons to be detached on 17 May 2004).

Appointment of the Board of Directors for the 2004 – 2005 – 2006 financial years, subject to a ruling on the number of members and a decision on the level of remuneration

Dear Shareholders,

The three-year mandate of the entire Board of Directors expires at the Meeting that you are invited to attend. On taking our leave we should like to thank you for the trust you have placed in us and invite you to appoint the members of the new Board, subject to a ruling on the number of members and a decision on the level of remuneration to be paid to them.

Appointment of the Board of Statutory Auditors for the 2004 – 2005 – 2006 financial years and decision on the level of remuneration

Dear Shareholders,

Following the resignation of the current permanent and alternate statutory auditors, you are requested to appoint the members of the new Board of Statutory Auditors and its Chairman, in accordance with the provisions of Article 17 of the current Company By-laws, and to decide on the level of emoluments to be paid to the permanent statutory auditors.

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

Dear Shareholders,

In view of the considerable rise in the number of shares we propose that the fund for purchasing own shares be increased to €100m and that the resolutions passed by the General Meeting held on 30 April 2003 relating to the purchase and sale of own shares up to a maximum of 50 million shares available for purchase be reiterated.

We propose that you renew the authorization granted to the Board of Directors to purchase, within 18 months of the resolution passed by the General Shareholders' Meeting, a maximum of 74 million shares in the holding company Finsoe, and we confirm that the amount in the fund held for the purpose of purchasing shares in the holding company stands at €74m.

Extraordinary resolutions

At the end of the debate on the items on the ordinary part of the Agenda, the General Meeting will proceed in Extraordinary session in order to vote on several amendments to the current text of the By-laws proposed by the Board of Directors and intended to:

- (i) introduce preliminary amendments to the text to make it conform to the rules introduced by Legislative Decree 6 of 17 January 2003 and by Legislative Decree 37 of 6 February 2004;
- (ii) revise part of the text, essentially as a formality.

Bologna, 26 March 2004

The Board of Directors

2003 Annual Accounts

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

Share capital subscribed € **911,580,733** Paid-up € **911,580,733**

Registered offices in BOLOGNA - Via Stalingrado 45

Company Register 00284160371

ANNUAL ACCOUNTS

Balance Sheet

2003 Financial Year

(Amounts in EUR)

BALANCE SHEET

ASSETS

as at 31 December 2003

A. SUBSCRIBED SHARE CAPITAL UNPAID			1	0
of which called-up capital		2		0
B. INTANGIBLE ASSETS:				
1. Deferred acquisition commissions				
a) Life assurance business	3	16,876,623		
b) Non-Life insurance business	4	15,116,269	5	31,992,892
2. Other acquisition costs			6	0
3. Formation and development costs			7	5,150,507
4. Goodwill			8	712,711
5. Other deferred costs			9	5,022,226
			10	42,878,336
C. INVESTMENTS				
I - Land and buildings:				
1. Buildings used for corporate business			11	44,534,359
2. Buildings leased to third parties			12	277,172,329
3. Other buildings			13	0
4. Other real property rights			14	0
5. Work in progress and advance payments			15	9,155
			16	321,715,843
II - Investments in Group undertakings and participating interests:				
1. Shares and participating interests in:				
a) holding companies	17	0		
b) subsidiaries	18	2,725,037,999		
c) associated undertakings	19	0		
d) affiliated undertakings	20	61,337,307		
e) other undertakings	21	614,306,042	22	3,400,681,348
2. Debt securities issued by:				
a) holding companies	23	0		
b) subsidiaries	24	0		
c) associated undertakings	25	0		
d) affiliated undertakings	26	0		
e) other undertakings	27	44,613,527	28	44,613,527
3. Corporate financing to:				
a) holding companies	29	0		
b) subsidiaries	30	1,872,485		
c) associated undertakings	31	0		
d) affiliated undertakings	32	0		
e) other undertakings	33	0	34	1,872,485
			35	3,447,167,360
				42,878,336
				to carry forward

as at 31 December 2002

			181	0
	182	0		
183	20,382,930			
184	13,285,250	185	33,668,180	
		186	0	
		187	1,888,810	
		188	950,281	
		189	923,897	190
				37,431,168
		191	42,830,748	
		192	290,146,861	
		193	0	
		194	0	
		195	7,084,039	196
			340,061,648	
197	0			
198	1,228,688,144			
199	1,675,277			
200	82,497,723			
201	565,444,259	202	1,878,305,403	
203	0			
204	0			
205	0			
206	0			
207	31,721,216	208	31,721,216	
209	0			
210	1,252,854			
211	0			
212	0			
213	0	214	1,252,854	215
			1,911,279,473	
	to carry forward			37,431,168

BALANCE SHEET

ASSETS

as at 31 December 2003

							42,878,336	
			carried forward					
C. INVESTMENTS (continued)								
III - Other financial investments:								
1. Shares and participating interests:								
a) listed shares	36	230,163,129						
b) unlisted shares	37	0						
c) participating interests	38	0	39	230,163,129				
2. Units and shares in investment funds			40	84,236,043				
3. Debt securities and other fixed-income securities:								
a) listed securities	41	3,413,005,255						
b) unlisted securities	42	37,644,875						
c) convertible bonds	43	26,303,354	44	3,476,953,484				
4. Loans:								
a) loans secured by a lien on property	45	18,984,403						
b) loans on insurance policies	46	34,797,177						
c) other loans	47	2,955,892	48	56,737,472				
5. Participation in investment pools			49	0				
6. Deposits with credit institutions			50	0				
7. Sundry financial investments			51	349,629,068	52	4,197,719,196		
IV - Deposits with ceding undertakings					53	23,020,636	54	7,989,623,035
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE RISK THEREOF AND INVESTMENTS ARISING OUT OF PENSION FUND MANAGEMENT								
I - Investments relating to benefits linked to investment funds and market indices					55	535,327,317		
II - Investments arising out of pension fund management					56	61,904,713	57	597,232,030
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE								
I - NON-LIFE INSURANCE BUSINESS								
1. Provision for unearned premiums	58	27,300,596						
2. Provision for outstanding claims	59	78,787,085						
3. Provision for bonuses and rebates	60	0						
4. Other technical provisions	61	0	62	106,087,681				
II - LIFE ASSURANCE BUSINESS								
1. Mathematical provisions	63	1,566,244						
2. Ancillary risks - Provision for unearned premiums	64	0						
3. Provision for amounts payable	65	292,904						
4. Provision for bonuses and rebates	66	4,185						
5. Other technical provisions	67	0						
6. Technical provisions for Life assurance policies where investment risk is borne by policyholders and arising out of pension fund management	68	0	69	1,863,333	70	107,951,014		
							8,737,684,415	
							to carry forward	

as at 31 December 2002

	carried forward		37,431,168
216	183,954,436		
217	0		
218	0	219	183,954,436
		220	111,076,126
221	2,333,869,464		
222	60,164,523		
223	37,868,174	224	2,431,902,161
225	21,367,447		
226	31,510,293		
227	2,689,388	228	55,567,128
		229	0
		230	0
		231	502,685,297
		232	3,285,185,148
		233	25,700,713
		234	5,562,226,988
		235	450,500,441
		236	43,481,117
		237	493,981,558
238	27,313,501		
239	76,186,595		
240	0		
241	0	242	103,500,096
243	32,132,702		
244	0		
245	693,942		
246	14,748		
247	0		
248	0	249	32,841,392
		250	136,341,488
	to carry forward		6,229,981,196

BALANCE SHEET

ASSETS

as at 31 December 2003

	carried forward			8,737,684,415
E. DEBTORS				
I - Debtors arising out of direct insurance operations:				
1. Policyholders				
a) premiums for the year	71	163,799,540		
b) prior years' premiums	72	5,426,339	73	169,225,879
2. Insurance intermediaries			74	57,495,222
3. Insurance undertakings - accounts receivable			75	28,875,197
4. Policyholders and third parties - amounts recoverable			76	18,701,412
			77	274,297,710
II - Debtors arising out of reinsurance operations:				
1. Insurance and reinsurance undertakings			78	35,747,059
2. Reinsurance intermediaries			79	952
			80	35,748,011
III - Other debtors				
			81	59,302,397
			82	369,348,118
F. OTHER ASSETS				
I -Tangible assets and stocks				
1. Furnishings, office equipment, internal vehicles			83	8,255,489
2. Movables in public registers			84	328,031
3. Fixtures, fittings and equipment			85	2,837,064
4. Stocks and sundry goods			86	0
			87	11,420,584
II - Cash at bank and in hand				
1. Deposits with credit institutions and post office accounts			88	278,961,652
2. Cheques and cash in hand			89	112,765
			90	279,074,417
III - Own shares				
			91	0
IV - Other assets				
1. Deferred reinsurance accounts receivable			92	8,343,926
2. Sundry assets			93	45,377,920
			94	53,721,846
			95	344,216,847
G. PREPAYMENTS AND ACCRUED INCOME				
1. Interest			96	57,420,611
2. Rental income			97	130,804
3. Other prepayments and accrued income			98	1,894,449
			99	59,445,864
TOTAL ASSETS			100	9,510,695,244

as at 31 December 2002

	carried forward			6,229,981,196	
251	155,122,459				
252	5,239,145	253	160,361,604		
		254	62,081,156		
		255	19,912,063		
		256	20,638,203	257	262,993,026
		258	38,572,558		
		259	0	260	38,572,558
				261	84,681,360
				262	386,246,944
		263	3,891,277		
		264	156,908		
		265	2,611,303		
		266	0	267	6,659,488
		268	410,644,543		
		269	126,546	270	410,771,089
				271	7,312,935
		272	10,433,938		
		273	48,041,803	274	58,475,741
				275	483,219,253
				276	41,396,606
				277	94,223
				278	2,323,836
				279	43,814,665
				280	7,143,262,058

BALANCE SHEET

LIABILITIES

as at 31 December 2003

A. CAPITAL AND RESERVES				
I	- Subscribed share capital or equivalent funds	101	906,230,131	
II	- Share premium reserve	102	1,153,678,923	
III	- Revaluation reserves	103	20,700,874	
IV	- Legal reserve	104	53,684,455	
V	- Statutory reserves	105	0	
VI	- Reserves for own shares and holding company's shares	106	0	
VII	- Other reserves	107	261,147,984	
VIII	- Profit (loss) brought forward	108	0	
IX	- Profit (loss) for the financial year	109	134,106,917	110 2,529,549,284
B. SUBORDINATED LIABILITIES				111 600,000,000
C. TECHNICAL PROVISIONS				
I - NON-LIFE INSURANCE BUSINESS				
1.	Provision for unearned premiums	112	492,003,747	
2.	Provision for outstanding claims	113	1,532,013,615	
3.	Provision for bonuses and rebates	114	1,500,000	
4.	Other technical provisions	115	372,495	
5.	Equalization provision	116	786,948	117 2,026,676,805
II - LIFE ASSURANCE BUSINESS				
1.	Mathematical provisions	118	3,420,242,136	
2.	Ancillary risks - provision for unearned premiums	119	0	
3.	Provision for amounts payable	120	16,230,720	
4.	Provision for bonuses and rebates	121	120,740	
5.	Other technical provisions	122	31,011,082	123 3,467,604,678 124 5,494,281,483
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 where benefits are linked to investment funds and market indices	125	535,327,317	
II	- Technical provisions arising out of pension fund management	126	61,904,713	127 597,232,030
	to carry forward			9,221,062,797

as at 31 December 2002

	281	505,696,063	
	282	487,900,683	
	283	20,700,874	
	284	43,376,951	
	285	0	
	286	7,312,935	
	287	219,646,551	
	288	0	
	289	103,075,041	290 1,387,709,098
			291 300,000,000
292		458,321,767	
293		1,421,729,054	
294		1,600,000	
295		397,219	
296	297	667,686 1,882,715,726	
298		2,699,032,859	
299		0	
300		14,879,944	
301		167,079	
302	303	31,258,937 2,745,338,819	304 4,628,054,545
	305	450,500,441	
	306	43,481,117	307 493,981,558
to carry forward			6,809,745,201

BALANCE SHEET

LIABILITIES

as at 31 December 2003

	carried forward			9,221,062,797
E. PROVISIONS FOR OTHER RISKS AND CHARGES				
1.	Provisions for pensions and similar obligations	128	0	
2.	Provisions for taxation	129	7,963,605	
3.	Other provisions	130	9,292,343	131 17,255,948
F. DEPOSITS RECEIVED FROM REINSURERS				
				132 38,504,457
G. CREDITORS AND OTHER LIABILITIES				
I - Creditors arising out of direct insurance operations:				
1.	Insurance intermediaries	133	2,448,904	
2.	Insurance undertakings - accounts payable	134	4,642,669	
3.	Policyholders - deposits and premiums	135	1,587,496	
4.	Policyholders - guarantee funds	136	3,042,490	137 11,721,559
II - Creditors arising out of reinsurance operations:				
1.	Insurance and reinsurance undertakings	138	10,946,945	
2.	Reinsurance intermediaries	139	50,372	140 10,997,317
III - Debenture loans				
		141	0	
IV - Amounts owed to credit institutions				
		142	0	
V - Debts secured by a lien on property				
		143	2,790,000	
VI - Sundry loans and other financial debts				
		144	8,245,507	
VII - Staff leaving indemnity				
		145	24,553,619	
VIII - Other creditors:				
1.	Policyholders' tax due	146	25,895,525	
2.	Sundry taxes	147	6,331,248	
3.	Social security contributions	148	4,898,531	
4.	Sundry creditors	149	17,464,365	150 54,589,669
IX - Other liabilities				
1.	Deferred reinsurance accounts payable	151	15,391,993	
2.	Commissions on pending premiums	152	24,696,667	
3.	Sundry liabilities	153	53,855,537	154 93,944,197 155 206,841,868
	to carry forward			9,483,665,070

as at 31 December 2002

carried forward		6,809,745,201
	308	0
	309	7,984,594
	310	9,208,812
	311	17,193,406
	312	68,842,030
313	1,736,522	
314	8,958,912	
315	1,164,537	
316	3,107,006	317 14,966,977
318	15,120,461	
319	192,894	320 15,313,355
		321 0
		322 0
		323 3,421,167
		324 8,358,317
		325 24,799,798
326	23,876,354	
327	7,602,659	
328	4,268,769	
329	21,348,913	330 57,096,695
331	16,515,903	
332	21,381,453	
333	63,714,188	334 101,611,544
		335 225,567,853
to carry forward		7,121,348,490

BALANCE SHEET

LIABILITIES

as at 31 December 2003

	carried forward		9,483,665,070
H. ACCRUALS AND DEFERRED INCOME			
1. Interest		156 26,874,689	
2. Rental income		157 154,677	
3. Other accruals and deferred income		158 808	159 27,030,174
TOTAL LIABILITIES			160 9,510,695,244

BALANCE SHEET

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

as at 31 December 2003

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
I	- Guarantees issued by the Company		
	1. Surety bonds		161 2,056,995
	2. Endorsements		162 0
	3. Other unsecured guarantees		163 8,169
	4. Guarantees secured by a lien on property		164 8,115,630
II	- Guarantees received from third parties		
	1. Surety bonds		165 41,188,480
	2. Endorsements		166 0
	3. Other unsecured guarantees		167 60,000
	4. Guarantees secured by a lien on property		168 21,175,097
III	- Guarantees issued by third parties in favour of the Company		169 17,391,721
IV	- Commitments		170 1,991,582,587
V	- Third parties' assets held in deposit		171 1,683,641
VI	- Pension fund assets managed on behalf of third parties		172 238,182,551
VII	- Securities deposited with third parties		173 7,928,232,654
VIII	- Other memorandum accounts		174 6,074,659

as at 31 December 2002

carried forward		7,121,348,490
	336	21,771,866
	337	141,679
	338	23
	339	21,913,568
	340	7,143,262,058

as at 31 December 2002

	341	2,277,790
	342	0
	343	8,169
	344	8,993,607
	345	52,609,529
	346	0
	347	60,000
	348	7,068,444
	349	11,674,714
	350	2,460,360,469
	351	2,022,148
	352	179,524,695
	353	5,399,189,341
	354	7,238,144

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

The Company legal representatives (*)

The Chairman (**)

Giovanni Consorte (**)

..... (**)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

For internal use of the Company Register

Date of receipt

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

(**) Please indicate the functions of the signatory

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

Share capital subscribed € **911,580,733** Paid-up € **911,580,733**

Registered offices in BOLOGNA - Via Stalingrado 45

Company Register 00284160371

ANNUAL ACCOUNTS

Profit and Loss Account

2003 Financial Year

(Amounts in EUR)

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS			
1. EARNED PREMIUMS, NET OF REINSURANCE:			
a) Gross premiums written	1	1,373,865,158	
b) (-) Outward reinsurance premiums	2	116,288,808	
c) Change in the provision for unearned gross premiums	3	38,623,642	
d) Change in the provision for unearned premiums, reinsurers' share	4	2,354,452	5
			1,221,307,160
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)			6
			37,666,048
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE			7
			1,077,996
4. CLAIMS INCURRED, NET OF SUMS RECOVERABLE AND REINSURANCE:			
a) Claims paid			
aa) Gross amount	8	852,558,047	
bb) (-) reinsurers' share	9	62,640,800	10
			789,917,247
b) Change in the sums recoverable, net of reinsurers' share			
aa) Gross amount	11	13,553,973	
bb) (-) reinsurers' share	12	812,236	13
			12,741,737
c) Change in the provision for outstanding claims			
aa) Gross amount	14	111,614,460	
bb) (-) reinsurers' share	15	11,855,312	16
			99,759,148
			17
			876,934,658
5. CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			18
			-24,723
6. BONUSES AND REBATES, NET OF REINSURANCE			19
			1,209,693
7. OPERATING EXPENSES:			
a) Acquisition commissions	20	192,701,059	
b) Other acquisition costs	21	21,634,024	
c) Change in deferred acquisition commissions and costs	22	1,831,019	
d) Renewal commissions	23	31,027,327	
e) Administrative expenses	24	53,311,917	
f) (-) Reinsurance commissions and profit sharing	25	38,178,239	26
			258,665,069
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			27
			2,044,024
9. CHANGE IN THE EQUALIZATION PROVISIONS			28
			119,262
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)			29
			121,103,221

for the year ended 31 December 2002

		111	1,279,184,595			
		112	110,418,448			
		113	32,772,411			
		114	5,086,762	115	1,141,080,498	
				116	47,508,950	
				117	886,439	
	118	839,623,227				
	119	60,646,614	120	778,976,613		
	121	21,925,191				
	122	1,083,298	123	20,841,893		
	124	65,545,176				
	125	3,245,931	126	62,299,245	127	820,433,965
				128	-88,732	
				129	1,464,370	
		130	180,725,362			
		131	19,902,528			
		132	1,502,694			
		133	28,131,608			
		134	43,932,200			
		135	39,722,745	136	231,466,259	
				137	1,677,437	
				138	102,902	
				139	134,419,686	

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS			
1. WRITTEN PREMIUMS, NET OF REINSURANCE:			
a) Gross premiums written		30	1,080,289,064
b) (-) Outward reinsurance premiums		31	2,189,545
			32
			1,078,099,519
2. INVESTMENT INCOME:			
a) Income from shares and participating interests		33	37,661,895
(of which from Group undertakings		34	31,377,908)
b) Income from other investments:			
aa) income from land and buildings	35		0
bb) income from other investments	36	37	137,036,996
(of which from Group undertakings		38	2,048,273)
c) Value re-adjustments on investments		39	9,055,844
d) Realized gains on investments		40	37,939,428
(of which from Group undertakings		41	0)
			42
			221,694,163
3. INVESTMENT INCOME AND UNREALIZED GAINS ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING OUT OF PENSION FUND MANAGEMENT			
			43
			38,189,153
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE			
			44
			6,168,211
5. CLAIMS INCURRED, NET OF REINSURANCE:			
a) Claims paid:			
aa) Gross amount	45	46	377,743,770
bb) (-) Reinsurers' share	46	47	1,133,832
			47
			376,609,938
b) Change in the provision for claims:			
aa) Gross amount	48	49	1,397,592
bb) (-) Reinsurers' share	49	50	-398,849
			50
			1,796,441
			51
			378,406,379
6. CHANGE IN THE MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE:			
a) Mathematical provisions, net of reinsurance:			
aa) Gross amount	52	53	724,253,028
bb) (-) Reinsurers' share	53	54	22,142
			54
			724,230,886
b) Ancillary risks - provision for unearned premiums			
aa) Gross amount	55	56	0
bb) (-) Reinsurers' share	56	57	0
			57
			0
c) Other technical provisions:			
aa) Gross amount	58	59	-355,386
bb) (-) Reinsurers' share	59	60	0
			60
			-355,386
d) Technical provisions for Life assurance policies where investment risk is borne by policyholders and arising out of pension fund management			
aa) Gross amount	61	62	103,017,673
bb) (-) Reinsurers' share	62	63	0
			63
			103,017,673
			64
			826,893,173

for the year ended 31 December 2002

	140	622,466,533	
	141	5,999,122	142 616,467,411
	143	18,267,353	
(of which from Group undertakings	144	15,385,123)	
	145	0	
	146	135,915,997	147 135,915,997
(of which from Group undertakings	148	1,942,207)	
	149	1,998,314	
	150	23,575,770	
(of which from Group undertakings	151	0)	152 179,757,434
			153 12,665,302
			154 5,997,820
	155	360,291,438	
	156	10,664,831	157 349,626,607
	158	1,649,642	
	159	73,193	160 1,576,449
	161		351,203,056
	162	226,348,321	
	163	-4,554,758	164 230,903,079
	165	0	
	166	0	167 0
	168	909,988	
	169	14,748	170 895,240
	171	74,957,603	
	172	0	173 74,957,603
			174 306,755,922

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

7. BONUSES AND REBATES, NET OF REINSURANCE			65	737,527
8. OPERATING EXPENSES:				
a) Acquisition commissions	66	17,156,596		
b) Other acquisition costs	67	6,841,644		
c) Change in deferred acquisition commissions and costs	68	-3,506,308		
d) Renewal commissions	69	7,080,568		
e) Administrative expenses	70	14,486,891		
f) (-) Reinsurance commissions and profit sharing	71	212,081	72	48,859,926
9. INVESTMENT CHARGES:				
a) Investment management charges, including interest payable	73	11,193,611		
b) Value adjustments on investments	74	31,618,653		
c) Realized losses on investments	75	7,600,706	76	50,412,970
10. INVESTMENT CHARGES AND UNREALIZED LOSSES ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING OUT OF PENSION FUND MANAGEMENT			77	8,549,059
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	2,026,032
12. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III.4)			79	24,321,193
13. BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS (Item III.2)			80	3,944,787
III. NON-TECHNICAL ACCOUNT				
1. BALANCE ON THE TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS (item I.10)			81	121,103,221
2. BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS (item II.13)			82	3,944,787
3. INVESTMENT INCOME - NON-LIFE INSURANCE BUSINESS:				
a) Income from shares and participating interests	83	59,186,991		
(of which from Group undertakings	84	50,076,840)		
b) Income from other investments:				
aa) income from land and buildings	85	14,912,196		
bb) income from other investments	86	22,073,871	87	36,986,067
(of which from Group undertakings	88	4,133,490)		
c) Value re-adjustments on investments	89	322,112		
d) Capital gains on investments	90	13,399,571		
(of which from Group undertakings	91	0)	92	109,894,741

for the year ended 31 December 2002

		175	1,934,495
		176	11,666,137
		177	6,470,720
		178	-3,981,155
		179	7,345,529
		180	12,317,575
		181	894,557
		182	40,886,559
		183	24,515,073
		184	36,580,879
		185	7,438,178
		186	68,534,130
		187	33,229,961
		188	7,568,764
		189	0
		190	4,775,080
		191	134,419,686
		192	4,775,080
		193	66,538,657
(of which from Group undertakings		194	59,943,616)
		195	16,670,144
		196	25,639,867
(of which from Group undertakings		197	42,310,011)
		198	3,707,803
		199	546,349
		200	9,003,911
(of which from Group undertakings		201	0)
		202	118,398,928

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

4. (+) ALLOCATED INVESTMENT RETURNS TRANSFERRED FROM THE LIFE ASSURANCE TECHNICAL ACCOUNT (item II.12)		93	24,321,193
5. INVESTMENT CHARGES - NON-LIFE INSURANCE BUSINESS:			
a) Investment management charges, including interest payable	94	10,474,188	
b) Value adjustments on investments	95	28,168,245	
c) Capital losses on investments	96	1,792,241	
		97	40,434,674
6. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE NON-LIFE INSURANCE TECHNICAL ACCOUNT (item I 2)		98	37,666,048
7. OTHER INCOME		99	55,376,746
8. OTHER CHARGES		100	67,515,478
9. BALANCE ON ORDINARY ACTIVITIES		101	169,024,488
10. EXTRAORDINARY INCOME		102	44,258,230
11. EXTRAORDINARY CHARGES		103	4,155,949
12. BALANCE ON EXTRAORDINARY ACTIVITIES		104	40,102,281
13. PROFIT BEFORE TAXATION		105	209,126,769
14. TAX ON PROFIT		106	75,019,852
15. PROFIT (OR LOSS) FOR THE FINANCIAL YEAR		107	134,106,917

for the year ended 31 December 2002

		203	0	
	204	13,555,712		
	205	30,415,099		
	206	2,072,113	207	46,042,924
			208	47,508,950
			209	42,143,213
			210	51,510,180
			211	154,674,853
			212	28,438,963
			213	8,103,638
			214	20,335,325
			215	175,010,178
			216	71,935,137
			217	103,075,041

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

The Company legal representatives (*)

The Chairman (**)

Giovanni Consorte (**)

..... (**)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

For internal use of the Company Register

Date of receipt

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

(**) Please indicate the functions of the signatory

Notes to the Accounts

The purpose of the Company is to carry out all types of insurance, reinsurance and capitalization, with particular regard to covering risks incurred by cooperatives, mutuals, trade unions and their members.

The Company may also set up and run open-end Pension Funds in accordance with the provisions of Article 9 of Legislative Decree 124 of 21 April 1993 and subsequent amendments.

The accounts have been drawn up in accordance with the current standards contained in the Civil Code and with the specific standards laid down for the insurance sector and follow the layout and instructions provided for in Legislative Decree 173

of 26 May 1997. They also comply with Isvap Ruling 735 of 1 December 1997 relating to the layout of accounts and incorporate the relevant guidance issued by the Supervisory Authority.

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

Part A - Valuation Criteria

Section 1 – Illustration of valuation criteria

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

Intangible assets

Deferred acquisition commissions

Pre-paid acquisition commissions on multi-year policies relating to Non-Life business are deferred and amortized on a straight-line basis over a period of three years starting from the year in which the costs are incurred. For Life business these commissions are attributed on the basis of the period of validity of the policies, up to the limit of the expenses charged on them, but for a period not exceeding 10

years. This complies with tax regulations and prudential considerations and allows these costs to be spread over several financial years in accordance with the matching concept.

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

Other multi-year costs

Costs of capital increases are amortized on a straight-line basis over five years starting from the financial year in which they are incurred. Costs of portfolio acquisitions relating to Life business are amortized on a straight-line basis over ten years, owing to the longer duration of the policies concerned.

Trademarks are amortized over 10 years.

Other multi-year expenses are amortized on the basis of their presumed useful life.

Investments

Land and buildings

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

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

Buildings to be used by the Company are depreciated at constant rates according to the envisaged period of use.

Other buildings are not usually depreciated, given that constant maintenance is carried out in order to prolong their useful life and to keep up their value.

However, given their nature and use the 'Città del Mare' (Terrasini – PA), 'Pianeta Maratea' (Maratea – PZ) tourist and hotel complexes, the complex housing the Jolly Hotel in Rome (Via Pio IV), supermarkets, factories and a building in Milan, are depreciated.

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

- property for the Company's own use: 3%
- holiday complexes: 3%
- sports facilities in holiday complexes: 10%
- shopping centres and factories: 3%
- shopping centres with shopping arcades: 6%

Premises that lose their value permanently are written down. Their market value is determined in accordance with Isvap Ruling 1915-G of 20 July 2001.

Investments in Group undertakings and participating interests

These mainly consist of long-term investments

such as controlling shareholdings, shareholdings in affiliated companies and other undertakings.

These shareholdings are recorded in the accounts at the cost of acquisition or of subscription or at a value below cost in cases in which the companies have recorded a long-term loss of value, or they are written down, in accordance with tax legislation, in order to obtain the relative tax benefits that could not be obtained otherwise.

In the case of companies in liquidation, account has been taken of expected payback at the end of liquidation.

Investments in securities of other participating interests (both those intended to be trading assets and those intended to be part of the Company's long-term assets) are valued at their average purchase or subscription cost, in accordance with the criteria mentioned earlier for other financial investments.

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

Other financial investments

Units and shares in investment funds

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

Units and shares in investment funds that are classified as long-term assets are held at acquisition cost, adjusted where applicable by write-downs deriving from losses in value deemed to be long-term, or they are written down, in accordance with tax legislation, in order to obtain the relative tax benefits that could not be obtained otherwise.

Bonds and other fixed-income securities

Securities intended to be held long-term by the Company are valued at the average purchase or subscription cost, reduced or increased by an amount equal to the proportion of the negative or positive difference between repayment value and

acquisition cost that has accrued at the end of the financial year. The relevant proportion relating to any issue spread is recorded separately (Article 8 of Legislative Decree 719 of 27/12/1994 and Law 349 of 8/8/1995). They may be written down only in the event of verified permanent loss of value. For securities with an implicit rate (such as zero coupon bonds) an adjustment is made for the appropriate proportion of capital that has already accrued.

Securities used as short-term investments are adjusted to the lesser of the average cost, increased or reduced by accrued issue spreads, and the market value; for listed securities the market value is computed from the average of prices recorded in the month of December and for those that are not listed from the presumed disposal value as at 31 December, determined on the basis of the current value of securities traded on regulated markets that have similar characteristics.

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

Corporate financing

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

Derivatives

Derivatives, as defined in Isvap Ruling 297 of 19 July 1996, are used exclusively for hedging purposes, to reduce the risk profile of the hedged assets and liabilities or to optimize their risk/return profile. Derivative contracts in existence at the end of the period are evaluated in accordance with the hedged assets/liabilities. The current value of derivative contracts is determined by the 'substitution cost' method, using the prices and rates prevailing at the end of the financial year for equal maturities and comparing these with the contractual ones.

Premiums received or paid for options on securities, currencies or rates in existence at the end of the period are recorded in item G.VI 'Sundry borrowings and other financial payables'

and item C.III.7 'Sundry financial investments' respectively.

When the option matures:

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

Income from securities

Accrued interest receivable is recorded in the profit and loss account in accordance with the matching concept, as is the accrued difference between the repayment value and the issue price of bonds and similar securities, as set out in the aforementioned Article 8 of Legislative Decree 719 of 27 December 1994. For securities held as fixed assets the accrued difference between the repayment value and the book value is included. Dividends are recorded in the financial year in which they are received, together with the relevant tax credit.

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

Investments for the benefit of Life- assurance policyholders who bear the risk thereof and investments arising out of pension fund management

These are recorded at current value, as stipulated in Articles 17 and 19 of Legislative Decree 173/1997.

Receivables

These are recorded at their presumed disposal value.

Other assets

Furniture, office machinery, equipment and movables recorded in the public registers

These assets, included in fixed assets, are recorded in the accounts at acquisition cost or

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

Depreciation is calculated as follows:

- furniture and office machinery: between 12% and 40%
- movables recorded in public registers: 25% - 37.5%
- fixtures, fittings and equipment: between 7.5% and 30%
- assets with a value of up to €516: 100%

Prepayments and accrued income, accruals and deferred income

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

Technical provisions Non-Life business

Provision for unearned premiums

The provision for unearned premiums for direct insurance business is determined analytically for each policy according to the pro-rata temporis method, based on gross premiums booked less acquisition commissions and other directly-attributable acquisition costs. In the case of multi-year policies the proportion of depreciation that relates to the year is deducted.

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

For Credit business the flat-rate method provided for in the Ministerial Decree of 23 May 1981 has been applied to premiums

written before 1992, whilst for policies issued since 1992 the pro-rata temporis method has been applied.

For Bond business as from 2002, the provision for unearned premiums has been calculated using the pro-rata temporis method, supplemented by the criteria laid down in Isvap Ruling 1978 of 4 December 2001.

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

The total amount allocated to the provision is expected to meet costs arising from the risk portions pertaining to subsequent financial years. The reinsurers' share of the provision for unearned premiums is calculated by applying to the premiums ceded the same criteria as those used to calculate the provision for unearned premiums for direct business.

Provision for increasing age

The provision for increasing age is calculated at a flat rate of 10% on policies in the Health portfolio having the characteristics described in Article 25 of Legislative Decree 175/1995.

Provision for outstanding claims

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

The provision for outstanding claims also includes a set-aside for claims incurred but not reported, estimated on the basis of experience

gained regarding claims reported late in previous years, in accordance with the criteria established by the Isvap Ruling of 4 December 1998.

The reinsurers' share of the provision for outstanding claims reflects the amount recoverable from them as laid down in either specific treaties or contractual arrangements.

Technical provisions Life business

The amount recorded in the accounts has been calculated in accordance with the provisions of Articles 24 and 25 of Legislative Decree 174/1995 and as specified by the Ministerial Decree of 2 July 1987 regarding the minimum level of provisions for supplementary health and professional premiums and the provision for administrative charges.

The mathematical provision for direct Life assurance is calculated analytically for each contract on the basis of pure premiums, with no deductions for policy acquisition costs, and by reference to the actuarial assumptions (technical interest rates, demographic models of death or disability) used to calculate the premiums relating to existing contracts. The mathematical provision includes the proportion of pure premiums in relation to the premiums accrued during the financial year; it also includes all write-ups made by virtue of the contractual terms and is always greater than the redemption value. In compliance with the provisions of Article 38 of Legislative Decree 173/1997, technical provisions set up to cover liabilities deriving from assurance policies on which the yield is based on investments or indices for which the policyholder bears the risk, and provisions arising from pension fund management, have been calculated by reference to commitments made under these contracts and to the provisions of Article 30 of Legislative Decree 174/1995 and subsequent Isvap Rulings. As prescribed in Article 38 (3) of Legislative Decree 173/1997, the mathematical provision includes provisions allocated to cover the risk of mortality in assurance contracts under Class III of Table A attached to Legislative Decree 174/95, guaranteeing a

benefit should the insured party die during the term of the contract. The mathematical provision also includes a supplementary provision, in accordance with Article 25 (12) of Legislative Decree 174/1995. Under the terms of this, when a difference has been identified between the demographic bases used to calculate the constituent capital for life annuities and the latest figures from the General State Accounting Department, the provisions to be established must be increased to cover liabilities to policyholders, which is also in compliance with Isvap Ruling 01380-G of 21 December 1999 and with the 'Regulations on actuarial principles to be applied when calculating the supplementary provision for annuity assurance policies' issued by the National Order of Actuaries and recognized by Isvap.

Moreover, in accordance with Isvap Ruling 1801-G of 21 February 2001 and with 'Guidelines for the evaluation of the adequacy of the supplementary provision for interest rates' issued by the National Order of Actuaries, the mathematical provision has been supplemented by a posting covering any difference between liabilities underwritten and the forecast rate of returns from assets matching the technical provisions, with regard to the levels of interest rates guaranteed and the dynamics of adjustment of those benefits contractually provided for.

As laid down in Article 34 of Legislative Decree 173/1997, the provision for sums payable includes the total amount needed to cover payment of benefits that have fallen due but not so far been paid.

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

Current and deferred taxation

Taxes for the financial year are posted amongst sundry taxes.

Deferred taxes accrued from the financial year or flowed into the year are calculated on the temporary differences between the unconsolidated profit and the taxable profit. They are posted to sundry assets and the provision for taxation respectively.

Provision for staff-leaving indemnity

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

Earned premiums

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

Investment income in the profit and loss account

Allocation of portions of investment income to the technical account of Non-Life business and to the non-technical account of Life business is made in accordance with the relevant Isvap Ruling of 8 March 1999.

Inward reinsurance

In the case of inward reinsurance, with the exception of facultative risks and indirect business from subsidiaries, the premiums and the costs for claims and commissions already passed on by the ceding undertakings and relating to the financial year are recorded on specific asset or liability lines (deferred reinsurance accounts receivable, item F.IV.1 under assets, and deferred reinsurance accounts payable, item G.IX.1 under liabilities) and posted to the profit and loss account for the following financial year. The reason for this mismatching, which also applies to the relative retrocessions, is that it is impossible to obtain the information on time and in its entirety.

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

Conversion of balances in foreign currencies

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

Any surplus arising from the conversion into Euros is offset by an allocation to an appropriate fund under 'liabilities' and any shortfall arising is balanced by a release from the same fund, if there is enough in it.

Exchange rates used

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

Currencies	31.12.03	31.12.02
US dollar	1.2630	1.0487
Pound sterling	0.7048	0.6505
Swiss franc	1.5579	1.4524
Canadian dollar	1.6234	1.6550
Swedish krona	9.0800	9.1528

Euro

In accordance with Isvap Ruling 1008-G of 5 October 1998, the Balance Sheet and the Profit and Loss Account show figures in whole Euros, with no decimal places, whilst the notes to the accounts show figures in €K.

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

The Company carries out both Non-Life and Life insurance and, in accordance with Legislative Decree 173/97, draws up separate statements of Assets and Liabilities for Non-Life insurance business (Annex 1) and for Life assurance business (Annex 2) and a statement relating to the apportionment of year-end result between Non-Life and Life business (Annex 3). This result is a profit of €134,107K, €93,231K of which relates to Non-Life business and €40,876K to Life business.

Balance sheet - Assets

There follows a commentary on the balance sheet items and their changes in comparison with the previous financial year, together with regulatory information.

Section 1 – Intangible assets (item B)

As at 31 December 2003 the item 'Intangible assets' amounted to €42,878K, an increase of €5,447K compared with the balance in the previous financial year (+14.6%), and is made up as follows:

- €31,993K in deferred acquisition commissions, of which €16,877K is for Life business and €15,116K for Non-Life business;
- a total of €5,151K for the remaining expenses relating to the increases in share capital (item B3), €4,197K of which relates to the operation to increase carried out during the year;
- the remaining portion of the goodwill paid when the portfolio of participating interests was acquired, amounting to €713K (item B4);
- €5,022K (item B5), mainly made up of incremental expenses for non-owned property and of the cost of purchasing IT software.

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

Research, development and advertising costs are not included under assets.

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

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

Section 2 - Investments (item C)

2.1 Land and buildings (item C.I)

As at 31 December 2003 assets listed under C.I, net of the relevant depreciation, were made up as follows (in €K):

	Assets	Depreciation funds	Net assets
For own use	62,141	17,607	44,534
For the use of third parties	302,538	25,365	277,172
Work in progress/payments on account	9		9
Total	364,688	42,972	321,716

Land and buildings for the use of third parties include €3,166K of assets classified as short-term (€6,259K as at 31/12/2002), mainly consisting of a residential complex in Livorno, the sale of which has not yet been completed.

The commercial area of the property owned by the Company is approximately 173,000 square metres, excluding the plots (135,000 square metres), a property used for tourism and its structures (36,000 square metres) and a centre for tourism services (3,600 square metres). During the year 2003 the Company's property portfolio recorded a net decrease of €12,720K

(-3.4% compared with 31/12/2002). Movements during the financial year are shown in Annex 4 to these Notes to the Accounts.

No new investments were made during the year. Sales operations totalling €16,099K were carried out, €9,851K being sales of residential property and €6,248K sales of office premises. The main feature of sales operations carried out on residential property during 2003 was the high number of buying and selling operations (70 parts of 11 properties), more than a third of which related to the property in Livorno mentioned above, work on which was completed during the year.

There were nine sales operations relating to office premises, the principal ones being the properties in via Ortles in Milan (€3,156K) and in Ca' Marcello in Mestre (€1,163K).

Net capital gains for the year totalled €2,080K.

Increases and improvements made to property assets as a result of maintenance work carried out were valued at a total of €2,963K (€2,246K of which related to properties used by third parties and €717K to those used by the Company).

'Sundry creditors' also includes €382K in advance payments received for sales of buildings that have not yet been finalized.

In 2003 the charge incurred by the Company for Local Property Tax (Imposta Comunale sugli Immobili, I.C.I.) was €1,268K.

No properties were leased.

Current value of land and buildings

The current value of land and buildings on the books as at 31 December 2003 but acquired before 31 December 2001 was determined by properly-qualified outside experts appointed by the Company's Board of Directors on 12 November 2001 in accordance with the provisions issued by Isvap Ruling 1915-G of 20 July 2001.

Properties acquired after 31 December 2001 will be assessed for valuation purposes by

31 December 2006. It is assumed that the current value is the same as the purchase cost. However, the value of land and buildings will be updated if there are any significant variations in the nature of these assets or in the market for them, and by the end of the 2006 financial year in any case.

The total current value as at 31 December 2003, calculated as described above, was €394,508K, which exceeded the book value by some €73m.

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

As at 31 December 2003 Italian and foreign shareholdings amounted to €3,400,681K, as against €1,878,305K at the end of the previous financial year, an increase of €1,522,376K (+81.1%), consisting of (in €K):

Value as at 01/01/2003	1,878,305
Acquisitions and subscriptions	1,575,233
Sales	(43,361)
Capital repayments	(425)
Value adjustments	(9,097)
Other changes	26
Value as at 31/12/2003	3,400,681

Value adjustments totalling €9,097K relate to the following participating interests (in €K):

Sanpaolo IMI	5,778
Fincooper - in liquidation	2,047
Unifimm	783
Atlantis	345
Acteldirect	45
Allnations	40
Artigianfin - in liquidation	36
Assicoop Genova - in liquidation	22
Coop Libera Stampa	1
Total	9,097

The write-down of the participating interest Sanpaolo IMI was carried out in accordance with tax legislation, for the sole purpose of obtaining the relative tax benefits, and does not represent a permanent loss of value. As a result of this write-down the shareholders' equity and the net profit for the year as at 31 December 2003 were less than €3,860K, net of the relative tax effect.

All the repayments of capital, amounting to €425K, are for the repayment of capital by the affiliated company Euresa Holding.

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

- a) changes in shares and participating interests during the financial year (Annex 5)
- b) information on undertakings where participating interests are held (Annex 6)
- c) analysis of investment movements in undertakings where participating interests are held (Annex 7).

The main operations during the financial year were as follows:

Subsidiaries:

- **Compagnia Assicuratrice Linear spa**
Subscription of the increase in share capital from €16m to €19.3m.
2,640,000 shares were subscribed in total, for a total countervalue of €4m (€1.3m of which was the price above par).
- **Navale Assicurazioni spa**
Payment of €5m for a future increase in share capital, with the subsequent acquisition of 3,924 shares at a total price of €13K.
The holding in the company thus rose to 98.24%.
- **Noricum Vita spa**
On 2 July 2003 Unipol Assicurazioni reached an agreement to sell its entire holding in the Company (51%) to the Sanpaolo IMI Group, for a total price of €40.2m. The sale took place on 3 December, providing a capital gain of €29.4m.
- **Quadrifoglio Vita spa**
Subscription during the year of two increases in the share capital of the subsidiary (from €22.5 to €24.2m and subsequently from €24.2 to €27.2m). 2,350,000 shares were subscribed

in total, for a total countervalue of €14.1m (€11.7m of which was the price above par). The holding in the company remained unchanged (50%).

- **Unifimm srl**
Purchase of 850,000 shares, amounting to 1% of the share capital, for the total price of €0.3m.
The holding in the company thus rose to 100%.
- **Unipol Banca spa**
Subscription of the increase in share capital of the subsidiary, from €284.2m to €426.3m, in order to provide finance for the purchase of the Capitalia outlets and the resources required to acquire 51% of Unipol Merchant.
115,203,875 shares were subscribed in total (5,953 of which were not exercised), for a total countervalue of €149.8m (€34.6m of which was the price above par).
Purchase of further 7,642,016 shares, amounting to 1.79% of the share capital, for the total price of €12m.
The holding in the company thus rose to 82.86%.
- **Winterthur Assicurazioni spa**
Acquisition of 22,575,793 shares, at a total price of €1,067.6m, (€3.3m of which related to additional charges).
The holding in the company is of 89.99%.
- **Winterthur Vita spa**
Acquisition of 117,425 shares, at a total price of €166.1m, (€0.4m of which related to additional charges).
The holding in the company is of 60.22%.
- **Winterthur Italia Holding spa**
Acquisition of 260,000,000 shares, at a total price of €89.5m (€0.2m of which related to additional charges).
The holding in the company is of 100%.

Affiliated companies:

- **Finec Holding spa**
Sale on 6 June of 1,943,000 shares, at a total price of €1.9m.
Subscription on 18 July of 9,359,333 shares as part of the increase in the Company's share capital from €128.7 to €153.7m, for a total countervalue of €9.4m.
At the end of the year the holding in the company was 37.44%.
- **Unipol Merchant spa**
Following authorization obtained by Unipol Merchant to carry out banking business, Unipol Assicurazioni sold its entire holding in the Company (42.54%) to the subsidiary Unipol Banca, at a total price of €32.9m, giving a capital gain of €3m.

Other companies:

- **Banca Monte dei Paschi di Siena spa**
Acquisition during the year of 8,246,046 shares, for a total countervalue of €22m.
- **Hopa spa**
Purchase of 13,650,000 shares, amounting to 1% of the share capital, for the total price of €35.3m. The holding in the company rose to 6.71%.

In addition, during the year the holdings in Assicoop Ferrara spa, Unieuropa srl, Inarcheck spa, Cooptecnital scarl and Autonomia scarl were sold to the subsidiary Smallpart spa at their book values for a total of €0.7m.

Item C.II.2 (debt securities issued by Group undertakings) amounted to €44,614K (€31,721K as at 31/12/2002) and relates to the debt securities issued by Banca Monte dei Paschi di Siena (for an amount of €39m) and Sanpaolo IMI (€5.6m). The Monte dei Paschi bonds and one Sanpaolo bond, with a total countervalue of €43.9m, are classified as short-term investments.

The whole of the balance of item C.II.3 (corporate financing) of €1,872K (€1,253K as at 31/12/2002) consists of loans granted to the

subsidiary company Unifimm S.r.l.

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

Where shareholdings in subsidiary and affiliated companies are concerned, any increase in book value, compared with that derived from valuation by the equity method (as defined by Article 16 (5) of Legislative Decree 173 of 26 May 1997), is attributable to the economic or strategic value of each company.

This applies to BNL Vita, Meieaurora, Navale Assicurazioni, Unipol Banca, Midi, Winterthur Assicurazioni and Winterthur Vita.

Current value of investments (see Annexes 5 and 7)

For the current value of investments traded in regulated markets the average price in the last month of the financial year has been used.

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

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

The goodwill of the insurance and banking subsidiaries was calculated by taking into account the profits that they were deemed capable of generating, based on forecasts drawn up by the companies themselves.

As at 31 December 2003 the current value of holdings assessed in this way amounted to €4,034.5m compared with a book value of €3,400.7m.

2.3 Other financial investments (item C.III)

The total balance for this item amounts to €4,197,719K, an increase of €912,534K on the previous financial year (+27.8%). The main components are summarized as follows (in €K):

	2003	Variation over 2002
1.Stocks and shares	230,163	46,209
2.Units and shares in investment funds	84,236	(26,840)
3.Bonds and other fixed-income securities	3,476,953	1,045,051
4.Loans	56,737	1,170
7.Sundry financial investments	349,629	(153,056)
Total	4,197,719	912,534 (+27.8%)

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

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

The balance on the item 'Stocks and shares' (item C.III.1) records an increase of €46,209K (from €183,954K to €230,163K).

This item was affected by a write-down of €6,647K of some company shares included in the long-term portfolio, carried out in accordance with tax legislation for the sole purpose of obtaining the relative tax benefits and does not represent a permanent loss of value. As a result of this write-down the shareholders' equity and the net profit for the year as at 31 December 2003 were less than €4,441K, net of the relative tax effect.

As at 31 December 2003 the balance on item C.III.2 'Units and shares in investment funds' was €84,236K, a decrease compared with the position as at 31 December 2002 of €26,840K (-24.2%). 83.5% of this item consists of short-term investments and the remaining 16.5% of long-term investments.

Bonds and other fixed-income securities (item C.III.3) were as follows as at 31 December 2003 (in €K):

	2003	Comp. %	Variation over 2002
Securities issued by Governments, public bodies and international organizations	1,547,995	44.5	923,632
Convertible bonds	26,303	0.8	(11,565)
Other listed securities	1,880,738	54.1	154,698
Other unlisted securities	21,917	0.6	(21,714)
Total	3,476,953	100.0	1,045,051 (+43.0%)

The largest variation was the increase of €924m in government securities. Of the other listed securities, which rose by €155m, 36.2% related to 'banking institutions' (with a minimum rating of A3), 16.0% to investments guaranteed by European government securities and 47.8% to other corporate bonds.

In terms of breakdown by currency 99.2% of the bond portfolio consists of Eurozone securities and the remaining 0.8% of securities in non-Euro currencies (American dollars and Swedish Krona).

Operations to hedge the exchange rate risk have been carried out for all securities in foreign currency outside the Eurozone.

The breakdown between long-term and short-term investments, €1,212.6m and €2,264.3m respectively, is shown in detail in the Annexes that follow.

Government fixed-income securities and other listed securities, with a face value of €3,632.4m, are shown in the balance sheet at €3,439.3m.

These securities, if valued on the basis of the average prices in the month of December 2003, would total €3,442.5m.

Other unlisted securities, with a face value of €37,451K, are shown in the accounts at €37,645K.

These securities, if valued at their likely disposal value, would amount to a total of €37,890K.

In total, for the bond portfolio at the end of 2003, comparison with market prices, taking into account adjustments for the effect of derivatives (+€3.3m), net of tax withheld for non-possession (amounting to €76K), gives a positive balance between unrealized capital

gains and losses amounting to €6.8m (€1.3m as at 31/12/2002).

The securities in the portfolio are all administered by custodian banks or issuing bodies.

During the 2003 financial year the following movements took place (in €K):

Total investments	Face value	Book value
Value as at 01/01/2003	2,797,613	2,431,903
Acquisitions and subscriptions	5,231,796	5,199,797
Sales and redemptions	(4,359,264)	(4,149,444)
Book losses		(35,443)
Book re-adjustments		81
Adjustments accrued on principal		30,906
Exchange differentials	(2,177)	(2,177)
Issue/trading spreads		(690)
Incoming transfers	21,850	22,020
Outgoing transfers	(20,000)	(20,000)
Value as at 31/12/2003	3,669,818	3,476,953

Movements in long-term and short-term investments (in €K) were as follows:

Long-term investments	Face value	Book value
Value as at 01/01/2003	1,385,834	1,052,608
Acquisitions and subscriptions	561,360	491,996
Sales and redemptions	(525,461)	(335,047)
Book losses		(2,626)
Adjustments accrued on principal		28,642
Exchange differentials	(2,177)	(2,177)
Issue/trading spreads		(783)
Incoming transfers	10	11
Outgoing transfers	(20,000)	(20,000)
Value as at 31/12/2003	1,399,566	1,212,625

Where sales and redemption of long-term investments are concerned, €70,276K is for redemption and the remainder relates to sales. Securities were sold and replaced by securities with similar characteristics but the same or better earning capacity and also, in the case of securities covering policies providing guaranteed benefits,

in case they should turn out to be higher than the underlying liabilities. These sales mainly involved Life business and resulted in net capital gains of €5,799K.

Short-term investments	Face value	Book value
Value as at 01/01/2003	1,411,779	1,379,295
Acquisitions and subscriptions	4,670,436	4,707,801
Sales and redemptions	(3,833,803)	(3,814,397)
Book losses		(32,817)
Book re-adjustments		81
Adjustments accrued on principal		2,264
Issue spreads		93
Incoming transfers	21,840	22,009
Value as at 31/12/2003	2,270,252	2,264,329

For the most significant amounts of bonds referred to in item C.III.3, analytical data are also given by issuing body (in €K).

The issuing bodies are selected when the total book value of securities is worth over €50m. They represent 63.4% of the entire portfolio.

Issuing body	Book value
Treasury – European Union	1,441,328
Corsair Finance Ltd	227,083
Commerzbank	124,931
Pearl Fin	84,743
Barclays Bk Plc	70,819
Signum Plc	65,993
Banco Commercial Portugues	65,001
Trees Ltd	64,294
Eirles Ltd	59,835
Total	2,204,027

Item C.III.3, 'Bonds and other fixed-income securities', includes €427,915K for subordinated debt securities (€246,887K as at 31/12/2002).

The table below shows the main features of these investments.

The level of subordination is mainly that of the credits immediately following the main creditors (Lower Tier II).

Issuer	Currency	Book value as at 31/12/03 (€K)	Interest rate	Expiry	Early repayment	Subordination level
AGF Banque	EUR	6,000	Variable	20/12/2011	NO	Lower Tier II
AIB	EUR	3,027	Variable	12/06/2008	YES	Lower Tier II
Allianz	EUR	3,255	Fixed	13/01/2025	YES	Lower Tier II
Banca Intesa	EUR	7,594	Fixed	08/05/2014	YES	Tier II
Banca Intesa	EUR	5,205	Variable	02/01/2008	NO	Lower Tier II
Banca Intesa	EUR	34,767	Fixed until 14/07/11, then variable	15/07/2011	NO	Lower Tier II
Banca Lombarda	EUR	4,841	Variable	07/06/2009	YES	Lower Tier II
Banca Lombarda	EUR	3,032	Variable	30/06/2009	YES	Lower Tier II
Banca Pop. di Brescia	EUR	4,032	Variable	23/02/2006	YES	Lower Tier II
Banca Pop. di Lodi	EUR	5,529	Variable	Perpetual	YES	Tier I
Banca Pop. di Lodi	EUR	2,010	Variable	22/12/2009	NO	Lower Tier II
Banca Pop. Milano	EUR	25,000	Variable	05/07/2011	NO	Lower Tier II
Banca Pop. Verona e Novara	EUR	9,972	Variable	11/07/2008	YES	Lower Tier II
Banco Santander	EUR	10,642	Fixed	10/04/2012	YES	Lower Tier II
Bank of Cyprus	EUR	2,991	Variable	03/10/2013	YES	Lower Tier II
Bank of Ireland	EUR	2,308	Fixed	07/03/2011	YES	Tier I
Barclays Bank Plc	EUR	5,819	Fixed	Perpetual	YES	Tier I
Bayerische Hypo-Vereinsbank	EUR	20,000	Variable	05/02/2014	NO	Tier II
BMW AG	EUR	10,096	Fixed	07/11/2011	NO	Lower Tier II
BMW AG	EUR	19,249	Fixed	07/11/2011	NO	Lower Tier II
BNL	EUR	3,980	Variable	19/06/2007	NO	Lower Tier II
BNP Paribas	EUR	5,005	Variable	17/04/2010	NO	Lower Tier II
Caixa Montepio	EUR	2,995	Variable	28/02/2013	NO	Lower Tier II
Cajasa	EUR	5,005	Variable	16/12/2013	YES	Lower Tier II
Citigroup	EUR	7,965	Fixed	15/10/2011	NO	Lower Tier II
Commerzbank	EUR	5,000	Variable	02/07/2004	NO	Lower Tier II
Crédit Lyonnais	EUR	10,119	Variable	25/03/2014	YES	Lower Tier II
Danske Bank	EUR	2,375	Fixed	20/06/2016	YES	Lower Tier II
Den Norske	EUR	4,993	Variable	15/09/2013	YES	Lower Tier II
Deutsche Bank	EUR	15,475	Fixed	31/01/2011	YES	Lower Tier II
Deutsche Bank	EUR	26,272	Fixed	31/01/2011	YES	Lower Tier II
Deutsche Bank	EUR	723	Fixed	31/01/2013	NO	Lower Tier II
Eurohypo AG	EUR	16,357	Fixed	25/04/2012	NO	Lower Tier II
Folksam	SEK	11,013	Fixed until 10/01/05, then variable	10/01/2010	YES	Lower Tier II
Generali	EUR	4,564	Fixed	20/07/2022	YES	Lower Tier II
Halifax Bank of Scotland	EUR	4,911	Fixed	14/10/2015	YES	Tier I
Halifax Bank of Scotland	EUR	5,374	Fixed	Perpetual	YES	Upper Tier II
Halifax Bank of Scotland	EUR	5,374	Fixed	Perpetual	YES	Upper Tier II
Halifax Bank of Scotland	EUR	13,028	Variable	07/10/2013	YES	Lower Tier II
Halifax Bank of Scotland	EUR	3,299	Fixed	10/05/2013	NO	Lower Tier II
Halifax Bank of Scotland	EUR	4,403	Fixed	Perpetual	YES	Tier I
HSBC	EUR	1,207	Fixed	30/06/2012	YES	Tier I
IKB	EUR	3,371	Fixed	09/07/2013	NO	Lower Tier II
Ing Bank	EUR	3,229	Fixed until 08/05/17, then variable	07/05/2027	YES	Upper Tier II
Landesbanken	EUR	39,000	Variable	01/03/2010	NO	Lower Tier II
Lloyds TSB	EUR	5,796	Fixed	07/02/2012	YES	Tier I
Morgan Guaranty Trust	EUR	10,058	Fixed	16/06/2010	NO	Lower Tier II
SEB	EUR	10,023	Variable	03/01/2010	YES	Lower Tier II
SNS Bank	EUR	5,048	Variable	14/05/2008	YES	Lower Tier II
Société Générale	EUR	3,221	Fixed	21/12/2016	NO	Lower Tier II
Union Bank Norway	EUR	3,363	Fixed	Perpetual	YES	Tier I
Total		427,915				

Evidence is given of the amounts posted as issue and/or trading spreads for the bonds and

other fixed-income securities shown in item C.III.3 (amounts in €K):

Positive issue spreads	1,083
Negative issue spreads	(955)
Positive trading spreads	82
Negative trading spreads	(901)
Zero coupon adjustments	30,906

Changes during the financial year in long-term assets, included under the above-mentioned items, are shown in Annex 9.

Item C.III.4 'Loans', amounting to €56,737K, includes €18,984K of loans secured by a lien on property, €34,797K of loans on insurance policies and €2,956K of other loans.

The loans secured by a lien on property under item C.III.4.a, the balance of which amounted to €18,984K as at 31 December 2003, are set out in the table below, which shows significant items and details of the beneficiary.

Loans with a residual debt of over €300K have been selected in particular and these represent 13% of the total amount. Figures are shown in €K.

Beneficiary	Balance as at 31/12/2003
Alacevich Alessandro	904
Confederale Pensionati srl	454
Immobiliare G.B. Morgagni	446
Logos Immobiliare srl	379
CSP UIL Mantova	340
Total	2,523

The total balance of 'Other loans' (item C.III.4.c), amounting to €2,956K, is made up of:

- €2,030K of loans granted to agents, guaranteed by the portfolio allowance and, in the event that this is not sufficient, by the appropriate agents' bond policies;
- €667K of loans granted to employees in accordance with the terms and conditions set out in the current Unipol Labour Agreement and guaranteed by the group life policy provided for by the Agreement or by individual life policies;
- €259K of other loans, made up almost entirely by a subordinated loan for €258K granted to Unintesa S.p.A. (in liquidation)

on 29 April 1996. This loan will be repaid only at the end of the voluntary liquidation procedure.

There are no other loans of any significant amount.

Changes in loans over the financial year (item C.III.4) are shown in Annex 10.

'Sundry financial investments' (item C.III.7) are broken down as follows (in €K):

	2003	Variation over 2002
Repo securities	330,226	(152,519)
Premiums paid on cap options acquired	13,707	(544)
Premiums paid on floor options acquired	2,472	(357)
Premiums paid on swap options acquired	2,860	
Premiums paid on call options acquired	364	364
Total	349,629	(153,056) (-30.4%)

Major items, all of which show a balance exceeding €50m, which make up 94% of the total amount, relate to repo securities and are shown below (in €K) classified according to the counterparty concerned:

Security	Counterparty	Amount
BTP 5%-15/10/02-07	Unipol Banca	150,109
BTP 2.75%-1/9/03-06	B.A.M.	130,095
BTP 10.5%-1/9/95-05	Banca Popolare Novara	50,022
		330,226

Finally, as regards the classification of the securities portfolio and in particular operations in long-term investments (relating to which attention should be drawn to the contents of Isvap Ruling 893G of 18/6/98 and Circular 475/D of 27/2/2002) carried out during the 2003 financial year, it should be pointed out that on 18 July 2003 the Board of Directors was fully informed in accordance with the instructions issued by the Board itself.

In order to guarantee that freely-negotiable investments would be retained, the Board meeting held on 16 July 1999 laid down a maximum limit for long-term investments of 60% of the Company's total investments, which

include both equity securities and debt securities, excluding investments deemed to be of strategic value, all investments in Class D (III and VI lines of business) and those for hedging policies with guaranteed benefits.

Total investments as at 31 December 2003, calculated as set out above, are made up as follows:

Stocks and shares	230,163
Units and shares in investment funds	84,236
Bonds and other fixed-income securities	3,213,238
Repo securities	330,226
Total	3,857,863

Total long-term investments as at 31 December 2003, amounting to €1,150,799K (excluding those for matching guaranteed-benefit policies), represented 29.8% of the total of the Company's financial investments (33.4% as at 31/12/2002).

2.4 Deposits with ceding undertakings (item C.IV)

These fell from €25,701K at the end of 2002 to €23,021K at the end of 2003, a decrease of €2,680K (-10.4%).

These are deposits placed with ceding undertakings in respect of inward reinsurance risks; movements (placements and repayments) take place on an annual or within-year schedule. Their respective terms are largely dependent on the specific nature of the underlying insurance guarantees and on the actual term of the reinsurance agreements, renewal of which is negotiated at the end of each year.

Deposits with ceding undertakings have not been written down.

Section 3 – Investments for the benefit of Life assurance policyholders who bear the investment risk thereof and investments arising out of pension fund management (item D)

Class D.I contains the investments matching the technical provisions relating to contracts of the types shown in Article 30 (1) and (2) of

Legislative Decree 174 of 17 March 1995, referred to in Isvap Circular 332D of 25 May 1998 and in Isvap Ruling 981-G of 16 September 1998. In particular these are Index-Linked and Unit-Linked products.

The balance of class D.I, amounting to €535,327K, shows an increase of €84,827K compared with the balance in the previous year (+18.8%), mainly owing to the acquisition of assets to cover the new products.

During the financial year assets were transferred from Class D.I to Class C when the surplus assets were no longer representative of the technical liabilities and therefore no longer had the specific hedging purpose that characterizes assets recorded in Class D.I (as set out in Isvap Circular 360D of 21/1/1999, which illustrates the cases in which the prohibition laid down in Article 20 (5) of Legislative Decree 173 of 26/5/1997 may be deemed not to apply to transfers from Class D to Class C).

Thus securities for a total countervalue of €2,427K were transferred, €2,196K of which were for surrender operations on index-linked policies and €231K were for payments resulting from death.

During the financial year no transfers were made from Class C to Class D (in accordance with Article 20 (1 to 4) of Legislative Decree 173 of 26/5/1997).

The assets relating to contracts the benefits of which are linked with investment funds and market indices (item D.I) are detailed in Annexes 11 (total), 11/1 and 11/2 for the two types of product (Index-Linked and Unit-Linked).

Class D.II contains the investments relating to the three fixed-contribution open-end pension funds 'Unipol Futuro', 'Unipol Previdenza' and 'Unipol Insieme', set up and managed by Unipol Assicurazioni in accordance with Legislative Decree 124 of 21 April 1993 and relating to two occupational pension funds ('BAM Staff' and 'Fundum') for which Unipol provides both asset management and capital guarantee.

At the end of 2003 these investments totalled €61,905K (+42.4% over 31/12/2002).

Details of assets arising out of pension fund management (item D.II) are given in Annexes 12 (Total), 12/1 ('Unipol Previdenza'), 12/2 ('Unipol Futuro'), 12/3 ('B.A.M. Staff'), 12/4 ('Unipol Insieme') and 12/5 ('Fundum').

The pension funds are separate from and independent of the assets of Unipol. Two open-end funds ('Unipol Previdenza' and 'Unipol Futuro') are split into four sub-funds and the third open-end fund ('Unipol Insieme') is split into five sub-funds with different investment schemes; each of the two closed funds has a single investment scheme.

The financial statements of the three open-end pension funds ('Unipol Previdenza', 'Unipol Futuro' and 'Unipol Insieme') have been drawn up as at 31 December 2003, in accordance with the regulations issued by the Pension Funds Supervisory Board (COVIP) on 17 June 1998.

Section 4 – Reinsurers' share of technical provisions (item D.bis)

As at 31 December 2003 the balance of the item was €107,951K. The composition and variations compared with the previous year are summarized in the table below (in €K):

	2003	Variation over 2002
Technical provisions - Life business	1,570	(30,577)
Sums to be paid on Life policies	293	(401)
Provision for unearned premiums - Non-Life business	27,301	(13)
Provision for outstanding claims - Non-Life business	78,787	2,600
	107,951	(28,390)
		(-20.8%)

In Non-life business the positive variations that occurred reflect the trend in reinsurance business. Life business was affected by the termination of the 'Group Supplementary Pension Scheme' quota-share agreement as a result of the portfolio being debited with the mathematical provisions as at 31 December 2002 (€30.6m).

Section 5 - Debtors (item E)

As at 31 December 2003 the balance of the item was €369,348K. The composition and variations compared with the previous year are summarized in the table below (in €K):

	2003	Variation over 2002
Premiums receivable from policyholders	169,226	8,864
Receivables from agents/other intermediaries	57,495	(4,586)
Receivables from insurance undertakings	28,875	8,963
Policyholders and third parties amounts recoverable	18,701	(1,937)
Debtors arising out of reinsurance operations	35,748	(2,825)
Other debtors	59,302	(25,379)
	369,348	(16,899) (-4.4%)

The trend in premiums receivable from policyholders (item E.I.1), which represent 7.1% of direct premium income for the year (8.8% in 2002), is related to premiums written and in particular to those due at the end of the year. Most of these premiums were paid in the first two months of 2004.

Receivables from agents and other intermediaries (item E.I.2) mainly consist of portfolio recoveries from agencies and of receivables relating to premiums paid at the end of the year.

Receivables from insurance and reinsurance companies and from reinsurance brokers (item E.II), all short-term, result from inward and outward reinsurance agreements and fell from €38,573K as at 31 December 2002 to €35,748K as at 31 December 2003, a decrease of €2,825K.

Other receivables (item E.III) include:

- €24,144K of receivables from the Inland Revenue;
- receivables from interest on life policies amounting to €2,078K;

- receivables from rentals amounting to €588K;
- receivables from customers and for the sale of property amounting to €24,615K.

Receivables from the Inland Revenue include:

- €13,856K for the payment on account made in November for the substitute tax on the mathematical provisions, which was introduced by Decree Law 209 of 25 September 2002;
- €4,101K, representing sums due to the Treasury resulting from the difference between corporation tax due for the year and payments made in advance, deductions and tax credits due;
- €3,100K for a refund of VAT (relating to a merged subsidiary) applied for;
- €1,443K in residual tax credits on advance tax payments on staff-leaving indemnities made in 1997 and 1998 (Article 3 (211) (212) and (213) of Law 662 of 23/12/1996), including the write-ups for the period.

Premiums receivable from policyholders have been written down by a flat rate of 0.6% (€983K).

Bearing in mind current exposure and their specific nature, other receivables have been written down by a total of €1,764K.

Section 6 – Other assets (item F)

As at 31 December 2003 the balance of the item was €344,217K. The composition and variations compared with the previous year are summarized in the table below (in €K):

	2003	Variation over 2002
Tangible assets and stocks	11,421	4,761
Cash at bank and in hand	279,074	(131,697)
Own shares		(7,313)
Other assets	53,722	(4,754)
Total	344,217	-139,002 (-28.8%)

Tangible assets and stocks, listed in item F.I, are considered long-term assets. The balance as at 31 December 2003 amounted to €11,421K, net of depreciation funds, as is shown in the table below.

	Assets	Depreciation funds	Net value
Furniture, office machinery, internal vehicles	43,345	(35,090)	8,255
Movables recorded in public registers	900	(572)	328
Fixtures, fittings and equipment	13,496	(10,659)	2,837
Total	57,742	(46,321)	11,421

The movements that affected the assets shown above during the financial year 2003 are as follows, net of depreciation funds (in €K):

	Increases	Decreases	Net variations
Furniture, office machinery, internal vehicles	10,621	6,257	4,364
Movables recorded in public registers	368	197	171
Fixtures, fittings and equipment	1,249	1,023	226
Total	12,238	7,477	4,761

Cash at bank and in hand (item F.II) includes €278,962K in bank deposits and postal current accounts and €113K of cash in hand.

Bank deposits include accounts in non-Euro currencies (US dollars, UK sterling, Swiss francs, Swedish Krona) for a countervalue of €4,321K (€850K as at 31/12/2002), deposits in postal current accounts of €585K and net earnings accrued in the 2003 financial year.

The balance of own shares as at 31 December 2003 (item F.III) was cleared (€7,313K as at 31/12/2002), both the shares held on 31 December 2002 and those acquired during the year having been sold during the year for a price close to their book value.

Deferred reinsurance accounts receivable (item F.IV.1), included in 'other assets', amounted to €8,344K at the end of the financial year (-20% compared with the position as at 31/12/2002)

and relate to the balance of entries for expenses and claims paid relating to indirect business (inward reinsurance) during 2003. These entries, as shown above, will be recorded in the profit and loss account for the 2004 financial year since they were technically incomplete at the time the accounts were drawn up.

'Sundry assets' (item F.IV.2) amounted to €45,378K, an increase of €2,664K over the previous financial year.

This item includes €18,193K for deferred tax assets. In particular deferred tax assets have flowed into the current financial year for €6,297K, prudence also being exercised in taking into account the effects of the tax reform relating to the new rate of IRES and to the temporary differences in shareholdings that can no longer be recuperated. Current year deferred tax assets have been accrued for €6,833K, €3,280K of which for the deduction over five tax periods of write-downs of long-term shareholdings carried out solely in accordance with tax legislation and €1,858K for the deduction over nine successive years of the proportion of the provision for outstanding claims specified in Decree Law 209 of 25 September 2002.

The table below shows the roll-forward of the deferred tax assets (in €K):

Deferred tax assets	
As at 01/01/2003	17,657
Accrual for deferred tax from current year	6,833
Usage of deferred tax from prior years	(6,297)
Total	18,193

Significant amounts under the item 'Sundry assets' include:

- the balance on the liaison account between Life and Non-Life business, which shows a credit of €8,518K for Life business (a credit of €18,835K for Life business as at 31/12/2002), is due to year-end operations;
- advance payments to suppliers of €6,285K;
- the offset for valuations and alignments of derivative operations at 31 December 2003, amounting to €7,672K;
- accrued amounts relating to positive interest

rate swap differentials amounting to €2,925K;

- property expenses to be recovered amounting to €356K.

Section 7 – Prepayments and accrued income (item G)

Item G 'Prepayments and accrued income' shows a total balance as at 31 December 2003 of €59,446K, an increase of €15,631K over the previous financial year (+35.7%).

The breakdown into prepayments and deferred income is as follows (in €K):

	Accrued income	Prepayments	Total
Item G1 - Interest	50,593	6,828	57,421
Item G2 - Rental income	--	131	131
Item G3 - Other prepayments and accrued income	--	1,894	1,894
Total	50,593	8,853	59,446

Item G.1 'Interest', amounting to €57,421K (€41,397K as at 31/12/2002), is mainly made up of accrued income on securities of €48,815K (€34,723K as at 31/12/2002) and multi-year prepayments relating to issue expenses for the subordinated callable notes maturing more than a year ahead of €5,973K, €2,552K of which matures after 31 December 2008.

Item G.3 'Other prepayments and accrued income', amounting to €1,894K (€2,324K as at 31/12/2002), includes:

- prepayments on insurance premiums amounting to €646K;
- prepayments on IT costs amounting to €450K;
- prepayments on promotional expenses amounting to €347K;
- prepayments on maintenance and repair costs amounting to €181K;
- prepayments on advertising expenses amounting to €37K;
- prepayments on social security contributions

amounting to €47K;

- other prepayments, no single one of which is for a significant amount, of €186K.

Multi-year prepayments for more than a year ahead amounted to €270K and mainly related to social security contributions and employee policies maturing on 31 December 2005.

Balance sheet – Liabilities

Section 8 – Capital and reserves

Movements recorded during the financial year compared with the previous year are set out in the attached statement showing the variations that have taken place in capital and reserves.

The most significant variation was the amount of €1,054.6m resulting from the operation to increase the share capital that was carried out during the year and is described in full in the first section of the Board Report. It also includes the net receipts from the sale on the Stock Exchange of the rights not exercised.

The other variations related to:

- allocation of the net profit for the 2002 financial year (approved by the General Shareholders' Meeting of 30/4/2003);
- increase in the share capital and in the share premium reserve following the conversion of warrants. During 2002 bearers of the warrants attached to the shares and debt securities issued in July 2000 continued to exercise the right to subscribe to new ordinary and preference shares. The option right shall expire on 20 June 2005.

400,534,068 new shares were subscribed during 2003, 397,071,441 of which (252,829,824 ordinary shares and 144,241,617 preference shares) were from the capital increase and 3,462,627 (2,888,446 ordinary shares and 574,181 preference shares) were the result of the Warrants being exercised.

As at 31 December 2003 the share capital and the free reserves totalled €2,395,442K (€1,284,634K as at 31/12/2002), an increase

compared with the previous financial year of 86.5%.

The share capital amounts to €906,230,131 fully paid-up and is made up of 906,230,131 shares, each with a face value of €1, subdivided as follows:

- 576,978,584 ordinary shares, 60.97% of which are owned by the holding company Finsoe S.p.A.;
- 329,251,547 preference shares.

During the first two months of 2004, following these subscriptions, the share capital rose by a further €1,872.6K compared with the value as at 31 December 2003.

On 12 March 2004 103,221,003 'Unipol 2000-2005 ordinary share warrants' and 187,080,617 'Unipol 2000-2005 preference share warrants' remained to be exercised.

Details of the reserves (items A.II to A.VII), which amounted to €1,489,212K as at 31 December 2003, with variations compared with the previous financial year, are shown in the table below:

Item	2003	Variation over 2002
A.II Share premium reserve	1,153,679	665,778
A.III Property revaluation reserve	5,939	
Revaluation reserve under Law 413/91	14,762	
A.IV Legal reserve	53,684	10,308
A.VI Own shares		(7,313)
A.VII Extraordinary reserve	87,832	35,994
Residual fund for own shares	70,000	7,313
Residual fund for holding company's shares	74,000	(126)
Reserve under Regional Law 46/1967, Sicily	326	
Reserve under Legislative Decree 173/97, Article 20	10	(4)
Reserve for increase in share capital free of payment	28,980	(1,674)
	1,489,212	710,274
		(+91.2%)

As at 31 December 2003, the final balances of the amounts referred to in Article 105 (1) a) of Presidential Decree 917/1986 (known as basket A) and Article 105 (1) b) (known as basket B)

amounted to €138,252K and €70,306K respectively.

Section 9 – Subordinated liabilities (item B)

The item amounts to €600,000K, an increase of €300,000K over 31 December 2002, and consists entirely of the face value of the two subordinated loans issued by the Company.

Each loan has a face value of €300m, is for a period of twenty years and is quoted on the Luxembourg Stock Exchange. The degree of subordination is similar to Tier II (supplementary capital consisting of second-level capital items).

The first, issued in May 2001, has a fixed interest rate of 7% until the date the early repayment clause is exercised (as from the tenth year) and a variable rate thereafter.

The second, which was fully subscribed by institutional investors on 28 July 2003, has a fixed annual interest rate of 5.66% for the first 10 years and a variable rate thereafter.

Interest payable amounted to €28,206K.

Section 10 – Technical provisions (items C.I Non-Life insurance business and C.II Life assurance business)

The following table shows how they are divided up and variations in them (in €K):

	2003	Variation over 2002
Provision for unearned premiums - Non-Life business	492,004	33,682
Provision for outstanding claims - Non-Life business	1,532,014	110,285
Other provisions - Non-Life business	2,659	(5)
Technical provisions - Life business	3,451,374	720,915
Sums to be paid on Life policies	16,231	1,351
	5,494,281	866,227
		(+18.7%)

Technical provisions Non-Life business

The technical provisions for Non-Life business amounted to €2,026.7m as at 31 December 2003 (+€144.0m compared with 31/12/2002) and were created in accordance with the provisions of Legislative Decree 173 of 26 May 1997.

Provision for unearned premiums

The provision for unearned premiums amounts to €492,004K (+7.3%) and is made up of:

- €486,422K of provision for deferred premiums;
- €5,582K of provision for unearned premiums for inward reinsurance.

The provision for unexpired risks (€632K as at 31/12/2002) was not fixed for 2003 since, when the loss ratio for each class was calculated, the amount of the presumed cost of the expected losses was less than the provision for unearned premiums and than the premium instalments actually still collectable on policies in the portfolio.

Details of the provision for unearned premiums by class, in €K, are given in the table below:

Class	Unearned premiums
1-Accident	36,423
2-Health	16,008
3-Land vehicles-own damage or loss	40,262
6-Marine-Hull	360
7-Goods in transit	2,250
8-Fire	27,244
9-Other damage to property	36,721
10-Land vehicles T.P.L.	236,706
11-Aircraft T.P.L.	3
12-Marine T.P.L.	325
13-General T.P.L.	49,027
14-Credit	650
15-Bonds	30,558
16-Pecuniary losses	3,902
17-Legal protection	4,099
18-Assistance	1,887
Total direct business	486,422
Inward reinsurance	5,582
Total	492,004

Provision for outstanding claims:

The provision for outstanding claims amounts to €1,532,014 K (+7.8%) and is made up of (direct business):

- €1,322,709K for claims and direct expenses;
- €77,211K for claims-handling expenses;
- €93,533K for claims incurred but not reported.

As regards inward reinsurance, the provision for outstanding claims amounts to €38,562K (€259K of which is for claims incurred but not reported).

For Motor T.P.L. claims incurred in 2003, assessed on the basis of average cost, the final average costs applied were €1,762 for claims for material damage (€1,100 for claims under the direct indemnity agreement, CID) and €18,047 for claims for personal injury. For Motor T.P.L. statistical-actuarial assessments were also carried out (deemed not to be required for other types of business) applying the modified Fisher Lange method and using a rate of growth of the cost of claims of 5%.

Variations in the sub-items of the provision for unearned premiums during the financial year (item C.I.1) and in the sub-items of the provision for outstanding claims (item C.I.2) in Non-Life business are shown in Annex 13.

Other provisions

The provision for bonuses and rebates (item C.I.3) amounts to €1,500K (-6.3% compared with 31/12/2002) and was calculated in accordance with Article 35 of Legislative Decree 173 of 26 May 1997.

The other technical provisions (item C.I.4), which amount to €372K (€397K as at 31/12/2002), consist entirely of the provision for increasing age set up in accordance with the provisions of Article 25 of Legislative Decree 175/1995.

Of the equalization provisions (item C.I.5), amounting to €787K (€668K as at 31/12/2002), €607K was established in accordance with the Ministry of Industry, Trade and Crafts Decree of 19 November 1996 (equilibrium provision for

risks from natural hazards), whilst the remaining €180K relates to equalization provisions for Credit business, in accordance with the provisions of Article 11 of Legislative Decree 393 of 26 November 1991.

The above provisions are split into lines as shown in the following table (in €K):

3-Land vehicles - own damage or loss	337
6-Marine - Hull	4
7-Goods in transit	87
8-Fire	95
9-Other damage to property	83
14-Credit	180
Total	787

Technical provisions Life business

The technical provisions for Life business as at 31 December 2003 totalled €3,467.6m (+€722.3m compared with the position as at 31/12/2002), this increase being due to the growth in insurance business and to the expansion of business in the Life classes.

The amount is sufficient to meet the Company's liabilities to the contracting parties, policyholders and beneficiaries.

The mathematical provisions, included in the technical provisions in Class I of Table A appended to Legislative Decree 174/95, were based on the following more significant technical criteria:

1. rates of compound annual technical interest or guaranteed minimum rates of interest of 4%, 3%, 2.5% and 2% for the majority of current types of cover; on account of the write-up guaranteed under the contract these rates rose in 2003 to 4.45% (annual average) for policies linked to the Vitattiva segregated account, which is the most sizeable of the price formulae with adjustment of benefits;
2. demographic models based mainly on the mortality rates of Italian males in 1951, 1961, 1971, 1981 and 1992 (adjusted) and on the mortality rates of Italian females in 1992 and on the RG48 table which shows details of both sexes separately.

The mathematical provisions, included in the technical provisions in Class V of Table A appended to Legislative Decree 174/95, were based on the following more significant technical criteria:

rates of compound annual technical interest or guaranteed minimum rates of interest of 4%, 3% 2.5% and 2% for the majority of current types of cover; on account of the write-up guaranteed under the contract, these rates rose to 4.28% in 2003 (mode value) for the group policies linked to Unipol Vita T.F.R (staff-leaving indemnity) segregated account and to 4.95% (annual average) for policies linked to the Vitattiva segregated account.

Sums to be paid for direct business at the end of the year amounted to €14,481K (€12,626K at the end of 2002), €2,272K of which relates to sums to be paid at the end of the previous year.

Variations during the financial year in the sub-items of the mathematical provisions (item C.II.1) and of the provision for bonuses and rebates (item C.II.4) are shown in Annex 14.

The other technical provisions (item C.II.5), which as at 31 December 2003 amounted to €31,011K (-0.8%), relate almost entirely to allocations for operating expenses and are split into Classes as follows (in €K):

Class I	17,251
Class III	8,631
Class V	5,130

Section 11 – Technical provisions where the investment risk is borne by policyholders (item D.I) and provisions arising out of pension fund management (item D.II)

In accordance with Article 38 of Legislative Decree 173/1997, the technical provisions established to match liabilities arising from life assurance policies where the return is linked to investments or indices of which the policyholder bears the risk and the provisions

arising out of pension fund management (Class III and Class VI of Table A appended to Legislative Decree 174/95 respectively) have been calculated with reference to the liabilities arising from the policies and are matched as closely as possible by eligible assets, in accordance with the provisions of Article 30 of Legislative Decree 174/1995 and subsequent Isvap provisions.

The total balance as at 31 December 2003 amounted to €597,232K, an increase of €103,250K compared with the balance for the previous financial year (+20.9%). With regard to the types of product in the portfolio, the amount of the technical provisions may be subdivided as follows (in €K):

Unit-linked policies	428,424
Index-linked policies	106,903
'Unipol Previdenza' open-end pension fund	32,812
'BAM Staff' closed pension fund	10,996
'Unipol Futuro' open-end pension fund	10,710
'Unipol Insieme' open-end pension fund	5,923
'Fundum' closed pension fund	1,463
Total	597,232

In the case of policies in Class III, additional technical provisions of €323K have been established to cover mortality risks (under item C.II.1), determined by reference to a demographic model based on the adjusted mortality table of the Italian male population for 1992.

Section 12 – Provisions for other risks and charges (item E)

Item E shows the balances for the funds listed below, with the variations compared with the previous financial year (in €K):

	2003	Variation over 2002
Provision for future charges	4,013	(988)
Provision for exchange rate fluctuations	5,280	1,071
Provision for taxation	7,964	(21)
	17,256	63
		(+0.4%)

The provision for future charges shows a decrease of €988K, made up of amounts released during the financial year; this provision is intended to meet likely financial charges, partly as a result of unresolved disputes, as shown in the Board Report.

The provision for exchange rate fluctuations, which includes the positive balance arising from the conversion into Euro of items expressed in foreign currencies, shows a net increase of €1,071K compared with the balance as at 31 December 2002.

The amount of the provision for taxation of €7,964K relates to deferred tax liabilities, calculated on the amount of capital gains made on fixed assets, split into instalments in accordance with Article 54 (4) of Presidential Decree 917/86.

The table below shows the roll-forward of the deferred tax liabilities (in €K):

Deferred tax liabilities	
As at 01/01/2003	7,985
Accrual for deferred tax from current year	3,545
Usage of deferred tax from prior years	(3,566)
Total	7,964

As regards the Company's tax position as at 31 December 2003, the financial years not yet settled relate to the period 1998/2002 and there is no tax litigation in progress.

Movements during the financial year of the provision for other risks and charges are shown in detail in Annex 15.

Deposits received from reinsurers (item F)

These fell from €68,842K at the end of 2002 to €38,504K at the end of 2003, a drop of €30,338K (-44.1%), almost entirely attributable to the repayment of the deposit for the 'Group Supplementary Pension Scheme' quota-share agreement, which was not renewed.

They represent deposits made with the Company as surety in relation to ceded and retroceded risks.

For information on their term, reference should be made to information provided for 'deposits with ceding undertakings' (Section 2, point 2.4, item C.IV).

Section 13 – Creditors and other liabilities (item G)

The balance on this item as at 31 December 2003 was €206,842K, a decrease of €18,726K (-8.3%) compared with the position as at 31 December 2002.

The table below gives a detailed breakdown of the variations compared with the previous financial year (in €K):

Item	2003	Variation over 2002
G.I Creditors arising out of direct insurance operations	11,722	(3,245)
G.II Creditors arising out of reinsurance operations	10,997	(4,316)
G.V Debts secured by a lien on property	2,790	(631)
G.VI Sundry borrowings and other financial payables	8,246	(113)
G.VII Staff leaving indemnity	24,554	(246)
G.VIII Other payables	54,590	(2,507)
G.IX Other liabilities	93,944	(7,667)
	206,842	(18,726) (-8.3%)

Payables deriving from direct insurance operations (item G.I) include €3,041K for the 2003 settlement due to the 'Road Accident

Victims Guarantee Fund'.

€10,947K of payables arising out of reinsurance operations (item G.II) relates to insurance and reinsurance undertakings and €50K to reinsurance intermediaries.

Debts secured by a lien on property (item G.V), amounting to €2,790K, showed a decrease of €631K compared with the position as at 31 December 2002 and mainly relate to the first subsidized mortgage for renovation works at the holiday complex at Terrasini (Palermo), which matures in December 2007.

The whole of the item G.VI, 'Sundry borrowings and other financial payables', amounting to €8,246K, relates to the countervalue of the premiums received for options sold, shows an increase of €113K compared with the position as at 31 December 2002 and is made up of:

- the proportion of the premium received relating to subsequent financial years on an interest rate swap, amounting to €3,689K;
- the countervalue of the premium received for 1 swap option, amounting to € 2,696K;
- the countervalue of the premium on a floor option, amounting to €1,776K;
- the countervalue of the premium on a cap option, amounting to €85K;

Variations in the staff-leaving indemnity during the financial year (item G.VII) are detailed in Annex 15.

During the financial year this fund was used for staff leaving the Company (€1,919K) and for advance payments to employees €2,603K, (€2,082K of which was paid into the Company's Staff Pension Fund).

Item G.VIII.1 'Policyholders' tax due' shows a balance as at 31 December 2003 of €25,896K and consists of amounts due for tax on premiums (€18,542K) and of amounts due to the National Health System (€7,353K).

Item G.VIII.2, 'Sundry taxes', which showed a

balance of €6,331K as at 31 December 2003, mainly consisted of €4,595K for withholding taxes to be paid and of €1,062K for the tax amnesties provided for by Decree Law 269/2003 and by the 2004 Finance Act (Law 350/2003).

The table below shows details of the composition of, and main variations in, item G.VIII.4 'Other creditors' (in €K):

	2003	Variation over 2002
Payables to suppliers	8,224	6
Payables to financial intermediaries	1,192	(2,159)
Payables i.r.o. property on sale	382	(1,546)
Guarantee deposits	2,148	461
Shareholders for capital increase	22	(2,052)
Deposits from tenants	319	(384)
Sundry payables to policyholders	471	
Other payables	4,707	1,789
	17,464	(3,885)
		(-18.2%)

This mainly concerns short-term payables; the variations during the financial year relate to the normal trend in the Company's activities.

Item G.IX 'Other liabilities' amounted to €93,944K as at 31 December 2003 (-7.5% compared with 31/12/2002) and includes:

- the balance of deferred reinsurance accounts payable, which amounted to €15,392K (item G.IX.1), a decrease of €1,124K (-6.8%) compared with the previous financial year. These accounts relate to the balances of economic items for the 2003 inward reinsurance, which will be recorded in the profit and loss account in the financial year 2004 since they are technically not yet complete;
- the balance of the commissions on pending premiums (item G.IX.2), which rose from €21,381K as at 31 December 2002 to €24,697K as at 31 December 2003 (15.5%);
- sundry liabilities (item G.IX.3) of €53,856K (€63,714K as at 31/12/2002).

These include:

- commission bonuses based on portfolios' loss ratios, amounting to €35,673K (€33,075K in 2002);
- the balance on the liaison account between Life and Non-Life business of €8,518K, chargeable to Non-Life business (€18,835K as at 31/12/2002 chargeable to Non-Life business);
- the offset to valuations and alignments on transactions in derivatives of €3,797K as at 31 December 2003 (€2,076K as at 31/12/2002);
- charges for lieu days of €1,696K (€1,812K as at 31/12/2002);
- liabilities for invoices receivable of €1,400K (€955K at the end of 2002).

Section 14 – Accruals and deferred income

Item H 'Accruals and deferred income' shows a total balance as at 31 December 2003 of €27,030K, a net increase of €5,117K over the previous financial year.

Item H is made up of the following items (in €K):

	2003	Variation over 2002
Interest on portfolio recoupments and loans to agents	3,519	(602)
Derivatives	1,684	(1,331)
Interest on Life policy loans	948	107
Rents/Subrents	155	13
Interest on debenture loans	18,655	7,206
Issue premium on subordinated callable notes	2,069	(277)
	27,030	5,117
		(+23.3%)

Accruals and deferred income are broken down in the table below:

	Accruals	Deferred income	Total
H1 - Interest	21,287	5,588	26,875
H2 - Rental income	--	155	155
Total	21,287	5,743	27,030

€4,359K of deferred income, made up of portfolio recoupments, loans to agencies and a fee for issuing the subordinated callable notes relates to expiry dates beyond the end of the year, and €1,161K relates to expiry dates more than 5 years ahead.

Section 15 – Assets and liabilities relating to Group undertakings and other participating interests

Details of the assets and liabilities relating to Group undertakings and other participating interests are shown in Annex 16.

Section 16 – Debtors and creditors

The following tables set out the balances of debtors and creditors, recorded in items C and E on the asset side and in item G on the liability side, a distinction being drawn in each category between those due beyond the end of the following financial year and, separately, those due beyond five years.

As regards item F on the liability side (Deposits received from reinsurers) and in consideration of the contents of the relevant paragraph, the creditors recorded in it are all deemed to be due before the end of the following financial year.

Figures are shown in €K.

ITEM C	Corporate financing	Balance as at 31/12/2003	Amount due beyond 31/12/2004	Amount due beyond 31/12/2008
C.II.3 b)	Financing to subsidiaries	1,872	-	-
C.III.4 a)	Loans secured by a lien on property	18,984	15,799	8,412
C.III.4 b)	Loans on insurance policies	34,797	30,413	14,840
C.III.4 c)	Other loans	2,956	875	-
	Total	58,610	47,087	23,252
ITEM E	Debtors			
E.I.1	Receivables from policyholders	169,226	-	-
E.I.2	Insurance intermediaries	57,495	34,113	8,551
E.I.3	Insurance undertakings - amounts receivable	28,875	-	-
E.I.4	Policyholders and third parties: amounts recoverable	18,701	-	-
E.II	Receivables from insurance and reinsurance undertakings	35,748	-	-
E.III	Other debtors	59,302	15,989	7
	Total	369,348	50,102	8,558
ITEM G	Creditors			
G.I	Payables arising out of direct insurance operations	11,722	-	-
G.II	Payables arising out of reinsurance operations	10,997	-	-
G.V	Debts secured by a lien on property	2,790	2,790	-
G.VI	Sundry borrowings and other financial payables	8,246	-	-
G.VIII	Other payables	54,590	345	-
	Total	88,344	3,135	-

Section 17 – Guarantees, commitments and other memorandum accounts

The total amount as at 31 December 2003 of €10,255,752K (+26.1% compared with the previous financial year) is mainly made up of

securities deposited with third parties (€7,928,233K) and of commitments (€1,991,583K).

Details of guarantees given and received, and of commitments (items I, II, III and IV), are given in Annex 17.

Guarantees given (items I.1 and I.3) are not of any significant amount and have been given mainly to municipal entities to guarantee that urbanization charges are dealt with properly.

Item IV 'Commitments' is made up as follows (in €K):

Derivatives	1,637,167
Repo securities (investment)	330,394
Property (disposals)	2,593
Capital increases subscribed	15,400
Payment on Life technical provisions	6,029
	1,991,583

Commitments recorded for transactions in derivatives taking place at the end of the financial year (€1,637.2m, €1,391.5m of which is the face value of the underlying assets) are set out in detail in Annex 18.

The item 'Payment on Life technical provisions' relates to the balance on substitute tax due for the 2003 financial year on the mathematical provisions, in accordance with Decree Law 209/2002, to be paid in 2004.

Item VI 'Pension fund assets managed on behalf of third parties' relates to the following pension funds:

Fonchim	137,730
Solidarietà Veneto	27,922
Previcoper	19,796
Bayer Italia	18,091
Arco	17,958
Cooperlavoro	15,238
Bayer Prudente	1,448
	238,183

They are subdivided according to type as follows:

Bonds	208,037
Shares	23,061
Cash at bank and in hand	3,466
Units and shares in investment funds	52
Other net assets	3,566

The following table shows the securities deposited with third parties according to category of custodian institution (item VII), the

balance of which amounted to €7,928,233K as at 31 December 2003.

Group undertakings	6,775,920
Banks	789,574
Issuing bodies	362,739
	7,928,233

Item VIII 'Other memorandum accounts', which amounted to €6,075K as at 31 December 2003, is made up as follows (in €K):

Pension fund contributions received but not yet allocated	1,673
Deposits as surety for claims paid	4,195
Sundry memorandum accounts	207
	6,075

Information on derivatives

In accordance with the instructions issued by Isvap (Ruling 297 of 19/7/96) and in line with the policy guidelines laid down at a meeting of the Company's Board of Directors held on 13 December 1996, derivatives were used during the financial year purely to hedge the risk in the securities position and the exchange rate risk, or in order to optimize portfolio management, and were not used for purely speculative purposes.

These ends were achieved by using the derivatives specified in the resolution and applied to securities included in the portfolio.

All the operations were carried out with banking or similar establishments of proven trustworthiness.

Derivatives at the end of the financial year, with 15 counterparties and with the underlying assets split from a minimum of €2.6m to a maximum of €150m, are shown in the tables below:

A. Derivative contracts involving forward capital swaps

The value attributed is made up of the settlement price for the contracts in €K. For the options in foreign currencies the exchange rate applying on 31 December 2003 was used:

Description of operation	No. of operations	Total exposure
Foreign currency forward purchases/sales	8	127,939
Options purchased/sold	3	106,124
Cross currency swap	1	11,572
		245,635

The above operations refer to the following currencies: Euro, US Dollar, Swedish Krona.

B. Derivative contracts not involving forward capital swaps

The value attributed consists of the face value of the underlying assets in €K:

Description of operation	No. of operations	Total exposure
Purchase/sale of cap interest rates	10	450,823
Purchase/sale of floor interest rates	4	210,000
Purchase/sale of swap options	2	250,000
Asset swaps	4	151,563
Interest rate swaps	9	329,146
		1,391,532

The above operations are all denominated in Euro.

Individual operations for significant amounts included:

- swap option receiver sold, maturing on 16 October 2007 and notional value of €150m;
- an asset swap formed by BTP 5.25% – 1 August 2017, face value €100m, and an IRS with an equal notional value;
- swap option payer purchased, maturing on 12 April 2007 and notional value of €100m;
- cap interest rate purchased, with notional value of €100m.

Results achieved on derivative operations during the financial year:

- net premiums received on unexercised options amounted to €10,928K;
- capital gains on trading of €2,473K were registered; they were linked to options sold/purchased on debt/equity securities and exercised on the due date;
- income of €1,880K and charges of €835K

were recorded for operations hedging the exchange risk (€887K and €779K of which related to current operations);

- interest rate swap operations in the financial year produced net charges of €2,764K (including charges of €464K relating to current operations). The total net yield of the investments in question was 4.2%;
- net income from cap and floor options of €625K.

It should be noted that the overall return on the Company's financial investments (excluding property and shareholdings), including income and charges from the use of derivatives, amounted to 4.4% net of write-downs and that within the portfolio there are no exchange rate risks and interest rate risks are reduced.

How the operations in derivatives are entered in the accounts is dealt with in the relevant paragraph of the section on 'Valuation Criteria'.

Summary of write-ups

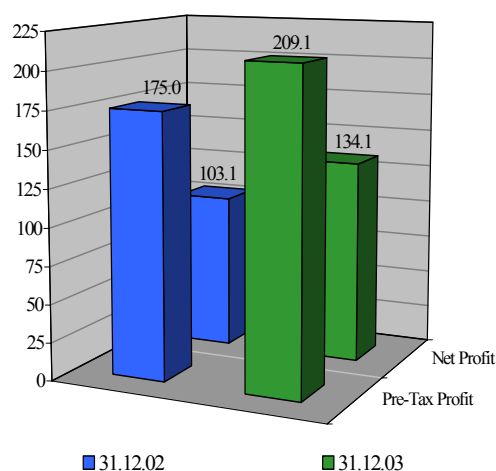
In accordance with Article 10 of Law 72/1983 (Visentini-bis) and Article 25 of Law 413/1991, details of property still owned as at 31 December 2003 that have been written up are shown in the relevant table among the 'additional Annexes to the notes to the accounts'.

Profit and Loss Account

The results achieved in 2003 are summarized in the attached statement reclassifying the profit and loss account, the most important figures in which are the following (in €K):

	2003	Variation over 2002
Technical balance:		
Life	3,945	(830)
Non-Life	121,103	(13,316)
Total	125,048	(14,147)
Investment income, other income and charges	43,976	28,496
Profit from ordinary activities	169,024	14,350
Extraordinary items	40,102	19,767
Pre-tax profit	209,127	34,117
Net profit	134,107	31,032

PROFIT (€m)



Section 18 – Information relating to the technical account Non-Life business (I)

Gross premiums booked include all the amounts due during the financial year on insurance policies and as at 31 December 2003 amounted to €1,373,865K, an increase of €94,681K (+7.4%) over the previous financial year. Premiums for inward reinsurance amounted to €50,721K and represent 3.7% of the total.

Net of premiums ceded, earned premiums amounted to €1,221,307K (+7% compared with the position as at 31/12/2002).

The breakdown of written premiums for class of business is shown in the Board Report.

The information relating to the technical account of Non-Life business, both Italian and foreign portfolios, is summarized in Annex 19.

The investment return transferred from the non-technical account to the technical account (item I.2) amounted to €37,666K (€47,509K as at 31/12/2002) and was calculated on the ratio between half the sum of net technical provisions and half the sum of capital, reserves and subordinated liabilities, in accordance with the criteria laid down by Isvap Ruling 1140-G of 8 March 1999.

Other technical income, net of reinsurance (item I.3), was €1,078K as at 31 December 2003 (€886K as at 31/12/2002) and includes €765K relating to Motor T.P.L., largely made up of recoupment of expenses relating to foreign claims handling.

Claims under Non-Life business (item I.4) amounted to €876.935K compared with €820,434K in the previous financial year and include, in addition to changes in the provision for outstanding claims, the amounts paid during the financial year for direct and indirect business as claims and claims-handling expenses, net of the relevant recoupments and of the reinsurers' share, as laid down in Article 48 of Legislative Decree 173 of 26 May 1997.

In Non-Life business, in particular in direct business, the variance recorded between the initial provision for outstanding claims, claims paid and expenses for claims relating to previous financial years made during the year and the same provision at the end of the financial year is shown in the following table (in €K):

	Amount		
	gross	ceded	net
Provision for outstanding claims as at 01/01/2003	1,359,617	97,152	1,262,464
Claims paid during the year for claims incurred in previous years	490,379	35,688	454,691
Provision for outstanding claims as at 31/12/2003	873,190	64,107	809,083
Total	(3,952)	(2,643)	(1,309)
%on provision as at 01/01/2003	(-0.29%)	(-2.72%)	(-0.10%)

The amount for bonuses and rebates (item I.6) granted to policyholders or to other beneficiaries, a total of €1,210K (€1,464K as at 31/12/2002), relates entirely to premium rebates.

Operating expenses amounted to €258,665K (+11.8%) net of commissions received from reinsurers (€38,178K) and include acquisition and renewal expenses of €243,531K (+7.2%) and other administrative expenses of €53,312K (+21.4% over 2002, with an incidence on premiums of 3.9%).

Of the balance of item I.7.f 'reinsurance commissions and profit-sharing' of €38,178K (-3.9%), €38,103K relates to commissions and €76K to profit-sharing.

Other technical charges, net of reinsurance (item I.8), which as at 31 December 2003 amounted to €2,044K (€1,677K as at 31/12/2002), are mainly made up of cancelled premiums for previous years (€335K) and of write-downs for the presumed non-recoverability of receivables from policyholders (€545K).

Item I.9 'Change in the equalization provisions' of €119K is entirely due to a higher allocation for the year compared with the allocation made in the previous financial year. Details of these provisions, according to class of business, are given in Section 10 (Technical provisions).

Section 19 - Information relating to the technical account Life business (II)

Gross premiums for the financial year amounted to €1,080,289K (+73.5% compared with the previous financial year), premiums relating to inward reinsurance being €4,118K.

Information relating to premium income and balance on reinsurance is summarized in Annex 20.

Details of income from investments (item II.2), which as at 31 December 2003 amounted to €221,694K (€179,757K as at 31/12/2002), are given in Annex 21.

Details of investment income and unrealized gains on investments for the benefit of policyholders who bear the risk thereof, and on investments arising out of pension fund management (item II.3), which as at 31 December 2003 amounted to €38,189K (€12,665K as at 31/12/2002), are given in Annex 22.

Other technical income, net of reinsurance (item II.4), amounted to €6,168K (€5,998K in the previous financial year). This item mainly includes fees for investments concerning unit-

and index-linked benefits and for investments arising out of pension fund management (€5,990K).

As regards charges relating to benefits, gross sums paid (item II.5 aa) amounted to €377,744K (+4.8% compared with the previous financial year), €9,040K of which relates to sums to be paid for direct business at the end of the previous year, and were made up as follows (in €K):

Sums and annuities accrued	184,009
Surrendered policies and advances	180,225
Claims	9,123
Minimum guaranteed on open-end pension funds	12
Claims handling expenses	1,062
Inward reinsurance	3,313
Total	377,744

The variation in the provision for sums payable, net of the reinsurers' share, was €1,796K (€1,576K as at 31/12/2002).

The increase in the technical provisions, net of reinsurance (item II.6), was €826,893K (€306,756 K in 2002) consequent to an increase in insurance activity.

Item II.7 'Bonuses and rebates, net of reinsurance', amounted to €738K as at 31 December 2003 (€1,934K in 2002) and is made up entirely of rebates.

Operating expenses (item II.8) amounted to €48,860K (+19.5% compared with the previous financial year) net of commissions received from reinsurers (€212K) and include acquisition and renewal expenses of €34,585K (+17.4%) and other administrative expenses of €14,487K (+17.6% over 2002, with an incidence on premiums of 1.3%).

Of item II.8.f 'Reinsurance commissions and profit-sharing', which as at 31 December 2003 amounted to €212K (-76.3% compared with the previous financial year), €23K relates to commissions and €189K to profit-sharing.

Details of investment charges (item II.9), which as at 31 December 2003 amounted to €50,413K compared with €68,534K as at 31 December 2002, are given in Annex 23. The fall in this item (€22.079K) was mainly due to the reduction in charges relating to operations in derivatives (-€11,975K) and in value adjustments made to investments (-€8,920K).

Details of investment charges and unrealized losses on investments for the benefit of policyholders who bear the risk thereof and on investments arising out of pension fund management (item II.10), which amounted to €8,549K (€33,230K as at 31/12/2002), are given in Annex 24.

Of other technical charges net of reinsurance (item II.11) amounting to €2,026K (-73.2%), €1,328K relates to cancelled premiums from prior financial years, €336K to fees on investments concerning unit-linked policies and pension funds, €47K to write-downs for the presumed non-recoverability of receivables from policyholders and €315K to other charges.

The amount of the return on investments transferred to the non-technical account (item II.12), of €24,321K was calculated according to the criteria laid down in Isvap Ruling 1140-G of 8 March 1999. In the 2002 financial year no transfers were carried out under this Ruling since the technical interest to be paid to policyholders exceeded the net profits on the investments.

Section 20 – Segmental information on technical items

20.1 Non-Life insurance business

The summary of technical accounts (Italian portfolio) by class of business is shown in Annex 25.

Most of the items relating to the technical accounts are shown separately by accounting

class. Items common to several classes of business relate to structural costs and to the investment return transferred from the non-technical account. In the latter case account has been taken of Isvap Ruling 1140-G of 8 March 1999 referred to previously, which assigns to each class of business a share in the investment return to be transferred to the technical account in proportion to the technical provisions.

The structural costs were allocated to the individual classes of business partly by making direct allocations and partly by applying various criteria, depending on the nature of the cost to be split. The principal criteria used were premiums, the number of policies and claims paid.

The aggregated technical accounts covering all Non-Life business (Italian portfolio) are shown in Annex 26.

20.2 Life assurance business

The summary of technical accounts (Italian portfolio) by class of business is shown in Annex 27.

Most of the items relating to the technical accounts are shown separately by accounting class. Items common to several classes of business relate to structural costs and to investment income. These were allocated to the various classes of business in proportion to the technical provisions net of the portion transferred to the non-technical account, as laid down in Isvap Ruling 1140-G of 8 March 1999 already quoted.

The structural costs were allocated to the individual classes of business principally by applying various criteria such as sums paid, the number of people insured and commissions paid.

The aggregated technical accounts covering all Life business (Italian portfolio) are shown in Annex 28.

20.3 Non-Life insurance business and Life assurance business

The aggregated technical accounts covering both Life and Non-Life business (foreign portfolio) are shown in Annex 29.

Section 21 – Information relating to the non-technical account (III)

Income from investments for Non-Life business (item III.3) amounted to €109,895K (-7.2% compared with 31/12/2002) and is shown in detail in Annex 21.

Investment charges for Non-Life business (item III.5) amounted to €40,435K (-12.2% compared with the position as at 31/12/2002) and are detailed in Annex 23.

Asset management charges and interest payable (item III.5.a), the balance of which is €10,474K (€13,556K as at 31/12/2002), include:

- expenses allocated to asset management charges of €5,727K, including maintenance and joint-ownership expenses for buildings of €2,599K;
- financial charges related to derivatives of €415K;
- taxes on property investments of €1,325K, €1,268K of which is accounted for by local property tax (I.C.I.);
- interest on deposits received from reinsurers of €1,573K;
- issue/trading spreads of €148K;
- depreciation of non-property assets of €368K;
- other charges of €919K.

Of item III.5.b 'Value adjustments on investments', which amounted to €28,168K (-7.4% over the previous year), €13,023K relates to adjustments on equities, participating interests and units and shares in investment funds, €9,374K to adjustments on bonds, €144K to other adjustments and €5,627K to depreciation on property.

Item III.7 'Other income' amounted to €55,377K as at 31 December 2003 as against €42,143K as at 31 December 2002 (+31.4%) and is made up of (in €K):

Interest received	13,309
Positive exchange rate differences	34,559
Negative exchange rate differences	2,872
Other income	4,636
Total	55,377

Item III.8 'Other charges' amounted to €67,515K as at 31 December 2003 (€51,510K as at 31/12/2002) and consists of (in €K):

Interest paid	30,000
Amounts allocated to provisions	1,211
Negative exchange rate differences	1,801
Amortization and depreciation	3,995
Taxes	417
Charges on behalf of third parties	28,257
Sundry charges	1,835
Total	67,515

Interest payable includes €28,938K relating to interest and issue expenses for debenture loans and €532K of interest on mortgage loans.

'Extraordinary income' (item III.10) amounted to €44,258K as against €28,439K in the previous financial year and is made up of:

Capital gains on disposal of property	1,956
Capital gains on trading of securities	5,799
Cap. gains on trading of listed shareholdings	1,616
Cap. gains on trading of unlisted shareholdings	32,450
Contingent profits	1,065
Gains on disposal of units in investment funds	988
Other capital gains	385
Total	44,258

'Extraordinary charges' (item III.11) amounted to €4,156K (€8,104K as at 31/12/2002) and include the following amounts (in €K):

Capital losses on disposal of property	47
Cap. losses on trading in unlisted shareholdings	4
Expenses for disposal of property	215
Contingent losses	1,390
Other charges	2,500
Total	4,156

The capital gains and the capital losses on sales described in the tables above (excluding own shares) relate to long-term investments.

Item III.14 'Tax on profit' amounted to €75,020K (€71,935K as at 31/12/2002), €66,489K of which was for IRPEG and €8,531K for IRAP, and is made up as follows:

	Irpeg	Irapi	Total
Taxes for the 2003 financial year	67,710	7,867	75,577
Deferred taxes:			
- Usage of deferred tax assets	5,220	1,077	6,297
- Usage of deferred tax liabilities	(3,337)	(229)	(3,566)
- Accrual of deferred tax liabilities	(6,603)	(230)	(6,833)
- Accrual of deferred tax assets	3,499	45	3,545
	(1,221)	663	(557)
Total	66,489	8,531	75,020

Section 22 - Other information on the profit and loss account

Relations with Group undertakings and other participating interests are shown in Annex 30.

Premiums booked from direct business are summarized by geographical area in Annex 31.

Charges for staff, directors and statutory auditors are shown in Annex 32.

During the financial year the number of staff decreased from 1,442 to 1,440, including 22 salespersons.

As at 31 December 2003 the number of staff by category was as follows:

Senior officials	57
Junior officials	152
Clerical staff	1,209
Salespersons	22
Total	1,440

Emoluments paid to Board members and Statutory Auditors

Emoluments paid to Board members and Statutory Auditors, for whatever purpose and in whatever form (including those paid by subsidiaries), are set out below, according to layout 2C specified in Article 78, CONSOB Resolution 11971 of 14 May 1999:

Beneficiary <i>Surname and forename</i>	Description of post held		Emoluments			
	<i>Post held</i>	<i>Period post held</i>	<i>Emoluments for post held</i>	<i>Non-monetary benefits</i>	<i>Bonuses and other incentives</i>	<i>Other emoluments</i>
CONSORTE Giovanni	Chairman and Managing Director	1/1-31/12/03	87,281	2,935	722,735	548,757 (1)
SACCHETTI Ivano	Vice-Chairman and Managing Director	1/1-31/12/03	87,281	3,563	722,735	499,677 (1)
ANDRIANI Antonio Silvano	Director	1/1-31/12/03	34,086			
BOCETTI Francesco	Director	1/1-31/12/03	2,064			
CARANNANTE Rocco	Director	1/1-31/12/03	34,603			
COLLINA Piero	Director	1/1-31/12/03	35,635			21,361 (2)
FABRIZI Pier Luigi	Director	1/1-31/12/03	31,504			
GALANTI Vanes	Director	1/1-31/12/03	36,152			23,666 (2)
GILLONE Fabrizio	Director	1/1-31/12/03	37,700			
GNUTTI Emilio	Director	1/1-31/12/03	34,603			
LEVORATO Claudio	Director	1/1-31/12/03	33,570			
LORENZANI Ermanno	Director	1/1-31/12/03	35,636			
MIGLIAVACCA Enrico	Director	1/1-31/12/03	35,119			
PACETTI Massimo	Director	1/1-31/12/03	33,570			
SANGALLI Gian Carlo	Director	1/1-31/12/03	34,086			
SIBANI Leone	Director	1/1-31/12/03	35,119			17,823 (2)
SOLINAS Giuseppe	Director	1/1-31/12/03	35,636			
STEFANINI Pierluigi	Director	1/1-31/12/03	34,602			10,750 (2)
TREERE' Graziano	Director	1/1-31/12/03	32,020			
VENTURI Marco Giuseppe	Director	1/1-31/12/03	30,987			10,330 (2)
MELLONI Umberto	Chairman of the Board of Statutory Auditors	1/1-31/12/03	46,481			76,813 (2)
CAFFAGNI Omer	Statutory Auditor	1/1-31/12/03	30,987			
ROFFINELLA Lorenzo	Statutory Auditor	1/1-31/12/03	30,987			10,750 (2)
BASSINI Diego	Alternate Auditor	1/1-31/12/03				520 (2)
CHIUSOLI Roberto	Alternate Auditor	1/1-31/12/03				36,860 (2)

(1) earnings for paid employment (coordinating the Company's top management)

(2) emoluments for posts held in Group undertakings

The table does not contain details of the Directors whose emoluments were paid to the companies to which they belong.

Part C: Other Information

Solvency margin

The amount of the solvency margin and of the guarantee fund to be set up as at 31 December 2003 and the amount of the items matching this solvency margin, set out in detail in the attached statements, are summarized as follows (in €K):

	Non-Life	Life	Total
Solvency margin	202,784	149,991	352,774
Guarantee fund	67,595	49,997	117,591
Items covering the solvency margin	1,692,936	792,181	2,485,117
Surpluses	1,490,152	642,191	2,132,343

Group solvency margin

The amount of the Group solvency margin to be set up as at 31 December 2003 in accordance with the provisions of Legislative Decree 239 of 17 April 2001 is set out in the following table (in €K):

Minimum solvency margin of the Company for which the adjusted solvency margin is calculated	352,774
Minimum solvency margin of subsidiaries and other Group undertakings	852,413
Solvency margin to be covered	1,205,187
Items covering the solvency margin	1,542,448
Surplus	337,261

Matching technical provisions

Details of the technical provisions for direct business to be matched at the end of the financial year, of €1,982,533K for Non-Life business and €4,051,262K for Life business, €597,232K of which relates to Class D, are attached.

Cash flow

The cash flow for this year is set out in the relevant Annex.

Bologna, 26 March 2004

The Board of Directors

Notes to the Accounts - Annexes

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Share capital subscribed € **911,580,733** Paid-up € **911,580,733**

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

Company Register No 00284160371/BO

Notes to the Accounts - Annexes

Financial year 2003

(Amounts in €K)

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

ASSETS

as at 31 December 2003

A. SUBSCRIBED SHARE CAPITAL UNPAID			1	0
of which called-up capital	2	0		
B. INTANGIBLE ASSETS:				
1. Deferred acquisition commissions	4	15,116		
2. Other acquisition costs	6	0		
3. Formation and development costs	7	3,864		
4. Goodwill	8	0		
5. Other deferred costs	9	5,013	10	23,993
C. INVESTMENTS				
I - Land and buildings:				
1. Buildings used for corporate business	11	44,534		
2. Buildings leased to third parties	12	277,172		
3. Other buildings	13	0		
4. Other real property rights	14	0		
5. Work in progress and advance payments	15	9	16	321,716
II - Investments in Group undertakings and participating interests:				
1. Shares and participating interests in :				
a) holding companies	17	0		
b) subsidiaries	18	1,831,573		
c) associated undertakings	19	0		
d) affiliated undertakings	20	32,492		
e) other undertakings	21	445,753	22	2,309,817
2. Debt securities issued by:				
a) holding companies	23	0		
b) subsidiaries	24	0		
c) associated undertakings	25	0		
d) affiliated undertakings	26	0		
e) other undertakings	27	10,500	28	10,500
3. Corporate financing to:				
a) holding companies	29	0		
b) subsidiaries	30	1,872		
c) associated undertakings	31	0		
d) affiliated undertakings	32	0		
e) other undertakings	33	0	34	1,872
			35	2,322,190
				23,993
				to carry forward

Financial year 2003

as at 31 December 2002

			181	0
	182	0		
	184	13,285		
	186	0		
	187	1,133		
	188	0		
	189	916	190	15,335
	191	42,831		
	192	290,147		
	193	0		
	194	0		
	195	7,084	196	340,062
197	0			
198	765,052			
199	1,675			
200	42,292			
201	416,759	202	1,225,779	
203	0			
204	0			
205	0			
206	0			
207	5,604	208	5,604	
209	0			
210	1,253			
211	0			
212	0			
213	0	214	1,253	215
				1,232,636
	to carry forward			15,335

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

ASSETS

as at 31 December 2003

		carried forward		23,993
C. INVESTMENTS (continued)				
III - Other financial investments:				
1. Shares and participating interests:				
a) listed shares	36	176,052		
b) unlisted shares	37	0		
c) participating interests	38	0	39	176,052
2. Units and shares in investment funds			40	29,673
3. Bonds and other fixed-income securities:				
a) listed securities	41	524,644		
b) unlisted securities	42	13,898		
c) convertible bonds	43	0	44	538,542
4. Loans				0
a) loans secured by a lien on property	45	18,917		
b) loans on insurance policies	46	0		
c) other loans	47	2,934	48	21,851
5. Participation in investment pools			49	0
6. Deposits with credit institutions			50	0
7. Sundry financial investments			51	180,632
IV - Deposits with ceding undertakings			52	946,749
			53	9,992
			54	3,600,647
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE				
I - NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums		58	27,301	
2. Provision for outstanding claims		59	78,787	
3. Provision for bonuses and rebates		60	0	
4. Other technical provisions		61	0	62
				106,088
		to carry forward		3,730,727

as at 31 December 2002

	carried forward		15,335
216	133,217		
217	0		
218	0	219	133,217
		220	57,565
221	375,893		
222	14,274		
223	0	224	390,167
225	21,231		
226	0		
227	2,646	228	23,877
		229	0
		230	0
		231	83,520
		232	688,346
		233	11,429
		234	2,272,473
238	27,314		
239	76,187		
240	0		
241	0	242	103,500
	to carry forward		2,391,308

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

ASSETS

as at 31 December 2003

	carried forward			3,730,727	
E. DEBTORS					
I - Debtors arising out of direct insurance operations:					
1. Policyholders					
a) premiums for the year	71	149,692			
b) prior years' premiums	72	5,349	73	155,041	
2. Insurance intermediaries			74	55,027	
3. Insurance undertakings - amounts receivable			75	27,651	
4. Policyholders and third parties - amounts recoverable			76	18,701	
			77	256,420	
II - Debtors arising out of reinsurance operations:					
1. Insurance and reinsurance undertakings			78	35,291	
2. Reinsurance intermediaries			79	1	
			80	35,292	
III - Other debtors			81	42,372	
			82	334,085	
F. OTHER ASSETS					
I - Tangible assets and stocks:					
1. Furnishings, office equipment, internal vehicles			83	8,255	
2. Movables recorded in public registers			84	328	
3. Fixtures, fittings and equipment			85	2,837	
4. Stocks and sundry goods			86	0	
			87	11,421	
II - Cash at bank and in hand					
1. Deposits with credit institutions and post office accounts			88	277,710	
2. Cheques and cash in hand			89	113	
			90	277,823	
III - Own shares			91	0	
IV - Other assets					
1. Deferred reinsurance accounts receivable			92	7,960	
2. Sundry assets			93	22,215	
of which liaison account with Life assurance account			94	0	
			95	30,175	
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interest			96	12,461	
2. Rental income			97	131	
3. Other prepayments and accrued income			98	1,861	
			99	14,452	
TOTAL ASSETS				100	4,398,682

as at 31 December 2002

	carried forward		2,391,308
251	137,252		
252	5,188	253	142,440
		254	59,623
		255	17,540
		256	20,638
		257	240,241
		258	38,108
		259	0
		260	38,108
		261	74,319
		262	352,667
		263	3,891
		264	157
		265	2,611
		266	0
		267	6,659
		268	339,853
		269	127
		270	339,980
		271	7,313
		272	10,103
		273	16,896
		274	27,000
		275	380,952
		903	0
		276	7,937
		277	94
		278	2,288
		279	10,320
		280	3,135,247

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

LIABILITIES

as at 31 December 2003

A. CAPITAL AND RESERVES			
I	- Subscribed share capital or equivalent funds	101	614,966
II	- Share premium reserve	102	803,615
III	- Revaluation reserves	103	20,701
IV	- Legal reserve	104	35,862
V	- Statutory reserves	105	0
VI	- Reserves for own shares and holding company's shares	106	0
VII	- Other reserves	107	167,684
VIII	- Profit (loss) brought forward	108	0
IX	- Profit (loss) for the financial year	109	93,231
		110	1,736,059
B. SUBORDINATED LIABILITIES			111
			390,000
C. TECHNICAL PROVISIONS			
I - NON-LIFE INSURANCE BUSINESS			
1.	Provision for unearned premiums	112	492,004
2.	Provision for outstanding claims	113	1,532,014
3.	Provision for bonuses and rebates	114	1,500
4.	Other technical provisions	115	372
5.	Equalization provision	116	787
	to carry forward		117
			2,026,677
			4,152,735

as at 31 December 2002

	281	295,231	
	282	272,641	
	283	20,701	
	284	25,895	
	285	0	
	286	7,313	
	287	125,508	
	288	0	
	289	99,668	290 846,957
			291 150,000
292	458,322		
293	1,421,729		
294	1,600		
295	397		
296	668		297 1,882,716
to carry forward			2,879,673

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

LIABILITIES

as at 31 December 2003

	carried forward			4,152,735
E. PROVISION FOR OTHER RISKS AND CHARGES				
1. Provisions for pensions and similar obligations		128	0	
2. Provisions for taxation		129	4,732	
3. Other provisions		130	7,656	131 12,388
F. DEPOSITS RECEIVED FROM REINSURERS				132 37,355
G. CREDITORS AND OTHER LIABILITIES				
I - Creditors arising out of direct insurance operations:				
1. Insurance intermediaries	133	2,403		
2. Insurance undertakings - accounts payable	134	3,688		
3. Policyholders - deposits and premiums	135	1,458		
4. Policyholders - guarantee funds	136	3,042	137 10,591	
II - Creditors arising out of reinsurance operations:				
1. Insurance and reinsurance undertakings	138	9,812		
2. Reinsurance intermediaries	139	41	140 9,853	
III - Debenture loans			141 0	
IV - Amounts owed to credit institutions			142 0	
V - Debts secured by a lien on property			143 2,790	
VI - Sundry borrowings and other financial payables			144 477	
VII - Staff leaving indemnity			145 23,054	
VIII - Other creditors				
1. Policyholders' tax due	146	24,769		
2. Sundry taxes	147	5,208		
3. Social security contributions	148	4,899		
4. Sundry creditors	149	15,139	150 50,015	
IX - Other liabilities				
1. Deferred reinsurance accounts payable	151	14,980		
2. Commissions on pending premiums	152	24,059		
3. Sundry liabilities	153	44,398	154 83,438	155 180,217
of which liaison account with Life assurance account	902	8,518		
	to carry forward			4,382,695

as at 31 December 2002

carried forward		2,879,673
	308	0
	309	6,375
	310	8,169
	311	14,544
	312	36,649
313	1,510	
314	5,523	
315	1,078	
316	3,107	317 11,217
318	13,324	
319	168	320 13,491
		321 0
		322 0
		323 3,421
		324 842
		325 23,349
326	22,665	
327	5,851	
328	4,269	
329	16,394	330 49,178
331	16,006	
332	20,767	
333	54,843	334 91,616
904	18,835	335 193,116
to carry forward		3,123,982

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

LIABILITIES

as at 31 December 2003

	carried forward		4,382,695
H. ACCRUALS AND DEFERRED INCOME			
1. Interest		¹⁵⁶ 15,832	
2. Rental income		¹⁵⁷ 155	
3. Other accruals and deferred income		¹⁵⁸ 1	¹⁵⁹ 15,987
TOTAL LIABILITIES			¹⁶⁰ 4,398,682

BALANCE SHEET - NON-LIFE INSURANCE ACCOUNT

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

as at 31 December 2003

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
I	- Guarantees issued by the Company		
1.	Surety bonds		¹⁶¹ 2,057
2.	Endorsements		¹⁶² 0
3.	Other unsecured guarantees		¹⁶³ 8
4.	Guarantees secured by a lien on property		¹⁶⁴ 8,116
II	- Guarantees received from third parties		0
1.	Surety bonds		¹⁶⁵ 41,188
2.	Endorsements		¹⁶⁶ 0
3.	Other unsecured guarantees		¹⁶⁷ 60
4.	Guarantees secured by a lien on property		¹⁶⁸ 21,175
III	- Guarantees issued by third parties in favour of the Company		¹⁶⁹ 17,392
IV	- Commitments		¹⁷⁰ 302,663
V	- Third parties' assets held in deposit		¹⁷¹ 1,684
VII	- Securities deposited with third parties		¹⁷³ 3,023,349
VIII	- Other memorandum accounts		¹⁷⁴ 4,387

as at 31 December 2002

carried forward		3,123,982
	336	11,123
	337	142
	338	0
	339	11,265
	340	3,135,247

as at 31 December 2002

	341	2,278
	342	0
	343	8
	344	8,994
		0
	345	52,610
	346	0
	347	60
	348	7,068
	349	11,675
	350	326,430
	351	2,022
	353	1,765,870
	354	5,735

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

ASSETS

as at 31 December 2003

A. SUBSCRIBED SHARE CAPITAL UNPAID			1	0
of which called-up capital	2	0		
B. INTANGIBLE ASSETS				
1. Deferred acquisition commissions	3	16,877		
2. Other acquisition costs	6	0		
3. Formation and development costs	7	1,287		
4. Goodwill	8	713		
5. Other deferred costs	9	9	10	18,886
C. INVESTMENTS				
I - Land and buildings:				
1. Buildings used for corporate business	11	0		
2. Buildings leased to third parties	12	0		
3. Other buildings	13	0		
4. Other real property rights	14	0		
5. Work in progress and advance payments	15	0	16	0
II - Investments in Group undertakings and participating interests:		sts		
1. Shares and participating interests in:				
a) holding companies	17	0		
b) subsidiaries	18	893,465		
c) associated undertakings	19	0		
d) affiliated undertakings	20	28,845		
e) other undertakings	21	168,553	22	1,090,864
2. Debt securities issued by:				
a) holding companies	23	0		
b) subsidiaries	24	0		
c) associated undertakings	25	0		
d) affiliated undertakings	26	0		
e) other undertakings	27	34,114	28	34,114
3. Corporate financing to:				
a) holding companies	29	0		
b) subsidiaries	30	0		
c) associated undertakings	31	0		
d) affiliated undertakings	32	0		
e) other undertakings	33	0	34	0
			35	1,124,978
		to carry forward		18,886

Financial year 2003

as at 31 December 2002

			181	0
	182	0		
	183	20,383		
	186	0		
	187	756		
	188	950		
	189	8	190	22,097
	191	0		
	192	0		
	193	0		
	194	0		
	195	0	196	0
197	0			
198	463,636			
199	0			
200	40,206			
201	148,685	202	652,527	
203	0			
204	0			
205	0			
206	0			
207	26,117	208	26,117	
209	0			
210	0			
211	0			
212	0			
213	0	214	678,643	215
	to carry forward			22,097

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

ASSETS

as at 31 December 2003

	carried forward		18,886
C. INVESTMENTS (continued)			
III - Other financial investments:			
1. Shares and participating interests:			
a) listed shares	³⁶ 54,111		
b) unlisted shares	³⁷ 0		
c) participating interests	³⁸ 0	³⁹ 54,111	
2. Units and shares in investment funds		⁴⁰ 54,564	
3. Bonds and other fixed-income securities:			
a) listed securities	⁴¹ 2,888,361		
b) unlisted securities	⁴² 23,747		
c) convertible bonds	⁴³ 26,303	⁴⁴ 2,938,412	
4. Loans:			
a) loans secured by a lien on property	⁴⁵ 67		
b) loans on insurance policies	⁴⁶ 34,797		
c) other loans	⁴⁷ 22	⁴⁸ 34,886	
5. Participation in investments pools		⁴⁹ 0	
6. Deposits with credit institutions		⁵⁰ 0	
7. Sundry financial investments		⁵¹ 168,997	⁵² 3,250,970
IV - Deposits with ceding undertakings		⁵³ 13,029	⁵⁴ 4,388,976
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK THEREOF AND ARISING OUT OF PENSION FUND MANAGEMENT			
I - Investments relating to benefits linked with investment funds and market indices		⁵⁵ 535,327	
II - Investments arising out of pension fund management		⁵⁶ 61,905	⁵⁷ 597,232
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE			
II - LIFE ASSURANCE BUSINESS			
1. Mathematical provisions	⁶³ 1,566		
2. Ancillary risks - provision for unearned premiums	⁶⁴ 0		
3. Provision for amounts payable	⁶⁵ 293		
4. Provision for bonuses and rebates	⁶⁶ 4		
5. Other technical provisions	⁶⁷ 0		
6. Technical provisions for Life assurance policies where investments risk is borne by policyholders and arising out of pension fund management	⁶⁸ 0		⁶⁹ 1,863
	to carry forward		5,006,957

as at 31 December 2002

	carried forward		22,097
216	50,737		
217	0		
218	0	219	50,737
		220	53,511
221	1,957,976		
222	45,891		
223	37,868	224	2,041,735
225	137		
226	31,510		
227	43	228	31,690
		229	0
		230	0
		231	419,165
		232	2,596,839
		233	14,271
		234	3,289,754
		235	450,500
		236	43,481
		237	493,982
243	32,133		
244	0		
245	694		
246	15		
247	0		
248	0	249	32,841
	to carry forward		3,838,673

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

ASSETS

as at 31 December 2003

	carried forward			5,006,957	
E. DEBTORS					
I - Debtors arising out of direct insurance operations:					
1. Policyholders					
a) premiums for the year	71	14,108			
b) prior years' premiums	72	77	73	14,185	
2. Insurance intermediaries			74	2,469	
3. Insurance undertakings - amounts receivable			75	1,224	
4. Policyholders and third parties - amounts recoverable			76	0	
			77	17,877	
II - Debtors arising out of reinsurance operations:					
1. Insurance and reinsurance undertakings			78	456	
2. Reinsurance intermediaries			79	0	
			80	456	
III - Other debtors					
			81	16,930	
			82	35,264	
F. OTHER ASSETS					
I - Tangible assets and stocks:					
1. Furnishings, office equipment, internal vehicles					
			83	0	
2. Movables in public registers					
			84	0	
3. Fixtures, fittings and equipment					
			85	0	
4. Stocks and sundry goods					
			86	0	
			87	0	
II - Cash at bank and in hand					
1. Deposits with credit institutions and post office accounts					
			88	1,252	
2. Cheques and cash in hand					
			89	0	
			90	1,252	
III - Own shares					
			91	0	
IV - Other assets					
1. Deferred reinsurance accounts receivable					
			92	384	
2. Sundry assets					
			93	23,163	
			94	23,547	
			95	24,799	
			901	8,518	
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interest					
			96	44,960	
2. Rental income					
			97	0	
3. Other prepayments and accrued income					
			98	34	
			99	44,994	
TOTAL ASSETS				100	5,112,013

as at 31 December 2002

	carried forward		3,838,673
251	17,870		
252	51	253	17,921
		254	2,459
		255	2,372
		256	0
		257	22,752
		258	465
		259	0
		260	465
		261	10,362
		262	33,580
		263	0
		264	0
		265	0
		266	0
		267	0
		268	70,791
		269	0
		270	70,791
		271	0
		272	331
		273	31,145
		274	31,476
		275	102,267
		903	18,835
		276	33,460
		277	0
		278	36
		279	33,495
		280	4,008,015

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

LIABILITIES

as at 31 December 2003

A. CAPITAL AND RESERVES			
I	- Subscribed share capital or equivalent funds	101	291,265
II	- Share premium reserve	102	350,064
III	- Revaluation reserves	103	0
IV	- Legal reserve	104	17,822
V	- Statutory reserves	105	0
VI	- Reserves for own shares and holding company's shares	106	0
VII	- Other reserves	107	93,464
VIII	- Profit (loss) brought forward	108	0
IX	- Profit (loss) for the financial year	109	40,876
		110	793,491
B. SUBORDINATED LIABILITIES			111
			210,000
C. TECHNICAL PROVISIONS			
II - LIFE ASSURANCE BUSINESS			
1.	Mathematical provisions	118	3,420,242
2.	Ancillary risks - provision for unearned premiums	119	0
3.	Provision for amounts payable	120	16,231
4.	Provision for bonuses and rebates	121	121
5.	Other technical provisions	122	31,011
		123	3,467,605
D. TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING OUT OF PENSION FUND MANAGEMENT			
I	- Technical provisions for Life assurance policies where benefits are linked with investment funds and market indices	125	535,327
II	- Technical provisions arising out of pension fund management	126	61,905
		127	597,232
	to carry forward		5,068,327

as at 31 December 2002

	281	210,465	
	282	215,260	
	283	0	
	284	17,482	
	285	0	
	286	0	
	287	94,138	
	288	0	
	289	3,407	290 540,752
			291 150,000
298		2,699,033	
299		0	
300		14,880	
301		167	
302		31,259	303 2,745,339
	305	450,500	
	306	43,481	307 493,982
to carry forward			3,930,072

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

LIABILITIES

as at 31 December 2003

	carried forward			5,068,327
E. PROVISIONS FOR OTHER RISKS AND CHARGES				
1. Provision for pensions and similar obligations		128	0	
2. Provisions for taxation		129	3,232	
3. Other provisions		130	1,637	131 4,868
F. DEPOSITS RECEIVED FROM REINSURERS				132 1,149
G. CREDITORS AND OTHER LIABILITIES				
I - Creditors, arising out of direct insurance operations:				
1. Insurance intermediaries	133	46		
2. Insurance undertakings - amounts payable	134	955		
3. Policyholders - deposits and premiums	135	130		
4. Policyholders - guarantee funds	136	0	137 1,131	
II - Creditors arising out of reinsurance operations:				
1. Insurance and reinsurance undertakings	138	1,135		
2. Reinsurance intermediaries	139	9	140 1,144	
III - Debenture loans			141 0	
IV - Amounts owed to credit institutions			142 0	
V - Debts secured by a lien on property			143 0	
VI - Sundry borrowings and other financial payables			144 7,769	
VII - Staff leaving indemnity			145 1,500	
VIII - Other creditors:				
1. Policyholders' tax due	146	1,126		
2. Sundry taxes	147	1,124		
3. Social security contributions	148	0		
4. Sundry creditors	149	2,325	150 4,575	
IX - Other liabilities				
1. Deferred reinsurance accounts payable	151	412		
2. Commissions on pending premiums	152	638		
3. Sundry liabilities	153	9,457	154 10,506	155 26,625
of which liaison account with Non-Life insurance account	902	0		
	to carry forward			5,100,970

as at 31 December 2002

carried forward		3,930,072
	308	0
	309	1,609
	310	1,040
	311	2,649
	312	32,193
313	227	
314	3,436	
315	87	
316	0	3,750
317		
318	1,797	
319	25	1,822
320		
321		0
322		0
323		0
324		7,516
325		1,451
326	1,211	
327	1,752	
328	0	
329	4,955	7,918
330		
331	510	
332	614	
333	8,871	9,995
334		
335		32,452
904	0	
to carry forward		3,997,367

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

LIABILITIES

as at 31 December 2003

carried forward			5,100,970
H. ACCRUALS AND DEFERRED INCOME			
1. Interest	156	11,043	
2. Rent	157	0	
3. Other accruals and deferred income	158	0	159 11,043
TOTAL LIABILITIES			160 5,112,013

BALANCE SHEET - LIFE ASSURANCE ACCOUNT

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

as at 31 December 2003

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
I - Guarantees issued by the Company			
1. Surety bonds			161 0
2. Endorsements			162 0
3. Other unsecured guarantees			163 0
4. Guarantees secured by a lien on property			164 0
II - Guarantees received from third parties			
1. Surety bonds			165 0
2. Endorsements			166 0
3. Other unsecured guarantees			167 0
4. Guarantees secured by a lien on property			168 0
III - Guarantees issued by third parties in favour of the Company			169 0
IV - Commitments			170 1,688,920
V - Third parties' assets held in deposit			171 0
VI - Pension fund assets managed on behalf of third parties			172 238,183
VII - Securities deposited with third parties			173 4,904,884
VIII - Other memorandum accounts			174 1,687

as at 31 December 2002

carried forward		3,997,367
	336	10,649
	337	0
	338	0
	339	10,649
	340	4,008,015

as at 31 December 2002

	341	0
	342	0
	343	0
	344	0
	345	0
	346	0
	347	0
	348	0
	349	0
	350	2,133,931
	351	0
	352	179,525
	353	3,633,320
	354	1,503

Company

COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2003

Breakdown of profit for the year per type of business (Life and Non-Life)

		Non-Life business	Life business	Total
Balance on the technical account	1	121,103	3,945	125,048
Investment income	+ 2	109,895		109,895
Investment charges	- 3	40,435		40,435
Allocated investment return transferred from the technical account - Life business	+		24,321	24,321
Allocated investment return transferred to the technical account - Non-Life business	- 5	37,666		37,666
Intermediate operating profit	6	152,897	28,266	181,163
Other income	+ 7	44,391	10,986	55,377
Other charges	- 8	48,932	18,584	67,515
Extraordinary income	+ 9	7,786	36,473	44,258
Extraordinary charges	- 10	2,889	1,267	4,156
Profit before taxation	11	153,253	55,874	209,127
Tax on profit	- 12	60,022	14,998	75,020
Profit for the financial year	13	93,231	40,876	134,107

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets: Changes in intangible assets (item B) and land and buildings (item C.I) during the financial year

		Intangible assets B	Land and buildings C.I
Gross amount as at 1 January	+ 1	37,431	377,408
Increases in the year	+ 2	29,661	11,302
through: purchases or increases	3	29,661	2,978
value re-adjustments	4	0	0
write-ups	5	0	0
other changes	6	0	8,324
Decreases in the year	- 7	24,214	24,022
through: disposals or decreases	8	24,214	16,099
permanent write-downs	9	0	0
other changes	10	0	7,923
Gross amount as at 31 December (a)	11	42,878	364,688
Depreciations:			
As at 1 January	+ 12	0	37,346
Increases in the year	+ 13	0	5,627
through: allocations for the year	14	0	5,627
other changes	15	0	0
Decreases in the year	- 16	0	1
through: disposals.....	17	0	1
other changes	18	0	0
As at 31 December (b) (*)	19	0	42,972
Book value (a - b)	20	42,878	321,716
Market value			394,508
Total write-ups	22	0	25,124
Total write-downs	23	0	338
(*) of which depreciations made purely pursuant to tax regulations.....	24	0	0

Company

COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2003

Assets - Changes in investments in Group undertakings and participating interests - Shares and participating interests (item C.II.1), debt securities (item C.II.2) and corporate financing (item C.II.3)

		Shares and participating interests C.II.1	Debt securities C.II.2	Corporate financing C.II.3
As at 1 January	+ 1	1,878,305	31,721	1,253
Increases in the year	+ 2	1,575,271	34,824	6,380
through: purchase, subscription or financing ..	3	1,575,233	34,824	6,380
value re-adjustments	4	0	0	0
write-ups	5	1		
other changes	6	37	0	0
Decreases in the year	- 7	52,895	21,931	5,761
through: sale or redemption	8	43,786	21,856	5,761
write-downs	9	9,097	75	0
other changes	10	12	0	0
Book value	11	3,400,681	44,614	1,872
Market value	12	4,034,508	44,802	1,872
Total write-ups	13	7		
Total write-downs	14	28,004	76	0

Item C.II.2 includes:

Listed debt securities	61	43,921
Unlisted debt securities	62	692
Book value	63	44,614
of which convertible bonds	64	14,000

Company

COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Assets - Information on undertakings where participating interests are held (*)

No	Type	Listed or unlisted	Type of business	Company name and registered offices	Currency
	(1)	(2)	(3)		
2	b	UL	1	Compagnia Assicuratrice Linear Spa - Bologna	EUR
3	b	UL	1	Noricum Vita Spa - Bologna	EUR
4	b	UL	1	Quadrifoglio Vita Spa - Bologna	EUR
5	b	UL	1	Unisalute Spa - Bologna	EUR
7	b	UL	2	Unipol SGR Spa - Bologna	EUR
8	b	UL	3	Unipol Banca Spa - Bologna	EUR
10	b	UL	4	Midi Srl - Bologna	EUR
13	b	UL	4	Unifimm Srl - Bologna	EUR
15	b	UL	9	Unieuropa Srl - Bologna	EUR
18	d	UL	9	Hotel Villaggio CDM Spa - Terrasini (PA)	EUR
23	d	UL	2	Euresa Holding Sa - Lussemburgo	EUR
24	b	UL	3	Unipol Merchant Spa - Bologna	EUR
28	d	UL	9	Assicoop Ferrara Spa - Ferrara	EUR
29	d	UL	9	Assicoop Genova Spa (in liquidazione) - Genova	EUR
36	e	UL	1	Acteldirect sa - Bruxelles (Belgio)	EUR
37	e	UL	1	Atlantis Sa - Barcellona (Spagna)	EUR
39	e	UL	1	Sagres Sa - Lisbona (Portogallo)	EUR
41	e	UL	2	P & V Holding Sa - Bruxelles (Belgio)	EUR
42	e	UL	1	Syneteristiki Insurance Sa - Atene (Grecia)	EUR
43	e	UL	2	Artigianfin Spa (in liquidazione) - Roma	EUR
44	e	UL	2	Sofigea Srl (in liquidazione) - Roma	EUR
45	e	UL	2	Sofincoop Spa - Genova	EUR
46	e	UL	2	The Co-operators Group Sa - Guelph (Canada)	EUR
48	e	UL	2	Union Capital Srl (in liquidazione) - Milano	EUR
50	e	UL	3	Banca di Bologna Scarl - Bologna	EUR
58	e	UL	7	Fincooper Scarl (in liquidazione) - Bologna	EUR
60	e	UL	9	Coop Libera Stampa Scarl - Roma	EUR
62	e	UL	9	Allnations Sa Ord - Ohio (USA)	EUR
63	e	UL	9	Allnations Sa Priv - Ohio (USA)	EUR
64	e	UL	9	Autonomia Scarl - Palermo	EUR
65	e	UL	9	Cestar Srl - Pero (MI)	EUR
66	e	UL	3	Banca Popolare Etica Scarl - Padova	EUR
67	e	UL	9	Cooptecnital Scarl - Roma	EUR
68	e	UL	9	Fondazione CESAR - Bologna	EUR
70	e	UL	9	Inforcoop Scarl - Roma	EUR
77	e	UL	9	UCI - Milano	EUR

(*) Please indicate Group undertakings, as well as undertakings where participating interests are directly held, including through fiduciary companies or third persons.

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(2) Please indicate L for securities listed in

regulated markets and UL in all other cases

(3) Type of business

- 1 = Insurance company
- 2 = Finance company
- 3 = Credit institution
- 4 = Property company
- 5 = Fiduciary company
- 6 = Manager or distributor for investment funds
- 7 = Consortium
- 8 = Industrial undertaking
- 9 = Other company or entity

(4) Amounts in original currency

(5) Please indicate the total % held

Share capital		Shareholders' equity (**)	Profit or loss for the financial year (**)	% held (5)		
Amount (4)	No of shares			Direct %	Indirect %	Total %
19,300	19,300,000	35,577	10,318	80.00		80.00
27,200	27,200,000	64,092	7,300	50.00		50.00
17,500	17,500,000	30,754	3,760	87.44		87.44
2,000	2,000,000	2,363	0	100.00		100.00
426,300	426,300,000	492,017	15,100	82.86	10.00	92.86
72,000	72,000,000	71,095	210	100.00		100.00
43,350	85,000,000	30,682	-783	100.00		100.00
4,000	4,000,000	4,549	376	49.00		49.00
10,000	400,000	11,856	154	24.05		24.05
260	260,000	79	-75	49.00		49.00
11,800	296,224			0.34		0.34
41,678	1,083,392			2.88		2.88
15,435	309,500			3.54		3.54
345,050	13,918,488			2.39		2.39
4,332	14,440,000			16.39		16.39
47,665	93,460,000			5.27		5.27
1,300	25,492			0.23		0.23
28,813	288,907			6.94		6.94
100	100,000			5.00		5.00
10,211	197,738			0.48		0.48
693	12,227			0.19		0.19
2,040	4,000,000			3.68		3.68
11,540	223,463			0.45		0.45
258				100.00		100.00
835				2.63		2.63
510	1,000,000			4.25		4.25

(**) Only for subsidiaries and affiliated undertakings

Company

COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Assets - Information on undertakings where participating interests are held (*)

No	Type	Listed or unlisted	Type of business	Company name and registered offices	Currency
	(1)	(2)	(3)		
79	e	UL	1	Atlantis Vida Sa - Barcellona (Spagna)	EUR
81	e	UL	2	Hopa Spa - Brescia	EUR
84	e	UL	9	Consorzio R54A - Bologna	EUR
87	b	UL	1	Navale Assicurazioni Spa - Ferrara	EUR
89	b	UL	1	Meieaurora Spa - Milano	EUR
95	e	UL	7	Consorzio Energia Fiera District - Bologna	EUR
97	b	UL	1	BNL Vita Spa - Milano	EUR
104	e	UL	9	Previnet Spa - Mogliano V. (TV)	EUR
105	e	UL	2	Partisagres SGPS Sa - Lisbona (Portogallo)	EUR
106	e	L	3	Banca Monte dei Paschi di Siena Spa - Siena	EUR
107	e	UL	9	Inarcheck Spa - Milano	EUR
108	e	UL	9	Bios Spa - Milano	EUR
109	e	L	6	Sanpaolo Imi Spa - Torino	EUR
110	d	UL	2	Finec Holding Spa - Bologna	EUR
111	b	UL	2	Smallpart Spa - Bologna	EUR
112	b	UL	1	Winterthur Assicurazioni Spa - Milano	EUR
113	b	UL	2	Winterthur Italia Holding Spa - Milano	EUR
114	b	UL	1	Winterthur Vita Spa - Milano	EUR

(*) Please indicate Group undertakings, as well as undertakings where participating interests are directly held, including through fiduciary companies or third persons.

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(2) Please indicate L for securities listed in

regulated markets and UL in all other cases

(3) Type of business

- 1 = Insurance company
- 2 = Finance company
- 3 = Credit institution
- 4 = Property company
- 5 = Fiduciary company
- 6 = Manager or distributor for investment funds
- 7 = Consortium
- 8 = Industrial undertaking
- 9 = Other company or entity

(4) Amounts in original currency

(5) Please indicate the total % held

Share capital		Shareholders' equity (**)	Profit or loss for the financial year (**)	% held (5)		
Amount (4)	No of shares			Direct %	Indirect %	Total %
9,616	96,162			12.50		12.50
709,800	1,365,000,000			6.71		6.71
10,500	10,500,000	12,233	-9,429	98.24		98.24
190,777	381,554,018	294,060	38,265	84.61		84.61
12	8			12.50		12.50
110,000	22,000,000	177,929	31,385	50.00		50.00
5,165	10,000			14.00		14.00
6,500	1,300,000			4.87		4.87
1,935,273	3,023,863,800			1.98		1.98
143,000	143,000,000			7.31	2.41	9.72
5,144,065	1,837,166,000			0.48		0.48
153,730	153,729,994	131,283	2,135	37.44	1.50	38.94
12,000	12,000,000	12,378	381	100.00		100.00
129,455	25,088,224	448,100	75,453	89.99		89.99
132,600	260,000,000	89,483	-44,161	100.00		100.00
117,000	195,000	197,045	18,823	60.22	29.78	90.00

(**) Ony for subsidiaries and affiliated undertaking

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Analysis of investment movements in Group undertakings and in other undertakings where participating interests are held - stocks and shares

No	Type		Company name	Increases in the year		
				Through purchases		Other increases
				Quantity	Value	
(1)	(2)	(3)				
2	b	D	Compagnia Assicuratrice Linear Spa	2,640,000	3,960	0
3	b	V	Noricum Vita Spa	0	0	0
4	b	V	Quadrifoglio Vita Spa	2,350,000	14,100	0
5	b	D	Unisalute Spa	0	0	0
7	b	V	Unipol SGR Spa	0	0	0
8	b	D	Unipol Banca Spa	61,422,946	80,882	0
8	b	V	Unipol Banca Spa	61,422,945	80,882	0
10	b	D	Midi Srl	0	0	0
13	b	D	Unifimm Srl	850,000	315	0
15	b	D	Unieuropa Srl	0	0	0
18	d	D	Hotel Villaggio CDM Spa	310,170	310	0
23	d	D	Euresa Holding Sa	0	0	0
24	b	D	Unipol Merchant Spa	0	0	0
24	b	V	Unipol Merchant Spa	0	0	0
28	d	D	Assicoop Ferrara Spa	0	0	0
28	d	V	Assicoop Ferrara Spa	0	0	0
29	d	D	Assicoop Genova Spa (in liquidazione)	0	0	0
29	d	V	Assicoop Genova Spa (in liquidazione)	0	0	0
36	e	D	Acteldirect sa	0	0	0
37	e	D	Atlantis Sa	0	0	0
39	e	D	Sagres Sa	0	0	0
41	e	D	P & V Holding Sa	0	0	0
42	e	D	Syneteristiki Insurance Sa	0	0	0
43	e	D	Artigianfin Spa (in liquidazione)	0	0	0
44	e	D	Sofigea Srl (in liquidazione)	0	0	0
45	e	D	Sofincoop Spa	0	0	0
46	e	D	The Co-operators Group Sa	0	0	24
48	e	D	Union Capital Srl (in liquidazione)	0	0	13
50	e	D	Banca di Bologna Scarl	22	0	1
58	e	D	Fincooper Scarl (in liquidazione)	0	0	0
60	e	D	Coop Libera Stampa Scarl	0	0	0
62	e	D	Allnations Sa Ord	0	0	0
63	e	D	Allnations Sa Priv	0	0	0
64	e	D	Autonomia Scarl	0	0	0
65	e	D	Cestar Srl	0	0	0
66	e	D	Banca Popolare Etica Scarl	0	0	0

(1) As listed in annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(3) Please indicate:

- D for investments allocated to the Non-Life business account (item C.II.1)
 - V for investments allocated to the Life business account (item C.II.1)
 - V1 for investments allocated to the Life business account (item D.1)
 - V2 for investments allocated to the Life business account (item D.2)
- Split shareholdings shall be referred to with the same number.

Decreases in the year			Book value (4)		Purchase price	Market value
Through disposals		Other decreases	Quantity	Value		
Quantity	Value					
0	0	0	15,440,000	21,506	21,506	85,087
8,160,000	10,788	0	0	0	0	0
0	0	0	13,600,000	28,400	28,400	122,480
0	0	0	15,302,617	24,429	24,429	61,696
0	0	0	2,000,000	2,351	2,351	2,351
0	0	0	176,620,868	205,199	206,478	338,047
0	0	0	176,620,867	205,199	206,478	338,047
0	0	0	72,000,000	55,973	59,684	55,973
0	0	783	85,000,000	30,682	43,947	30,682
499,800	383	0	0	0	0	0
0	0	0	1,959,952	1,985	2,764	1,985
24,613	0	425	96,202	1,661	738	2,856
14,954,225	14,945	0	0	0	0	0
14,954,225	14,945	0	0	0	0	0
213,296	110	0	0	0	0	0
213,296	110	0	0	0	0	0
0	0	11	63,700	20	63	20
0	0	11	63,700	20	63	20
0	0	45	1,000	18	63	18
0	0	345	31,250	1,756	2,721	1,756
0	0	0	10,947	234	810	234
0	0	0	332,454	8,241	8,264	8,734
0	0	0	2,367,078	1,045	1,313	1,707
230,480	0	37	0	0	0	0
0	0	0	4,929,366	0	31	0
0	0	0	58	3	155	3
0	0	0	20,000	1,232	1,333	1,232
0	0	0	5,000	28	336	28
0	0	0	941	50	43	50
1	0	2,047	0	0	0	0
1	0	1	0	0	0	0
0	0	0	23	1	1	1
50	0	48	0	0	0	0
180	9	0	0	0	0	0
0	0	0	147,171	76	76	76
0	0	0	1,000	52	52	52

(4) Please write a (*) if the holding is valued by the equity method (only for types b and d)

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Analysis of investment movements in Group undertakings and in other undertakings where participating interests are held - stocks and shares

No	Type		Company name	Increases in the year		
				Through purchases		Other increases
				Quantity	Value	
(1)	(2)	(3)				
67	e	D	Cooptecnital Scarl	0	0	0
68	e	D	Fondazione CESAR	0	0	0
70	e	D	Inforcoop Scarl	0	0	0
77	e	D	UCI	0	0	0
79	e	V	Atlantis Vida Sa	0	0	0
81	e	D	Hopa Spa	13,650,000	35,307	0
84	e	D	Consorzio R54A	0	0	1
87	b	D	Navale Assicurazioni Spa	3,924	5,013	0
89	b	D	Meieaurora Spa	0	0	0
89	b	V	Meieaurora Spa	0	0	0
95	e	D	Consorzio Energia Fiera District	0	0	0
97	b	D	BNL Vita Spa	0	0	0
97	b	V	BNL Vita Spa	0	0	0
104	e	V	Previnet Spa	0	0	0
105	e	D	Partisagres SGPS Sa	0	0	0
106	e	D	Banca Monte dei Paschi di Siena Spa	0	0	0
106	e	V	Banca Monte dei Paschi di Siena Spa	8,246,046	21,953	0
107	e	D	Inarcheck Spa	0	0	0
108	e	D	Bios Spa	0	0	0
109	e	D	Sanpaolo Imi Spa	0	0	0
109	e	V	Sanpaolo Imi Spa	0	0	0
110	d	D	Finec Holding Spa	4,679,667	4,680	0
110	d	V	Finec Holding Spa	4,679,666	4,680	0
111	b	D	Smallpart Spa	0	0	0
111	b	V	Smallpart Spa	0	0	0
112	b	D	Winterthur Assicurazioni Spa	22,575,793	1,067,604	0
112	b	V	Winterthur Assicurazioni Spa	1,905,000	0	90,087
113	b	V	Winterthur Italia Holding Spa	260,000,000	89,461	0
114	b	V	Winterthur Vita Spa	117,425	166,088	0
109	e	V2	Sanpaolo Imi Spa	0	0	27

(1) As listed in annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(3) Please indicate:

- D for investments allocated to the Non-Life business account (item C.II.1)
 - V for investments allocated to the Life business account (item C.II.1)
 - V1 for investments allocated to the Life business account (item D.1)
 - V2 for investments allocated to the Life business account (item D.2)
- Split shareholdings shall be referred to with the same number.

Decreases in the year				Book value (4)		Purchase price	Market value	
Through disposals		Other decreases	Quantity	Value	Purchase price			Market value
Quantity	Value							
5	3	0	0	0	0	0	0	
0	0	0	0	1	258	258	258	
0	0	0	0	1	22	52	22	
0	0	0	0	42,462	22	22	22	
0	0	0	0	12,020	1,203	1,203	1,203	
0	0	0	0	91,592,927	244,488	244,488	244,488	
1	0	4	0	0	0	0	0	
0	0	0	0	10,315,171	52,570	52,570	52,570	
0	0	0	0	193,463,703	373,485	373,485	440,467	
0	0	0	0	129,362,823	249,737	249,737	294,526	
0	0	0	0	1	2	2	2	
0	0	0	0	6,600,000	84,212	84,212	141,848	
0	0	0	0	4,400,000	56,141	56,141	94,565	
0	0	0	0	1,400	2,171	2,171	2,171	
0	0	0	0	63,374	328	328	328	
0	0	0	0	27,151,554	101,782	101,782	73,146	
0	0	0	0	32,835,446	134,056	134,056	88,459	
1,200	120	0	0	0	0	0	0	
0	0	0	0	10,453,217	30,953	30,953	30,953	
0	0	3,694	0	5,686,843	55,162	58,857	61,458	
0	0	2,084	0	3,208,645	31,124	33,208	34,676	
971,500	973	0	0	28,776,205	28,826	28,826	28,826	
971,500	973	0	0	28,776,203	28,826	28,826	28,826	
0	0	0	0	6,000,000	6,000	6,000	6,000	
0	0	0	0	6,000,000	6,000	6,000	6,000	
1,905,000	0	90,087	0	20,670,793	977,517	977,517	1,002,614	
0	0	0	0	1,905,000	90,087	90,087	92,400	
0	0	0	0	260,000,000	89,461	89,461	89,461	
0	0	0	0	117,425	166,088	166,088	166,088	
0	0	0	0	6,610	68	78	68	

(4) Please write a (*) if the holding is valued by the equity method (only for types b and d)

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Analysis of investment movements in Group undertakings and in other undertakings where participating interests are held -
Stocks and shares

No (1)	Type (2)		Company name (3)	Increases in the year		
				Through purchases		Other increases
				Quantity	Value	
			Total C.II.1			
	a		Holding companies			
	b		Subsidiaries	413,288,033	1,508,303	90,087
	c		Associated undertakings	0	0	0
	d		Affiliated undertakings	9,669,503	9,670	0
	e		Other undertakings	21,896,068	57,260	38
			Total D.I.			
			Total D.II.	0	0	27

(1) As listed in annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(3) Please indicate:

- D for investments allocated to the Non-Life business account (item C.II.1)
 - V for investments allocated to the Life business account (item C.II.1)
 - V1 for investments allocated to the Life business account (item D.1)
 - V2 for investments allocated to the Life business account (item D.2)
- Split shareholdings shall be referred to with the same number.

Decreases in the year			Book value (4)		Purchase price	Market price
Through disposals		Other decreases	Quantity	Value		
Quantity	Value					
40,473,250	41,062	90,870	1,195,419,267	2,725,038	2,744,570	3,420,901
0	0	0	0	0	0	0
2,394,205	2,167	447	59,735,962	61,337	61,280	62,532
231,918	132	8,305	178,894,179	614,306	622,576	551,075
0	0	0	6,610	68	78	68

(4) Please write a (*) if the holding is valued by the equity method (only for types b and d)

Assets - Breakdown of the item 'Other financial investments' per type of portfolio - Stocks and shares in undertakings, units and shares in investment funds, bonds and other fixed-income securities, participation in investment pools and sundry financial investments (items C.III.1, 2, 3, 5, 7)

I - Non-Life business

	Long-term portfolio		Short-term portfolio		Total	
	Book value	Market value	Book value	Market value	Book value	Market value
1. Stocks and shares in undertakings:	141,214 ²¹	142,067 ⁴¹	34,838 ⁶¹	35,242 ⁸¹	176,052 ¹⁰¹	177,309 ¹⁰¹
a) listed stocks	141,214 ²²	142,067 ⁴²	34,838 ⁶²	35,242 ⁸²	176,052 ¹⁰²	177,309 ¹⁰²
b) unlisted stocks	0 ²³	0 ⁴³	0 ⁶³	0 ⁸³	0 ¹⁰³	0 ¹⁰³
c) shares	0 ²⁴	0 ⁴⁴	0 ⁶⁴	0 ⁸⁴	0 ¹⁰⁴	0 ¹⁰⁴
2. Units and shares in investment funds	3,332 ²⁵	2,273 ⁴⁵	26,340 ⁶⁵	26,462 ⁸⁵	29,673 ¹⁰⁵	28,735 ¹⁰⁵
3. Bonds and other fixed-income securities	166,121 ²⁶	165,700 ⁴⁶	372,421 ⁶⁶	374,031 ⁸⁶	538,542 ¹⁰⁶	539,731 ¹⁰⁶
a) listed government bonds	61,491 ²⁷	59,886 ⁴⁷	180,865 ⁶⁷	180,865 ⁸⁷	242,356 ¹⁰⁷	240,751 ¹⁰⁷
a2) other listed securities	92,838 ²⁸	93,934 ⁴⁸	189,450 ⁶⁸	191,048 ⁸⁸	282,288 ¹⁰⁸	284,983 ¹⁰⁸
b) unlisted government bonds	6,123 ²⁹	6,123 ⁴⁹	0 ⁶⁹	0 ⁸⁹	6,123 ¹⁰⁹	6,123 ¹⁰⁹
b2) other unlisted securities	5,669 ³⁰	5,756 ⁵⁰	2,106 ⁷⁰	2,117 ⁹⁰	7,775 ¹¹⁰	7,874 ¹¹⁰
c) convertible bonds	0 ³¹	0 ⁵¹	0 ⁷¹	0 ⁹¹	0 ¹¹¹	0 ¹¹¹
5. Participation in investment pools	0 ³²	0 ⁵²	0 ⁷²	0 ⁹²	0 ¹¹²	0 ¹¹²
7. Sundry financial investments	0 ³³	0 ⁵³	180,632 ⁷³	180,643 ⁹³	180,632 ¹¹³	180,643 ¹¹³

II - Life business

	Long-term portfolio		Short-term portfolio		Total	
	Book value	Market value	Book value	Market value	Book value	Market value
1. Stocks and shares in undertakings:	46,738 ¹⁴¹	47,027 ¹⁶¹	7,374 ¹⁸¹	7,408 ²⁰¹	54,111 ²²¹	54,435 ²²¹
a) listed stocks	46,738 ¹⁴²	47,027 ¹⁶²	7,374 ¹⁸²	7,408 ²⁰²	54,111 ²²²	54,435 ²²²
b) unlisted stocks	0 ¹⁴³	0 ¹⁶³	0 ¹⁸³	0 ²⁰³	0 ²²³	0 ²²³
c) shares	0 ¹⁴⁴	0 ¹⁶⁴	0 ¹⁸⁴	0 ²⁰⁴	0 ²²⁴	0 ²²⁴
2. Units and shares in investment funds	10,607 ¹⁴⁵	9,868 ¹⁶⁵	43,956 ¹⁸⁵	43,956 ²⁰⁵	54,564 ²²⁵	53,824 ²²⁵
3. Bonds and other fixed-income securities	1,046,503 ¹⁴⁶	1,045,426 ¹⁶⁶	1,891,908 ¹⁸⁶	1,895,210 ²⁰⁶	2,938,412 ²²⁶	2,940,636 ²²⁶
a) listed government bonds	264,498 ¹⁴⁷	253,915 ¹⁶⁷	1,025,413 ¹⁸⁷	1,025,488 ²⁰⁷	1,289,910 ²²⁷	1,279,402 ²²⁷
a2) other listed securities	760,586 ¹⁴⁸	770,017 ¹⁶⁸	837,865 ¹⁸⁸	841,020 ²⁰⁸	1,598,451 ²²⁸	1,611,037 ²²⁸
b) unlisted government bonds	9,605 ¹⁴⁹	9,605 ¹⁶⁹	0 ¹⁸⁹	0 ²⁰⁹	9,605 ²²⁹	9,605 ²²⁹
b2) other unlisted securities	11,815 ¹⁵⁰	11,889 ¹⁷⁰	2,327 ¹⁹⁰	2,399 ²¹⁰	14,142 ²³⁰	14,288 ²³⁰
c) convertible bonds	0 ¹⁵¹	0 ¹⁷¹	26,303 ¹⁹¹	26,303 ²¹¹	26,303 ²³¹	26,303 ²³¹
5. Participation in investment pools	0 ¹⁵²	0 ¹⁷²	0 ¹⁹²	0 ²¹²	0 ²³²	0 ²³²
7. Sundry financial investments	7,936 ¹⁵³	6,677 ¹⁷³	161,061 ¹⁹³	162,726 ²¹³	168,997 ²³³	169,404 ²³³

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Assets - Changes in other long-term financial investments over the year - Stocks and shares in undertakings, units and shares in investment funds, bonds and other fixed-income securities, participation in investment pools and sundry financial investments (items C.III.1, 2, 3, 5, 7)

	Stocks and shares C.III.1	Units and shares in investment funds C.III.2	Bonds and other fixed-income securities C.III.3	Participation in investment pools C.III.5	Sundry financial investments C.III.7
As at 1 January.....	167,816 ²¹	9,101 ⁴¹	1,052,608 ⁸¹	0 ¹⁰¹	8,075
Increases in the year:.....	124,016 ²²	6,336 ⁴²	520,649 ⁸²	0 ¹⁰²	0
through: purchases.....	76,304 ²³	6,336 ⁴³	491,996 ⁸³	0 ¹⁰³	0
value re-adjustments.....	0 ²⁴	0 ⁴⁴	0 ⁸⁴	0 ¹⁰⁴	0
transfer from short-term portfolio.....	0 ²⁵	0 ⁴⁵	11 ⁸⁵	0 ¹⁰⁵	0
other changes.....	47,712 ²⁶	0 ⁴⁶	28,642 ⁸⁶	0 ¹⁰⁶	0
Decreases in the year:.....	103,881 ²⁷	1,497 ⁴⁷	360,632 ⁸⁷	0 ¹⁰⁷	139
through: disposals.....	49,521 ²⁸	669 ⁴⁸	264,771 ⁸⁸	0 ¹⁰⁸	0
write-downs.....	6,648 ²⁹	0 ⁴⁹	2,626 ⁸⁹	0 ¹⁰⁹	0
transfer to short-term portfolio.....	0 ³⁰	0 ⁵⁰	20,000 ⁹⁰	0 ¹¹⁰	0
other changes.....	47,712 ³¹	828 ⁵¹	73,235 ⁹¹	0 ¹¹¹	139
Book value.....	187,951³²	13,940⁵²	1,212,625⁹²	0¹¹²	7,936
Market value.....	189,095 ³³	12,141 ⁵³	1,211,126 ⁹³	0 ¹¹³	6,677

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Assets - Changes in loans and deposits with credit institutions over the financial year (items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
As at 1 January	+ 1	55,567 ²¹	0
Increases in the year:	+ 2	14,039 ²²	1,235,000
through: loans granted	3	13,952	
value re-adjustments	4	0	
other changes	5	86	
Decreases in the year:	- 6	12,868 ²⁶	1,235,000
through: repayments	7	12,868	
write-downs	8	0	
other changes	9	0	
Book value	10	56,737 ³⁰	0

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Assets - Statement of investments relating to benefits linked with investment funds and market indices (item D.I)

	Market value			Acquisition cost	
	2003	2002		2003	2002
I. Land and buildings	0 ²¹	0 ⁴¹	0 ⁶¹	0	
II. Investments in Group undertakings and other participating interests:					
1. Stocks and shares	0 ²²	0 ⁴²	0 ⁶²	0	
2. Debt securities	0 ²³	0 ⁴³	0 ⁶³	0	
3. Corporate financing	0 ²⁴	0 ⁴⁴	0 ⁶⁴	0	
III. Units and shares in investment funds	397,480 ²⁵	364,120 ⁴⁵	390,059 ⁶⁵	397,597	
IV. Other financial investments:					
1. Stocks and shares	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0	
2. Bonds and other fixed-income securities	124,281 ²⁷	74,201 ⁴⁷	117,604 ⁶⁷	69,062	
3. Deposits with credit institutions	0 ²⁸	0 ⁴⁸	0 ⁶⁸	0	
4. Sundry financial investments	1,222 ²⁹	0 ⁴⁹	591 ⁶⁹	0	
V. Other assets	8 ³⁰	16 ⁵⁰	8 ⁷⁰	16	
VI. Cash at bank and in hand	12,417 ³¹	12,845 ⁵¹	9,641 ⁷¹	10,309	
Auditing / management fees / other payables	-28 ³²	-318 ⁵²	-28 ⁷²	-318	
Securities to be settled	-53 ³³	-363 ⁵³	-53 ⁷³	-363	
Total	535,327³⁴	450,500⁵⁴	517,823⁷⁴	476,302	

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Assets - Statement of investments relating to benefits linked with investment funds and market indices (item D.I) - 'INDEX LINKED'

	Market value			Acquisition cost	
	2003	2002		2003	2002
I. Land and buildings	0 ²¹	0 ⁴¹	0 ⁶¹	0	
II. Investments in Group undertakings and other participating interests:					
1. Stocks and shares	0 ²²	0 ⁴²	0 ⁶²	0	
2. Debt securities	0 ²³	0 ⁴³	0 ⁶³	0	
3. Corporate financing	0 ²⁴	0 ⁴⁴	0 ⁶⁴	0	
III. Units and shares in investment funds	0 ²⁵	0 ⁴⁵	0 ⁶⁵	0	
IV. Other financial investments:					
1. Stocks and shares	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0	
2. Bonds and other fixed-income securities	95,167 ²⁷	43,974 ⁴⁷	90,759 ⁶⁷	40,730	
3. Deposits with credit institutions	0 ²⁸	0 ⁴⁸	0 ⁶⁸	0	
4. Sundry financial investments	1,222 ²⁹	0 ⁴⁹	591 ⁶⁹	0	
V. Other assets	0 ³⁰	0 ⁵⁰	0 ⁷⁰	0	
VI. Cash at bank and in hand	10,514 ³¹	10,576 ⁵¹	7,738 ⁷¹	8,040	
	0 ³²	0 ⁵²	0 ⁷²	0	
	0 ³³	0 ⁵³	0 ⁷³	0	
Total	106,903³⁴	54,549⁵⁴	99,088⁷⁴	48,770	

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Assets - Statement on investments relating to benefits linked with investments funds and market indices (item D.D) - 'UNIT LINKED'

	Market value			Acquisition cost	
	2003	2002		2003	2002
I. Land and buildings	0 ²¹	0 ⁴¹	0 ⁶¹	0	
II. Investments in Group undertakings and other participating interests:					
1. Stocks and shares	0 ²²	0 ⁴²	0 ⁶²	0	
2. Debt securities	0 ²³	0 ⁴³	0 ⁶³	0	
3. Corporate financing	0 ²⁴	0 ⁴⁴	0 ⁶⁴	0	
III. Units and shares in investment funds	397,480 ²⁵	364,120 ⁴⁵	390,059 ⁶⁵	397,597	
IV. Other financial investments:					
1. Stocks and shares	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0	
2. Bonds and other fixed-income securities	29,114 ²⁷	30,227 ⁴⁷	26,845 ⁶⁷	28,332	
3. Deposits with credit institutions	0 ²⁸	0 ⁴⁸	0 ⁶⁸	0	
4. Sundry financial investments	0 ²⁹	0 ⁴⁹	0 ⁶⁹	0	
V. Other assets	8 ³⁰	16 ⁵⁰	8 ⁷⁰	16	
VI. Cash at bank and in hand	1,904 ³¹	2,269 ⁵¹	1,904 ⁷¹	2,269	
Auditing / management fees / other payables	-28 ³²	-318 ⁵²	-28 ⁷²	-318	
Securities to be settled	-53 ³³	-363 ⁵³	-53 ⁷³	-363	
Total	428,424³⁴	395,951⁵⁴	418,735⁷⁴	427,533	

Company **COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.**

Financial year 2003

Assets - Statement of investments arising out of pension fund management (item D.II)

	Market value		Acquisition cost	
	2003	2002	2003	2002
I. Investments in Group undertakings and other participating interests:				
1. Stocks and shares	68 ²¹	41 ⁴¹	78 ⁶¹	78
2. Debt securities	0 ²²	50 ⁴²	0 ⁶²	50
II. Other financial investments:				
1. Stocks and shares	8,523 ²³	5,376 ⁴³	9,746 ⁶³	7,977
2. Bonds and other fixed-income securities	38,663 ²⁴	27,907 ⁴⁴	37,992 ⁶⁴	27,014
3. Units and shares in investment funds	10,288 ²⁵	6,493 ⁴⁵	8,908 ⁶⁵	6,776
4. Deposits with credit institutions	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0
5. Sundry financial investments	0 ²⁷	0 ⁴⁷	0 ⁶⁷	0
III. Other assets	909 ²⁸	5,658 ⁴⁸	909 ⁶⁸	5,658
IV. Cash at bank and in hand	3,703 ²⁹	3,081 ⁴⁹	3,703 ⁶⁹	3,081
Securities to be settled, payables and sundry liabilities	-250 ³⁰	-5,125 ⁵⁰	-250 ⁷⁰	-5,125
	0 ³¹	0 ⁵¹	0 ⁷¹	0
Total	61,905³²	43,481	61,087⁷²	45,510

Company **COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.**

Financial year 2003

Assets - Statement of investments arising out of pension fund management (item D.II) - '**UNIPOL PREVIDENZA**'

	Market value		Acquisition cost	
	2003	2002	2003	2002
I. Investments in Group undertakings and other participating interests:				
1. Stocks and shares	51 ²¹	31 ⁴¹	56 ⁶¹	56
2. Debt securities	0 ²²	30 ⁴²	0 ⁶²	30
II. Other financial investments :				
1. Stocks and shares	6,363 ²³	4,017 ⁴³	7,267 ⁶³	5,949
2. Bonds and other fixed-income securities	17,689 ²⁴	13,987 ⁴⁴	17,199 ⁶⁴	13,367
3. Units and shares in investment funds	6,340 ²⁵	4,404 ⁴⁵	5,597 ⁶⁵	4,601
4. Deposits with credit institutions	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0
5. Sundry financial investments	0 ²⁷	0 ⁴⁷	0 ⁶⁷	0
III. Other assets	577 ²⁸	409 ⁴⁸	577 ⁶⁸	409
IV. Cash at bank and in hand	1,872 ²⁹	1,258 ⁴⁹	1,872 ⁶⁹	1,258
Securities to be settled, payables and sundry liabilities	-80 ³⁰	-29 ⁵⁰	-80 ⁷⁰	-29
	0 ³¹	0 ⁵¹	0 ⁷¹	0
Total	32,812³²	24,108⁵²	32,487⁷²	25,642

Company **COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.**

Financial year 2003

Assets - Statement of investments arising out of pension fund management (item D.II) - 'UNIPOL FUTURO'

	Market value		Acquisition cost	
	2003	2002	2003	2002
I. Investments in Group undertakings and other participating interests:				
1. Stocks and shares	17 ²¹	10 ⁴¹	22 ⁶¹	22
2. Debt securities	0 ²²	20 ⁴²	0 ⁶²	20
II. Other financial investments:				
1. Stocks and shares	2,161 ²³	1,359 ⁴³	2,479 ⁶³	2,029
2. Bonds and other fixed-income securities	5,439 ²⁴	3,938 ⁴⁴	5,325 ⁶⁴	3,780
3. Units and shares in investment funds.....	2,425 ²⁵	1,533 ⁴⁵	2,149 ⁶⁵	1,633
4. Deposits with credit institutions	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0
5. Sundry financial investments	0 ²⁷	0 ⁴⁷	0 ⁶⁷	0
III. Other assets	118 ²⁸	5,049 ⁴⁸	118 ⁶⁸	5,049
IV. Cash at bank and in hand	577 ²⁹	638 ⁴⁹	577 ⁶⁹	638
Securities to be settled, payables and sundry liabilities	-27 ³⁰	-4,897 ⁵⁰	-27 ⁷⁰	-4,897
	0 ³¹	0 ⁵¹	0 ⁷¹	0
Total	10,710³²	7,650⁵²	10,643⁷²	8,273

Company **COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.**

Financial year 2003

Assets - Statement of investments arising out of pension fund management (item D.II) - 'B.A.M. STAFF'

	Market value		Acquisition cost	
	2003	2002	2003	2002
I. Investments in Group undertakings and other participating interests:				
1. Stocks and shares	0 ²¹	0 ⁴¹	0 ⁶¹	0
2. Debt securities	0 ²²	0 ⁴²	0 ⁶²	0
II. Other financial investments:				
1. Stocks and shares	0 ²³	0 ⁴³	0 ⁶³	0
2. Bonds and other fixed-income securities	10,250 ²⁴	8,232 ⁴⁴	10,198 ⁶⁴	8,145
3. Units and shares in investment funds	0 ²⁵	0 ⁴⁵	0 ⁶⁵	0
4. Deposits with credit institutions	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0
5. Sundry financial investments	0 ²⁷	0 ⁴⁷	0 ⁶⁷	0
III. Other assets	130	159	130	159
IV. Cash at bank and in hand	739	644	739	644
Securities to be settled, payables and sundry liabilities	-123	-90	-123	-90
Total	10,996 ³²	8,945 ⁵²	10,944 ⁷²	8,858

Company COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.

Financial year 2003

Assets - Statement of investments arising out of pension fund management (item D.II) - 'UNIPOL INSIEME'

	Market value		Acquisition cost	
	2003	2002	2003	2002
I. Investments in Group undertakings and other participating interests:				
1. Stocks and shares	0 ²¹	0 ⁴¹	0 ⁶¹	0
2. Debt securities	0 ²²	0 ⁴²	0 ⁶²	0
II. Other financial investments:				
1. Stocks and shares	0 ²³	0 ⁴³	0 ⁶³	0
2. Bonds and other fixed-income securities	4,045 ²⁴	955 ⁴⁴	4,029 ⁶⁴	934
3. Units and shares in investment funds	1,452 ²⁵	512 ⁴⁵	1,097 ⁶⁵	493
4. Deposits with credit institutions	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0
5. Sundry financial investments	0 ²⁷	0 ⁴⁷	0 ⁶⁷	0
III. Other assets	61 ²⁸	25 ⁴⁸	61 ⁶⁸	25
IV. Cash at bank and in hand	380 ²⁹	282 ⁴⁹	380 ⁶⁹	282
Securities to be settled, payables and sundry liabilities	-14 ³⁰	-33 ⁵⁰	-14 ⁷⁰	-33
	0 ³¹	0 ⁵¹	0 ⁷¹	0
Total	5,923³²	1,742⁵²	5,552⁷²	1,701

Company COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.

Financial year 2003

Assets - Statement of investments arising out of pension fund management (item D.II) - 'FUNDUM'

	Market value		2002	Acquisition cost	
	2003	2002		2003	2002
I. Investments in Group undertakings and other participating interests:					
1. Stocks and shares	0 ²¹	0 ⁴¹	0 ⁶¹	0	0
2. Debt securities	0 ²²	0 ⁴²	0 ⁶²	0	0
II. Other financial investments:					
1. Stocks and shares	0 ²³	0 ⁴³	0 ⁶³	0	0
2. Bonds and other fixed-income securities	1,240 ²⁴	794 ⁴⁴	1,242 ⁶⁴	1,242	788
3. Units and shares in investment funds.....	71 ²⁵	44 ⁴⁵	65 ⁶⁵	65	48
4. Deposits with credit institutions	0 ²⁶	0 ⁴⁶	0 ⁶⁶	0	0
5. Sundry financial investments	0 ²⁷	0 ⁴⁷	0 ⁶⁷	0	0
III. Other assets	24 ²⁸	15 ⁴⁸	24 ⁶⁸	24	15
IV. Cash at bank and in hand	135 ²⁹	259 ⁴⁹	135 ⁶⁹	135	259
Securities to be settled, payables and sundry liabilities	-6 ³⁰	-75 ⁵⁰	-6 ⁷⁰	-6	-75
Total	1,463³²	1,037⁵²	1,460⁷²	1,460	1,034

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Liabilities - Non-Life insurance business - Changes in sub-items of the provision for unearned premiums (item C.I.1) and of the provision for outstanding claims (item C.I.2)

Type	2003	2002	Changes
Provision for unearned premiums:			
Provision for deferred premiums 1	492,004 ¹¹	457,690 ²¹	34,314
Provision for unexpired risks 2	0 ¹²	632 ²²	-632
Book value 3	492,004 ¹³	458,322 ²³	33,682
Provision for outstanding claims:			
Provision for claims to be settled and direct expenses 4	1,361,011 ¹⁴	1,263,564 ²⁴	97,448
Provision for settlement costs 5	77,211 ¹⁵	69,348 ²⁵	7,862
Provision for IBNR claims 6	93,792 ¹⁶	88,817 ²⁶	4,975
Book value 7	1,532,014 ¹⁷	1,421,729 ²⁷	110,285

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Liabilities - Changes in sub-items of the mathematical provisions (item C.II.1) and in the provision for bonuses and rebates (item C.II.4)

Type	2003	2002	Changes
Mathematical provision for pure premiums	1 3,316,660	11 2,606,236	21 710,424
Premiums carried forward	2 77,892	12 66,923	22 10,969
Provision for mortality risk	3 323	13 375	23 -53
Supplementary provisions	4 25,367	14 25,499	24 -132
Book value	5 3,420,242	15 2,699,033	25 721,209
Provision for bonuses and rebates	6 121	16 167	26 -46

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Liabilities - Changes in the provision for risks and charges (item E) and in the staff leaving indemnity (item G.VII)

		Provisions for pensions and similar obligations	Provisions for taxation	Other provisions	Staff leaving indemnity
As at 1 January	+	0 ¹¹	7,985 ²¹	9,209 ³¹	24,800
Amounts allocated	+	0 ¹²	3,550 ²²	1,071 ³²	4,152
Other increases	+	0 ¹³	0 ²³	0 ³³	206
Amounts released	-	0 ¹⁴	3,571 ²⁴	988 ³⁴	4,522
Other decreases	-	0 ¹⁵	0 ²⁵	0 ³⁵	83
Book value		0¹⁶	7,964²⁶	9,292³⁶	24,554

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Group undertakings and other participating interests - Detailed statement of assets and liabilities

I: Assets

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Stocks and shares	0 ₂	2,725,038 ₃	0 ₄	61,337 ₅	614,306 ₆	3,400,681 ₇
Debt securities	0 ₈	0 ₉	0 ₁₀	0 ₁₁	44,614 ₁₂	44,614 ₁₃
Corporate financing	0 ₁₄	1,872 ₁₅	0 ₁₆	0 ₁₇	0 ₁₈	1,872 ₁₉
Participation in investment pools	0 ₂₀	0 ₂₁	0 ₂₂	0 ₂₃	0 ₂₄	0 ₂₅
Deposits with credit institutions	0 ₂₆	0 ₂₇	0 ₂₈	0 ₂₉	0 ₃₀	0 ₃₁
Sundry financial investments	0 ₃₂	150,109 ₃₃	0 ₃₄	0 ₃₅	0 ₃₆	150,109 ₃₇
Deposits with ceding undertakings	0 ₃₈	20 ₃₉	0 ₄₀	0 ₄₁	917 ₄₂	936 ₄₃
Investments relating to benefits linked with investment funds and market indices	0 ₄₄	1,904 ₄₅	0 ₄₆	0 ₄₇	0 ₄₈	1,904 ₄₉
Investments arising out of pension fund management	0 ₅₀	0 ₅₁	0 ₅₂	0 ₅₃	438 ₅₄	438 ₅₅
Receivables arising out of direct insurance operations	0 ₅₆	10,416 ₅₇	0 ₅₈	0 ₅₉	449 ₆₀	10,865 ₆₁
Receivables arising out of reinsurance operations	0 ₆₂	83 ₆₃	0 ₆₄	0 ₆₅	74 ₆₆	157 ₆₇
Other receivables	66 ₆₈	505 ₆₉	3 ₇₀	1,216 ₇₁	82 ₇₂	1,871 ₇₃
Bank deposits and post office accounts	0 ₇₄	95,744 ₇₅	0 ₇₆	0 ₇₇	12,902 ₇₈	108,646 ₇₉
Sundry assets	0 ₈₀	494 ₈₁	0 ₈₂	0 ₈₃	0 ₈₄	494 ₈₅
Total	66 ₈₆	2,986,184 ₈₇	3 ₈₈	62,553 ₈₉	673,781 ₉₀	3,722,587 ₉₁
of which subordinated assets	0 ₉₂	0 ₉₃	0 ₉₄	0 ₉₅	0 ₉₆	0 ₉₇

Group undertakings and other participating interests - Detailed statement of assets and liabilities

II: Liabilities

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Subordinated liabilities	0 ⁹⁷	0 ⁹⁸	0 ⁹⁹	0 ¹⁰⁰	0 ¹⁰¹	0 ¹⁰²
Deposits received from reinsurers	0 ¹⁰³	0 ¹⁰⁴	0 ¹⁰⁵	0 ¹⁰⁶	0 ¹⁰⁷	0 ¹⁰⁸
Payables arising out of direct insurance operations	0 ¹⁰⁹	1,691 ¹¹⁰	0 ¹¹¹	0 ¹¹²	0 ¹¹³	1,691 ¹¹⁴
Payables arising out of reinsurance operations	0 ¹¹⁵	3,266 ¹¹⁶	0 ¹¹⁷	0 ¹¹⁸	0 ¹¹⁹	3,266 ¹²⁰
Amounts owed to credit institutions	0 ¹²¹	0 ¹²²	0 ¹²³	0 ¹²⁴	0 ¹²⁵	0 ¹²⁶
Debts secured by a lien on property	0 ¹²⁷	0 ¹²⁸	0 ¹²⁹	0 ¹³⁰	0 ¹³¹	0 ¹³²
Sundry loans and other financial debts	0 ¹³³	0 ¹³⁴	0 ¹³⁵	0 ¹³⁶	0 ¹³⁷	0 ¹³⁸
Sundry creditors	0 ¹³⁹	1,731 ¹⁴⁰	187 ¹⁴¹	187 ¹⁴²	205 ¹⁴³	2,234 ¹⁴⁴
Sundry liabilities	0 ¹⁴⁵	110 ¹⁴⁶	0 ¹⁴⁷	0 ¹⁴⁸	0 ¹⁴⁹	110 ¹⁵⁰
Total	0¹⁵¹	6,798¹⁵²	187¹⁵³	187¹⁵⁴	205¹⁵⁵	7,300¹⁵⁶

Company **COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.**

Financial year 2003

Analysis of 'Guarantees, commitments and other memorandum accounts' - Classes I,II,III and IV

	2003	2002
I. Guarantees issued:		
a) surety bonds and endorsements in favour of holding companies, subsidiaries and associated undertakings	1 0 ³¹	0
b) surety bonds and endorsements in favour of affiliated undertakings and other participating interests	2 0 ³²	0
c) surety bonds and endorsements in favour of third parties	3 2,057 ³³	2,278
d) other personal guarantees in favour of holding companies, subsidiaries and associated undertakings	4 0 ³⁴	0
e) other personal guarantees in favour of affiliated undertakings and other participating interests	5 0 ³⁵	0
f) other personal guarantees in favour of third parties	6 8 ³⁶	8
g) collateral securities for commitments of holding companies, subsidiaries and associated undertakings	7 0 ³⁷	0
h) collateral securities for commitments of affiliated undertakings and other participating interests	8 0 ³⁸	0
i) collateral securities for commitments of third parties	9 0 ³⁹	0
l) guarantees issued for commitments of the Company	10 8,116 ⁴⁰	8,994
m) assets held in deposit on inward reinsurance operations	11 0 ⁴¹	0
Total	12 10,181 ⁴²	11,280
II. Guarantees received:		
a) from Group undertakings, affiliated companies and other participating interests	13 0 ⁴³	0
b) from third parties	14 62,424 ⁴⁴	59,738
Total	15 62,424 ⁴⁵	59,738
III. Guarantees issued by third parties in favour of the Company:		
a) by Group undertakings, affiliated companies and other participating interests	16 0 ⁴⁶	0
b) by third parties	17 17,392 ⁴⁷	11,675
Total	18 17,392 ⁴⁸	11,675
IV. Commitments:		
a) commitments arising out of purchases with resale agreements	19 330,394 ⁴⁹	483,094
b) commitments arising out of sales with repurchase agreements	20 0 ⁵⁰	0
c) other commitments	21 1,661,189 ⁵¹	1,977,266
Total	22 1,991,583 ⁵²	2,460,360

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Statement of commitments arising out of operations on derivatives

Derivatives	2003		2002	
	Purchase	Sale	Purchase	Sale
Futures:				
on shares	0 ²¹	0 ⁴¹	0 ⁶¹	0
on bonds	0 ²²	0 ⁴²	0 ⁶²	0
on currencies	0 ²³	0 ⁴³	0 ⁶³	0
on interest rates	0 ²⁴	0 ⁴⁴	0 ⁶⁴	0
others	0 ²⁵	0 ⁴⁵	0 ⁶⁵	0
Options:				
on shares	33,062 ²⁶	33,062 ⁴⁶	47,912 ⁶⁶	47,912
on bonds	40,000 ²⁷	0 ⁴⁷	0 ⁶⁷	0
on currencies	0 ²⁸	0 ⁴⁸	0 ⁶⁸	0
on interest rates	610,823 ²⁹	300,000 ⁴⁹	810,823 ⁶⁹	500,000
others	0 ³⁰	0 ⁵⁰	0 ⁷⁰	0
Swaps:				
on currencies	0 ³¹	11,572 ⁵¹	0 ⁷¹	11,572
on interest rates	199,200 ³²	281,509 ⁵²	15,494 ⁷²	348,235
others	0 ³³	0 ⁵³	0 ⁷³	0
Other operations	35,563 ³⁴	92,377 ⁵⁴	18,763 ⁷⁴	131,402
Total	918,647 ³⁵	718,519 ⁵⁵	892,991 ⁷⁵	1,039,121

Note: - Indicate only operations on derivative contracts as at 31 December 2002 which entail commitments for the Company.

Should the contract not correspond to any of the above mentioned lines, or should it include elements of more than one line, it shall be put in the most similar category.

Entries cannot be off-set unless they relate to purchase/sale operations referring to the same type of contract (same content, maturity, underlying asset etc.).

- The value to be attributed to derivative contracts which entail or may entail capital swap transactions at the end of the contract is their swap price; in all other cases, indicate the nominal value of the underlying capital.

- Swap contracts on two currencies shall be indicated once, with reference only to the currency to be purchased. Swap contracts on both interest rates and currencies shall be entered only under swaps on currencies.

Swap contracts on interest rates shall be conventionally classified as 'purchases' or 'sales' according to the commitment of the company to purchase or sell the fixed interest rate.

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Non-Life insurance business - Summary of the technical account

	Gross premiums written	Gross premiums earned	Gross amount of claims	Operating expenses	Balance on reinsurance
Direct insurance business:					
Accident and health (classes 1 and 2)	167,255 ²	165,490 ³	90,450 ⁴	51,143 ⁵	-1,075 ⁵
Land vehicles - T.P.L. (class 10)	709,324 ⁷	689,746 ⁸	550,624 ⁹	114,497 ¹⁰	-724 ¹⁰
Land vehicles - Own damage or loss (class 3)	121,028 ¹²	118,803 ¹³	54,915 ¹⁴	25,218 ¹⁵	-300 ¹⁵
Marine, aviation and transport (classes 4, 5, 6, 7, 11 and 12)	9,160 ¹⁷	8,995 ¹⁸	3,774 ¹⁹	2,438 ²⁰	-696 ²⁰
Fire and other damage to property (classes 8 and 9) ..	128,379 ²²	121,426 ²³	76,676 ²⁴	37,273 ²⁵	2,256 ²⁵
General T.P.L. (class 13)	137,175 ²⁷	133,949 ²⁸	120,556 ²⁹	38,050 ³⁰	1,191 ³⁰
Credit and bonds (classes 14 and 15)	21,286 ³²	21,589 ³³	7,011 ³⁴	6,097 ³⁵	-3,124 ³⁵
Miscellaneous pecuniary losses (class 16)	13,595 ³⁷	13,539 ³⁸	5,595 ³⁹	4,349 ⁴⁰	-781 ⁴⁰
Legal protection (class 17)	9,896 ⁴²	9,186 ⁴³	3,578 ⁴⁴	2,503 ⁴⁵	-48 ⁴⁵
Assistance (class 18)	6,046 ⁴⁷	5,859 ⁴⁸	1,960 ⁴⁹	1,590 ⁵⁰	-914 ⁵⁰
Total direct insurance business.....	1,323,144⁵²	1,288,582⁵³	915,138⁵⁴	283,157⁵⁵	-4,215⁵⁵
Inward reinsurance	29,271⁵⁷	26,009⁵⁸	21,789⁵⁹	7,809⁶⁰	2,405⁶⁰
Total Italian portfolio	1,352,415⁶²	1,314,591⁶³	936,927⁶⁴	290,966⁶⁵	-1,810⁶⁵
Foreign portfolio	21,450⁶⁷	20,650⁶⁸	13,692⁶⁹	5,877⁷⁰	1,036⁷⁰
Grand total	1,373,865⁷²	1,335,242⁷³	950,619⁷⁴	296,843⁷⁵	-774⁷⁵

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Life assurance business - Summary of premium income and reinsurance balance

	Direct business	Inward reinsurance	Total
Gross premiums:	1 1,076,171	11 4,118	21 1,080,289
a) 1. from individual policies	2 435,408	12 2,770	22 438,178
2. from group policies	3 640,763	13 1,348	22 642,111
b) 1. regular premiums	4 206,319	14 4,118	24 210,437
2. single premiums	5 869,852	15 0	25 869,852
c) 1. from contracts without bonuses	6 938,143	16 3,564	26 941,708
2. from contracts with bonuses	7 2,006	17 554	27 2,559
3. from contracts where the investment risk is borne by policyholders and from pension funds	8 136,022	18 0	28 136,022
Balance on reinsurance	9 -1,203	19 638	29 -565

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2003

Investment income (items II.2 and III.3)

	Non-Life insurance business	Life assurance business	Total
Income from stocks and shares:			
Dividends and other income from stocks and shares of Group undertakings and participating interests	1 50,077 ⁴¹	31,378 ⁸¹	81,455
Dividends and other income from stocks and shares of other companies	2 9,110 ⁴²	6,284 ⁸²	15,394
Total	3 59,187 ⁴³	37,662 ⁸³	96,849
Income from investments in land and buildings	4 14,912 ⁴⁴	0 ⁸⁴	14,912
Income from other investments:			
Income from debt securities of Group undertakings and participating interests	5 299 ⁴⁵	1,829 ⁸⁵	2,128
Interest on financing to Group undertakings and participating interests	6 34 ⁴⁶	0 ⁸⁶	34
Income from investment funds	7 0 ⁴⁷	0 ⁸⁷	0
Income from bonds and other fixed-income securities	8 15,393 ⁴⁸	124,466 ⁸⁸	139,859
Interest on loans	9 882 ⁴⁹	1,736 ⁸⁹	2,618
Income from participation in investment pools	10 0 ⁵⁰	0 ⁹⁰	0
Interest on deposits with credit institutions	11 3,485 ⁵¹	0 ⁹¹	3,485
Income from sundry financial investments	12 1,560 ⁵²	8,447 ⁹²	10,007
Interest on deposits with ceding undertakings	13 421 ⁵³	559 ⁹³	981
Total	14 22,074 ⁵⁴	137,037 ⁹⁴	159,111
Value re-adjustments on investments relating to:			
Land and buildings	15 0 ⁵⁵	0 ⁹⁵	0
Stocks and shares of Group undertakings and participating interests	16 0 ⁵⁶	0 ⁹⁶	0
Debt securities issued by Group undertakings and participating interests	17 0 ⁵⁷	0 ⁹⁷	0
Other stocks and shares	18 126 ⁵⁸	908 ⁹⁸	1,034
Other bonds	19 1 ⁵⁹	80 ⁹⁹	81
Other financial investments	20 195 ⁶⁰	8,067 ¹⁰⁰	8,262
Total	21 322 ⁶¹	9,056 ¹⁰¹	9,378
Gains on disposal of investments:			
Capital gains from disposal of land and buildings	22 189 ⁶²	0 ¹⁰²	189
Gains on stocks and shares of Group undertakings and participating interests	23 0 ⁶³	0 ¹⁰³	0
Gains on debt securities issued by Group undertakings and participating interests	24 0 ⁶⁴	0 ¹⁰⁴	0
Gains on other stocks and shares	25 5,257 ⁶⁵	491 ¹⁰⁵	5,749
Gains on other bonds	26 4,175 ⁶⁶	26,630 ¹⁰⁶	30,805
Gains on other financial investments	27 3,779 ⁶⁷	10,818 ¹⁰⁷	14,596
Total	28 13,400 ⁶⁸	37,939 ¹⁰⁸	51,339
GRAND TOTAL	29 109,895 ⁶⁹	221,694 ¹⁰⁹	331,589

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Profits and unrealized capital gains relating to investments for the benefit of Life assurance policyholders who bear the investment risk thereof and to investments arising out of pension fund management (item II.3)

I. Investments relating to benefits linked with investment funds and market indices

	Amounts
Income from:	
Land and buildings	0
Investments in Group undertakings and participating interests	0
Units and shares in investment funds	0
Other financial investments	3,065
- of which bonds	3,065
Other assets	38
Total	3,103
Gains on disposal of investments	
Capital gains from disposal of land and buildings	0
Gains on investments in Group undertakings and participating interests	0
Gains on investment funds	2,852
Gains on other financial investments	58
- of which bonds	58
Other income	0
Total	2,910
Unrealised capital gains	27,483
GRAND TOTAL	33,496

II. Investments arising out of pension fund management

	Amounts
Income from:	
Investments in Group undertakings and participating interests	2
Other financial investments	1,628
- of which bonds	1,406
Other assets	55
Total	1,686
Profits on disposal of investments	
Gains on investments in Group undertakings and participating interests	0
Gains on other financial investments	111
- of which bonds	21
Other income	0
Total	111
Unrealised capital gains	2,896
GRAND TOTAL	4,693

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2003

Investment charges (items II.9 and III.5)

	Non-Life insurance business	Life assurance business	Total
Investment management charges and other charges			
Charges relating to stocks and shares	96 ³¹	511 ⁶¹	607
Charges relating to investments in land and buildings	6,325 ³²	0 ⁶²	6,325
Charges relating to debt securities	1,391 ³³	2,800 ⁶³	4,191
Charges relating to investment funds.....	0 ³⁴	0 ⁶⁴	0
Charges relating to participation in investment pools	0 ³⁵	0 ⁶⁵	0
Charges relating to sundry financial investments	1,089 ³⁶	7,828 ⁶⁶	8,916
Interest on deposits received from reinsurers	1,573 ³⁷	55 ⁶⁷	1,628
Total	10,474 ³⁸	11,194 ⁶⁸	21,668
Value adjustments on investments relating to:			
Land and buildings	5,627 ³⁹	0 ⁶⁹	5,627
Stocks and shares of Group undertakings and participating interests	4,879 ⁴⁰	2,095 ⁷⁰	6,974
Debt securities issued by Group undertakings and participating interests	75 ⁴¹	0 ⁷¹	75
Other stocks and shares	7,668 ⁴²	1,966 ⁷²	9,635
Other bonds.....	9,299 ⁴³	26,145 ⁷³	35,443
Other financial investments	620 ⁴⁴	1,412 ⁷⁴	2,033
Total	28,168 ⁴⁵	31,619 ⁷⁵	59,787
Capital losses on disposal of investments			
Capital losses arising out of disposal of land and buildings	18 ⁴⁶	0 ⁷⁶	18
Losses on stocks and shares.....	1,411 ⁴⁷	1,421 ⁷⁷	2,831
Losses on bonds	46 ⁴⁸	3,927 ⁷⁸	3,972
Losses on other financial investments	318 ⁴⁹	2,254 ⁷⁹	2,572
Total	1,792 ⁵⁰	7,601 ⁸⁰	9,393
GRAND TOTAL	40,435 ⁵¹	50,413 ⁸¹	90,848

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Investment charges and unrealized capital losses relating to investments for the benefit of Life assurance policyholders who bear the investment risk thereof and to investments arising out of pension fund management (item II.10)

I. Investments relating to benefits linked with investment funds and market indices

	Amounts
Management charges arising out of:	
Land and buildings	0
Investments in Group undertakings and participating interests	0
Units and shares in investment funds	10
Other financial investments	2,465
Other assets	0
Total	2,475
Losses on disposal of investments	
Capital losses arising from disposal of land and buildings	0
Losses on investments in Group undertakings and participating interests	0
Losses on units and shares in investment funds	1,111
Losses on other financial investments	62
Other charges	0
Total	1,173
Unrealised capital losses	2,301
GRAND TOTAL	5,949

II. Investments arising out of pension fund management

	Amounts
Management charges arising out of:	
Investments in Group undertakings and participating interests	0
Other financial investments	824
Other assets	0
Total	824
Losses on disposal of investments	
Losses on investments in Group undertakings and participating interests	0
Losses on other financial investments	14
Other charges	0
Total	14
Unrealised capital losses	1,762
GRAND TOTAL	2,600

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Non-Life insurance business - Summary of technical accounts by accounting class - Italian Portfolio

	Accounting class 1		Accounting class 2	
	Accident		Health	
	(name)		(name)	
Gross direct insurance business				
Premiums written	+	116,580	1	50,675
Change in provision for unearned premiums (+ or -)	-	2,139	2	-374
Charges relating to claims	-	54,468	3	35,982
Change in sundry technical provisions (+ or -) (1)	-	0	4	-125
Balance on other technical items (+ or -)	+	-219	5	-1,509
Operating expenses	-	37,651	6	13,492
Technical balance on direct insurance business (+ or -)	A	22,103	7	191
Balance on outward reinsurance (+ or -)	B	-1,353	8	277
Balance on net inward reinsurance (+ or -)	C	483	9	-674
Change in equalization provisions (+ or -)	D	0	10	0
Allocated investment return transferred from the non-technical account .	E	1,816	11	639
Balance on the technical account (+ or -)	(A + B + C - D + E)	23,049	12	433

	Accounting class 7		Accounting class 8	
	Goods in transit		Fire	
	(name)		(name)	
Gross direct insurance business				
Premiums written	+	6,941	1	51,572
Change in provision for unearned premiums (+ or -)	-	144	2	2,506
Charges relating to claims	-	2,680	3	34,067
Change in sundry technical provisions (+ or -) (1)	-	0	4	0
Balance on other technical items (+ or -)	+	-20	5	-197
Operating expenses	-	2,105	6	15,901
Technical balance on direct insurance business (+ or -)	A	1,993	7	-1,100
Balance on outward reinsurance (+ or -)	B	-505	8	4,617
Balance on net inward reinsurance (+ or -)	C	132	9	356
Change in equalization provisions (+ or -)	D	7	10	19
Allocated investment return transferred from the non-technical account .	E	175	11	1,371
Balance on the technical account (+ or -)	(A + B + C - D + E)	1,788	12	5,225

	Accounting class 13		Accounting class 14	
	General T.P.L.		Credit	
	(name)		(name)	
Gross direct insurance business				
Premiums written	+	137,175	1	403
Change in provision for unearned premiums (+ or -)	-	3,226	2	6
Charges relating to claims	-	120,556	3	53
Change in sundry technical provisions (+ or -) (1)	-	0	4	0
Balance on other technical items (+ or -)	+	-200	5	-1
Operating expenses	-	38,050	6	82
Technical balance on direct insurance business (+ or -)	A	-24,858	7	262
Balance on outward reinsurance (+ or -)	B	1,191	8	-179
Balance on net inward reinsurance (+ or -)	C	-380	9	0
Change in equalization provisions (+ or -)	D	0	10	0
Allocated investment return transferred from the non-technical account .	E	8,974	11	21
Balance on the technical account (+ or -)	(A + B + C - D + E)	-15,073	12	104

(1) This item includes changes in both 'Other technical provisions' and 'Provisions for bonuses and rebates'

Financial year 2003

Accounting class 3 Land vehicles- own damage (name)	Accounting class 4 Railway rolling stock (name)	Accounting class 5 Aircraft-Hull (name)	Accounting class 6 Marine-Hull (name)			
1	121,028	1	5	1	935	
2	2,224	2	0	2	-11	30
3	54,915	3	134	3	5	663
4	0	4	0	4	0	0
5	-52	5	0	5	-18	-7
6	25,218	6	37	6	1	174
7	38,618	7	358	7	-8	62
8	-300	8	-146	8	-2	-48
9	-2	9	0	9	0	-117
10	79	10	0	10	0	1
11	1,273	11	19	11	2	25
12	39,509	12	231	12	-8	-80

Accounting class 9 Other damage to property (name)	Accounting class 10 Land vehicles - T.P.L. (name)	Accounting class 11 Aircraft - T.P.L. (name)	Accounting class 12 Marine - T.P.L. (name)			
1	76,808	1	709,324	1	7	743
2	4,447	2	19,577	2	-33	35
3	42,608	3	550,624	3	4	288
4	0	4	0	4	0	0
5	-137	5	239	5	-40	0
6	21,372	6	114,497	6	1	121
7	8,243	7	24,865	7	-6	299
8	-2,362	8	-724	8	8	-2
9	-16	9	-571	9	0	0
10	14	10	0	10	0	0
11	1,304	11	20,452	11	0	20
12	7,155	12	44,021	12	2	317

Accounting class 15 Bonds (name)	Accounting class 16 Pecuniary losses (name)	Accounting class 17 Legal protection (name)	Accounting class 18 Assistance (name)				
1	20,883	1	13,595	1	9,896	1	6,046
2	-309	2	55	2	710	2	188
3	6,958	3	5,595	3	3,578	3	1,960
4	0	4	0	4	0	4	0
5	-321	5	-3	5	-6	5	-2
6	6,015	6	4,349	6	2,503	6	1,590
7	7,899	7	3,592	7	3,099	7	2,308
8	-2,945	8	-781	8	-48	8	-914
9	-444	9	5	9	46	9	0
10	0	10	0	10	0	10	0
11	817	11	106	11	281	11	45
12	5,327	12	2,921	12	3,377	12	1,439

Non-Life insurance business - Summary of the aggregated technical account
Italian portfolio

	Direct insurance risks		Inward reinsurance risks		Retention Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Accepted risks 3	Retrieved risks 4	
Written premiums	1,323,144 ¹¹	112,706 ²¹	29,271 ³¹	2,459 ⁴¹	1,237,249
Change in provision for unearned premiums (+ or -)	34,563 ¹²	2,459 ²²	3,261 ³²	-73 ⁴²	35,439
Charges relating to claims	915,138 ¹³	68,082 ²³	21,789 ³³	4,722 ⁴³	864,123
Change in sundry technical provisions (+ or -) (1)	-125 ¹⁴	0 ²⁴	0 ³⁴	0 ⁴⁴	-125
Balance on other technical items (+ or -)	-2,492 ¹⁵	-219 ²⁵	-1 ³⁵	0 ⁴⁵	-2,273
Operating expenses	283,157 ¹⁶	37,732 ²⁶	7,809 ³⁶	216 ⁴⁶	253,019
Technical balance (+ or -)	87,919¹⁷	4,215²⁷	-3,589³⁷	-2,405⁴⁷	82,520
Change in equalization provisions (+ or -)					119
Allocated investment returns transferred from the non-technical account	36,965		373		37,338
Balance on the technical account (+ or -)	124,884²⁰	4,215³⁰	-3,216⁴⁰	-2,405	119,738

(1) This item includes changes in both 'Other technical provisions' and 'Provision for bonuses and rebates'

Life assurance business - Summary of technical accounts by accounting class - Italian portfolio

	Accounting class I Life assurance		Accounting class II Marriage - birth		Accounting class III Linked to inv. funds	
	name		name		name	
Gross direct insurance business						
Premium written		322,775 ₁		0 ₁		116,567
Charges relating to claims		265,016 ₂		0 ₂		58,295
Change in mathematical provisions and sundry technical provisions (+ or -) (*)		124,054 ₃		0 ₃		79,870
Balance on other technical items (+ or -)		-1,151 ₄		0 ₄		5,212
Operating expenses		35,680 ₅		0 ₅		7,356
Investment returns net of share allocated to the non-technical account (**)		104,986 ₆		0 ₆		28,085
Gross profit from direct insurance business (+ or -)	A	1,859 ₇		0 ₇		4,342
Balance on outward reinsurance (+ or -)	B	-1,203 ₈		0 ₈		0
Balance on net inward reinsurance (+ or -)	C	523 ₉		0 ₉		0
Balance on the technical account (+ or -)	(A + B + C)	1,179 ₁₀		0 ₁₀		4,342
	Accounting class IV Health		Accounting class V Capital redemption		Accounting class VI Pension funds	
	name		name		name	
Gross direct insurance business						
Premium written		0 ₁		617,374 ₁		19,456
Charges relating to claims		0 ₂		49,651 ₂		3,326
Change in mathematical provisions and sundry technical provisions (+ or -) (*)		0 ₃		604,987 ₃		18,076
Balance on other technical items (+ or -)		0 ₄		-779 ₄		442
Operating expenses		0 ₅		4,409 ₅		728
Investment returns net of share allocated to the non-technical account (**)		0 ₆		40,889 ₆		2,102
Gross profit from direct insurance business (+ or -)	A	0 ₇		-1,562 ₇		-130
Balance on outward reinsurance (+ or -)	B	0 ₈		0 ₈		0
Balance on net inward reinsurance (+ or -)	C	0 ₉		0 ₉		0
Balance on the technical account (+ or -)	(A + B + C)	0 ₁₀		-1,562 ₁₀		-130

(*) The item "Sundry technical provisions" includes 'Other technical provisions' as well as 'Technical provisions where the investment risk is borne by policyholders and provisions arising out of pension fund management'.

(**) Algebraic sum of items relating to each accounting class and to the Italian portfolio entered under items II.2, II.3, II.9, II.10 and II.12 of the profit and loss account.

Life assurance business - Summary of the aggregated technical account
Italian portfolio

	Direct insurance risks		Inward reinsurance risks		Retention Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Ceded risks 2	Accepted risks 3	Retroceded risks 4	
Written premiums	1,076,171 ¹¹	1,933 ²¹	1,706 ³¹	244 ⁴¹	1,075,700
Charges relating to claims	376,287 ¹²	677 ²²	1,262 ³²	10 ⁴²	376,862
Change in mathematical provisions and sundry technical provisions (+ or -) (*)	826,987 ¹³	99 ²³	52 ³³	38 ⁴³	826,902
Balance on other technical items (+ or -)	3,723 ¹⁴	213 ²⁴	0 ³⁴	0 ⁴⁴	3,510
Operating expenses	48,173 ¹⁵	168 ²⁵	169 ³⁵	31 ⁴⁵	48,144
Investment returns net of share allocated to the non-technical account (**)	176,062		465		176,527
Balance on the technical account (+ or -)	4,510¹⁷	1,203²⁷	688³⁷	165⁴⁷	3,830

(*) The item 'Sundry technical provisions' includes 'Other technical provisions' as well as 'Technical provisions where the investment risk is borne by policyholders and provisions arising out of pension fund management'.

(**) Algebraic sum of items relating to each accounting class and to the Italian portfolio entered under items II.2, II.3, II.9, II.10 and II.12 of the profit and loss account.

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Summary of both Life and Non-Life technical accounts - Foreign portfolio

Section I: Non-Life insurance business

		All accounting classes
Gross direct insurance business		
Premiums written	+ 1	0
Change in provision for unearned premiums (+ or -)	- 2	0
Charges relating to claims	- 3	0
Change in sundry technical provisions (+ or -) (1)	- 4	0
Balance on other technical items (+ or -)	+ 5	0
Operating expenses	- 6	0
Technical balance on direct insurance business (+ or -)	A	7
Balance on outward reinsurance (+ or -)	B	8
Balance on net inward reinsurance (+ or -)	C	9
Change in equalization provisions (+ or -)	D	10
Allocated investment return transferred from the non-technical account	E	11
Balance on the technical account (+ or -)	(A + B + C - D + E)	12
		1,036
		0
		328
		1,365

Section II: Life assurance business

		All accounting classes
Gross direct insurance business		
Premiums written	+ 1	0
Charges relating to claims	- 2	0
Change in mathematical provisions and sundry technical provisions (+ or -) (2)	- 3	0
Balance on other technical items (+ or -)	+ 4	0
Operating expenses	- 5	0
Investment returns net of the share allocated to the non-technical account (3)	+ 6	73
Gross profit from direct assurance business (+ or -)	A	7
Balance on outward reinsurance (+ or -)	B	8
Balance on net inward reinsurance (+ or -)	C	9
Balance on the technical account (+ or -)	(A + B + C)	10
		73
		0
		42
		115

(1) This item includes changes in both "Other technical provisions" and "Provision for bonuses and rebates".

(2) The item "Sundry technical provisions" includes "Other technical provisions" as well as "Technical provisions when the investment risk is borne by policyholders and provisions arising out of pension fund management".

(3) Algebraic sum of items relating to the foreign portfolio entered under items II.2, II.3, II.9, II.10 and II.12 of the profit and loss account.

Company COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

Financial year 2003

Transactions with Group undertakings and other participating interests

I. Income

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Investment income						
Income from land and buildings	24 ₂	2,085 ₃	7 ₄	1,288 ₅	0 ₆	3,405
Dividends and other income from stocks and shares	0 ₈	62,120 ₉	0 ₁₀	1,388 ₁₁	17,947 ₁₂	81,455
Income from debt securities	0 ₁₄	0 ₁₅	0 ₁₆	0 ₁₇	2,128 ₁₈	2,128
Interest on corporate financing	0 ₂₀	34 ₂₁	0 ₂₂	0 ₂₃	0 ₂₄	34
Income from other financial investments	0 ₂₆	110 ₂₇	0 ₂₈	0 ₂₉	335 ₃₀	445
Interest on deposits with ceding undertakings	0 ₃₂	156 ₃₃	0 ₃₄	0 ₃₅	14 ₃₆	170
Total	24 ₃₈	64,504 ₃₉	7 ₄₀	2,676 ₄₁	20,425 ₄₂	87,637
Income and unrealised capital gains on investments for the benefit of Life assurance policyholders who bear the risk thereof and on investments arising out of pension fund management						
Other income						
Interest on receivables	0 ₄₃	31 ₄₄	0 ₄₅	0 ₄₆	44 ₄₈	74
Operating expenses and charges recovered	0 ₅₀	2,067 ₅₁	0 ₅₂	0 ₅₃	296 ₅₄	2,364
Other income and sums recovered	11 ₅₆	28,413 ₅₇	8 ₅₈	50 ₅₉	0 ₆₀	28,481
Total	58 ₆₂	568 ₆₃	3 ₆₄	0 ₆₅	0 ₆₆	629
Capital gains on disposal of investments (*)	69 ₆₈	31,048 ₆₉	10 ₇₀	50 ₇₁	296 ₇₂	31,474
Extraordinary income	0 ₇₄	0 ₇₅	0 ₇₆	0 ₇₇	0 ₇₈	0
GRAND TOTAL	93 ₈₆	98,598 ₈₇	17 ₈₈	2,917 ₈₉	50,206 ₉₀	151,831

Transactions with Group undertakings and other participating interests

II: Charges

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Investment management charges and interest payable:						
Charges relating to investments	0 ₉₁	1,238 ₉₃	0 ₉₄	0 ₉₅	1 ₉₆	1,239
Interest on subordinated liabilities	0 ₉₇	0 ₉₈	0 ₉₉	0 ₁₀₀	0 ₁₀₁	0
Interest on deposits received from reinsurers	0 ₁₀₃	0 ₁₀₄	0 ₁₀₅	0 ₁₀₆	0 ₁₀₇	0
Interest on payables arising out of direct insurance operations	0 ₁₀₉	0 ₁₁₀	0 ₁₁₁	0 ₁₁₂	0 ₁₁₃	0
Interest on payables arising out of reinsurance operations	0 ₁₁₅	0 ₁₁₆	0 ₁₁₇	0 ₁₁₈	0 ₁₁₉	0
Interest on amounts owed to credit institutions	0 ₁₂₁	20 ₁₂₂	0 ₁₂₃	0 ₁₂₄	4 ₁₂₅	23
Interest on payables secured by a lien on property	0 ₁₂₇	0 ₁₂₈	0 ₁₂₉	0 ₁₃₀	0 ₁₃₁	0
Interest on other payables	0 ₁₃₃	0 ₁₃₄	0 ₁₃₅	0 ₁₃₆	0 ₁₃₇	0
Losses on receivables	0 ₁₃₉	0 ₁₄₀	0 ₁₄₁	0 ₁₄₂	0 ₁₄₃	0
Operating charges and expenses on behalf of third parties	2 ₁₄₅	12,102 ₁₄₇	0 ₁₄₈	0 ₁₄₉	0 ₁₅₀	12,103
Sundry charges	0 ₁₅₁	0 ₁₅₂	0 ₁₅₃	0 ₁₅₄	0 ₁₅₅	0
Total	2₁₅₇	13,360₁₅₉	0₁₆₀	0₁₆₁	4₁₆₂	13,366
Charges and unrealised capital losses on investments for the benefit of Life assurance policyholders who bear the risk thereof and on investments arising out of pension fund management	0 ₁₆₃	0 ₁₆₄	0 ₁₆₅	0 ₁₆₆	2 ₁₆₇	2
Losses on disposal of investments (*)	0 ₁₆₉	0 ₁₇₀	0 ₁₇₁	0 ₁₇₂	0 ₁₇₃	0
Extraordinary charges	0 ₁₇₅	9 ₁₇₆	0 ₁₇₇	0 ₁₇₈	4 ₁₇₉	13
GRAND TOTAL	2₁₈₁	13,369₁₈₃	0₁₈₄	0₁₈₅	10₁₈₆	13,381

(*) With reference to the other party

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Direct insurance business - Summary of premiums written

	Non-Life insurance business		Life assurance business		Total	
	Establishment	Freedom of service	Establishment	Freedom of service	Establishment	Freedom of service
Premiums written:						
in Italy	1,321,725 ⁵	0 ¹¹	1,076,171 ¹⁵	0 ²¹	2,397,896 ²⁵	0
in other EU Member States	0 ⁶	84 ¹²	0 ¹⁶	0 ²²	0 ²⁶	84
in countries outside the EU	0 ⁷	1,335 ¹³	0 ¹⁷	0 ²³	0 ²⁷	1,335
Total	1,321,725 ⁸	1,419 ¹⁴	1,076,171 ¹⁸	0 ²⁴	2,397,896 ²⁸	1,419

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

Financial year 2003

Statement of charges relating to staff, Board members and Statutory Auditors

I: Staff costs

	Non-Life business	Life business	Total
Costs arising out of paid employment:			
Italian portfolio			
- Wages and salaries	1 42,053 ³¹	8,979 ⁶¹	51,031
- Social security contributions	2 11,934 ³²	2,540 ⁶²	14,474
- Allocation to the fund for staff leaving indemnity and similar obligations	3 3,691 ³³	783 ⁶³	4,474
- Sundry costs relating to staff	4 6,880 ³⁴	1,326 ⁶⁴	8,207
Total	5 64,558 ³⁵	13,628 ⁶⁵	78,187
Foreign portfolio:			
- Wages and salaries	6 0 ³⁶	0 ⁶⁶	0
- Social security contributions	7 0 ³⁷	0 ⁶⁷	0
- Sundry costs relating to staff	8 0 ³⁸	0 ⁶⁸	0
Total	9 0 ³⁹	0 ⁶⁹	0
Grand total	10 64,558 ⁴⁰	13,628 ⁷⁰	78,187
Costs arising out of self-employment:			
Italian portfolio	11 49,655 ⁴¹	76 ⁷¹	49,731
Foreign portfolio	12 0 ⁴²	0 ⁷²	0
Total	13 49,655 ⁴³	76 ⁷³	49,731
Total labour costs	14 114,213 ⁴⁴	13,704 ⁷⁴	127,918

II: Description of accounting items

	Non-Life business	Life business	Total
Investment management charges	15 2,075 ⁴⁵	476 ⁷⁵	2,551
Charges relating to claims	16 62,325 ⁴⁶	829 ⁷⁶	63,155
Other acquisition commissions	17 12,294 ⁴⁷	4,317 ⁷⁷	16,611
Other operating expenses	18 26,595 ⁴⁸	6,176 ⁷⁸	32,771
Operating charges and expenses on behalf of third parties ..	19 10,804 ⁴⁹	1,905 ⁷⁹	12,709
<i>Other technical charges/Extraordinary charges</i>	20 120 ⁵⁰	0 ⁸⁰	120
Total	21 114,213 ⁵¹	13,704 ⁸¹	127,918

III: Average number of staff in the financial year

	Number
Managers	91 57
White-collars	92 1,363
Blue-collars	93 0
Others	94 23
Total	95 1,443

IV: Board members and Statutory Auditors

	Number	Remuneration
Board members	96 25 ⁹⁸	962
Statutory Auditors	97 3 ⁹⁹	108

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

The Company legal representatives (*)

The Chairman (**)

Giovanni Consorte (**)

..... (**)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

For internal use of the Company Register

Date of receipt

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

(**) Please indicate the functions of the signatory

Notes to the Accounts

Additional Annexes

Amounts

ASSETS

	2003	2002
Intangible assets		
Deferred acquisition costs	31,993	33,668
Formation expenses, goodwill and other multiyear costs	10,885	3,763
Total intangible assets	42,878	37,431
Investments and liquid assets		
I Land and buildings	321,716	340,062
II Investments in Group undertakings and other participating interests:		
Stocks and shares	3,400,681	1,878,305
Debt securities	44,614	31,721
Corporate financing	1,872	1,253
III Other financial investments:		
Stocks and shares	230,163	183,954
Units and shares in investment funds	84,236	111,076
Debt securities	3,476,953	2,431,902
Loans	56,737	55,567
Sundry financial investments	349,629	502,685
IV Deposits with ceding undertakings	23,021	25,701
V Cash at bank and in hand	279,074	410,771
VI Company's own shares	0	7,313
Total investments and liquid assets	8,268,697	5,980,311
Investments for the benefit of Life assurance policyholders who bear the investment risk thereof and arising out of pension fund management		
Unit-linked and index-linked contracts	535,327	450,500
Arising out of pension fund management	61,905	43,481
Total	597,232	493,982
Debtors		
I Debtors arising out of direct insurance and reinsurance operations:		
Premiums payable by policyholders	169,226	160,362
Intermediaries	57,496	62,081
Insurance and reinsurance undertakings	64,622	58,485
Amounts recoverable from policyholders and third parties	18,701	20,638
II Other debtors	59,302	84,681
Total debtors	369,348	386,247
Other assets		
Tangible assets and stocks	11,421	6,659
Other assets	113,168	102,290
Total other assets	124,588	108,950
TOTAL ASSETS	9,402,744	7,006,921

BALANCE SHEET
31 DECEMBER 2003 AND 2002

in €K

LIABILITIES

	2003	2002
Capital and reserves		
Paid-up share capital	906,230	505,696
Reserves and undistributed profits	1,489,212	778,938
Profit (loss) for the financial year	134,107	103,075
Total capital and reserves	2,529,549	1,387,709
Subordinated liabilities	600,000	300,000
Technical provisions, net of reinsurers' share		
Non-Life business: provision for unearned premiums	464,703	431,008
Non-Life business: provision for claims outstanding	1,453,227	1,345,542
Non-Life business: other provisions	2,659	2,665
Life business: mathematical provisions	3,418,676	2,666,900
Life business: prov. for mature policies, surrenders and annuities	15,938	14,186
Life business: other provisions	31,128	31,411
Total technical provisions	5,386,330	4,491,713
Net technical provisions where the investment risk is borne by policyholders and arising out of pension fund management		
Unit-linked and index-linked contracts	535,327	450,500
Arising out of pension fund management	61,905	43,481
Total	597,232	493,982
Provisions for other risks and charges		
Provisions for taxation	7,964	7,985
Other provisions	9,292	9,209
Total provisions for other risks and charges	17,256	17,193
Creditors and other liabilities		
I Arising out of direct insurance and reinsurance operations:		
Intermediaries	2,499	1,929
Amounts payable to insurance and reinsurance undertakings	15,590	24,079
Deposits received from insurance and reinsurance undertakings	38,504	68,842
Sundry creditors	4,630	4,272
II Sundry borrowings and other financial creditors	11,036	11,779
III Provision for staff leaving indemnity	24,554	24,800
IV Other creditors:		
Policyholders' tax due	25,896	23,876
Sundry taxes	6,331	7,603
Sundry creditors	22,363	25,618
V Other liabilities	120,974	123,525
Total creditors and other liabilities	272,376	316,323
TOTAL LIABILITIES	9,402,744	7,006,921

RECLASSIFIED PROFIT AND LOSS ACCOUNT

(Amounts in €K)

	Year 2003			Year 2002		
	Life	Non-Life	Total	Life	Non-Life	Total
TECHNICAL ACCOUNT						
Gross direct business						
(+) Written premiums	1,076,171	1,323,144	2,399,315	616,830	1,211,927	1,828,756
(-) Change in math. provisions and prov. for unearned premiums	827,619	36,012	863,631	303,739	31,248	334,987
(-) Claims incurred	376,287	915,138	1,291,425	357,795	841,134	1,198,929
(+) Balance on other technical items	784	(1,037)	(254)	2,387	(806)	1,581
(-) Operating expenses	48,164	283,157	331,321	41,408	251,809	293,217
(+) Net income from inv. other than Class D investments(1)	150,523	37,666	188,189	113,990	47,509	161,499
(+) Net income from Class D investments(2)	29,640		29,640	(20,565)		(20,565)
Balance on gross direct business	5,048	125,466	130,514	9,700	134,439	144,139
Balance on outward reinsurance	(1,203)	(4,215)	(5,418)	(5,510)	2,627	(2,882)
Balance on net inward reinsurance	100	(147)	(47)	584	(2,647)	(2,062)
Balance on the technical account	3,945	121,103	125,048	4,775	134,420	139,195
NON-TECHNICAL ACCOUNT						
(+) Investment income (3)	24,321	31,794	56,115	0	24,847	24,847
(+) Other income	10,986	44,391	55,377	6,576	35,567	42,143
(-) Other charges	18,584	48,932	67,515	16,503	35,007	51,510
Balance on ordinary activities	20,668	148,356	169,024	(5,152)	159,827	154,675
(+) Extraordinary income	36,473	7,786	44,258	8,537	19,902	28,439
(-) Extraordinary charges	1,267	2,889	4,156	77	8,027	8,104
Profit before taxation	55,874	153,253	209,127	3,308	171,702	175,010
(-) Tax on profit	14,998	60,022	75,020	(99)	72,034	71,935
NET PROFIT (OR LOSS)	40,876	93,231	134,107	3,407	99,668	103,075

(1) Investment income for Life business: after transfers to the non-technical account.

Investment income for Non-Life business: after transfers from the non-technical account.

(2) Income from investments the risk of which is borne by policyholders, matched by a corresponding variation in technical provisions.

The economic result is consequently not affected.

(3) Investment income for Life business: after transfers from the technical account.

Investment income for Non-Life business: after transfers to the technical account.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002**

(€K)

	Share capital	Reserves and undistributed profits				Profit for the fin yr.	TOTAL	
		Share premium reserve	Revaluation reserve	Legal reserve	Reserves for own shares and holding company's shares			Other reserves
BALANCES AS AT 31 DECEMBER 2001	451,273	337,153	20,701	35,059	3,227	240,334	83,178	1,170,925
Resolutions adopted by the General Shareholders' Meeting of 27/04/2002: profit allocation for the financial year 2001								
-legal reserve				8,318			(8,318)	
-extraordinary reserve						26,063	(26,063)	
-dividends paid							(48,796)	(48,796)
Reserve for own shares					4,086	(4,086)		
Reserve ex Legsl. Decree 173/1997, Article 20						(2)		(2)
Conversion of warrants	54,423	150,748				(42,663)		162,507
Conversion of the share capital into Euros								
Profit for the financial year 2002							103,075	103,075
BALANCES AS AT 31 DECEMBER 2002	505,696	487,901	20,701	43,377	7,313	219,647	103,075	1,387,709
Resolutions adopted by the General Shareholders' Meeting of 30/04/2003: profit allocation for the financial year 2002								
-legal reserve				10,308			(10,308)	
-extraordinary reserve						35,867	(35,867)	
-dividends paid							(56,900)	(56,900)
Reserve for own shares					(7,313)	7,313		
Reserve ex Legsl. Decree 173/1997, Article 20						(4)		(4)
Conversion of warrants	3,463	8,242				(1,674)		10,031
Capital increase	397,071	657,536						1,054,607
Profit for the financial year 2003							134,107	134,107
BALANCES AS AT 31 DECEMBER 2003	906,230	1,153,679	20,701	53,684		261,148	134,107	2,529,549

CASH FLOW STATEMENT
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2003 AND 2002

(€K)

	2003	2002
CASH INFLOW		
CASH INFLOW FROM OPERATING ACTIVITIES		
Net profit for the fin. year	134,107	103,075
Net increase in technical provisions of Life and Non-life business	997,868	466,367
Write-down of securities and participating interests	52,127	48,282
Increase (decrease) in sundry funds	12,329	4,990
Decrease in investments in buildings	12,720	70,075
Decrease in loans	0	1,945
(Increase) decrease of receivables and other assets, net of payables and other liabilities	255,547	(204,706)
Decrease in other investments	145,411	0
OTHER CASH INFLOW		
Capital increase in return for payment	1,064,638	162,507
TOTAL CASH INFLOW	2,674,747	652,534
CASH FLOWS WERE INVESTED AS FOLLOWS:		
Increase investments in securities	1,093,381	47,429
Increase investments in participating interests	1,550,006	243,977
Increase in Class D investments	103,250	74,835
Write-ups of securities and participating interests	1,116	2,124
Increase in loans	1,790	0
Other cash investments	0	19,123
Dividends paid	56,900	48,796
TOTAL CASH FLOW INVESTED	2,806,443	436,285
Increase (decrease) in cash and cash equivalents	(131,697)	216,249
TOTAL	2,674,747	652,534
Cash at bank and in hand as at 1 January	410,771	194,522
Cash at bank and in hand as at 31 December	279,074	410,771

LAND AND BUILDINGS WRITE-UPS - SUMMARY STATEMENT

As provided for by Law 72/1983 (Visentini-Bis), Article 10, and Law 413/1991 on the compulsory write-up of corporate property, we detail here below the land and buildings valued in conformity with the aforementioned laws or previous laws, as per type of property owned at year-end and relative amounts.

We also detail the property owned and relative amounts for which the valuation criteria laid down by Article 2426 Italian Civil Code, 1st indent, were departed from in the past (amounts in €).

LAND AND BUILDINGS AT MARKET VALUE

	Law 576/75	Law 72/83	Law 413/91	Total
Buildings for corporate use	1,748	1,985,796	4,339,391	6,326,935
Buildings leased to third parties	9,789	3,406,971	4,783,083	8,199,843
Land		144,823		144,823
Total property	11,537	5,537,590	9,122,474	14,671,601
Città del Mare facilities		26,181		26,181
TOTAL	11,537	5,563,771	9,122,474	14,697,782

WRITE-UPS DEPARTING FROM THE CRITERIA LAID DOWN BY ARTICLE 2426 ITALIAN CIVIL CODE

	Out of mergers	Others	Total
Buildings for corporate use	1,264,156	5,279,675	6,543,831
Buildings leased to third parties	3,234,024	674,694	3,908,718
TOTAL	4,498,180	5,954,369	10,452,549

**STATEMENT OF SHAREHOLDINGS HIGHER THAN 10% AS AT 31 DECEMBER 2003
ACCORDING TO CONSOB CIRC. 11971 OF 14 MAY 1999, ARTICLE 126**

Company name	Registered offices	% held			Total % held (*)
		Dir.	Ind.	Through	
Midi S.r.l.	Bologna	100.00%			100.00%
Smallpart S.p.A.	Bologna	100.00%			100.00%
Unifimm S.r.l.	Bologna	100.00%			100.00%
Unipol SGR S.p.A.	Bologna	100.00%			100.00%
Winterthur Italia Holding S.p.A.	Milan	100.00%			100.00%
BNL Servizi Finanziari S.r.l.	Milan		100.00%	BNL Vita S.p.A.	100.00%
Centro Servizi Missori S.r.l.	Milan		100.00%	Winterthur Assicurazioni S.p.A.	100.00%
Grecale S.r.l.	Bologna		60.00%	Unipol Banca S.p.A.	
			40.00%	Unipol Merchant S.p.A.	100.00%
Immobiliare San Vigilio S.p.A.	Milan		100.00%	Winterthur Assicurazioni S.p.A.	100.00%
NewWin Assicurazioni S.p.A.	Milan		100.00%	Winterthur Assicurazioni S.p.A.	100.00%
Unipol Fondi LTD	Ireland		100.00%	Unipol Banca S.p.A.	100.00%
Unisalute Servizi S.r.l.	Bologna		100.00%	Unisalute S.p.A.	100.00%
Winterthur SIM S.p.A.	Milan		100.00%	Winterthur Assicurazioni S.p.A.	100.00%
Wintervesa S.r.l.	Milan		100.00%	NewWin Assicurazioni S.p.A.	100.00%
Uniservice S.p.A.	Bologna		99.00%	Smallpart S.p.A.	99.00%
Navale Assicurazioni S.p.A.	Ferrara	98.24%			98.24%
Unieuropa S.r.l.	Bologna		98.00%	Smallpart S.p.A.	98.00%
Unipol Banca S.p.A.	Bologna	82.86%	10.00%	Meieaurora S.p.A.	92.86%
Winterthur Vita S.p.A.	Milan	60.22%	29.78%	Winterthur Assicurazioni S.p.A.	90.00%
Winterthur Assicurazioni S.p.A.	Milan	89.99%			89.99%
Unisalute S.p.A.	Bologna	87.44%			87.44%
Meieaurora S.p.A.	Milan	84.61%			84.61%
Compagnia Assicuratrice Linear S.p.A.	Bologna	80.00%			80.00%
Advenia S.r.l.	Milan		75.00%	Winterthur Assicurazioni S.p.A.	75.00%
Unipol Merchant S.p.A.	Bologna		53.47%	Unipol Banca S.p.A.	53.47%
BNL Vita S.p.A.	Milan	50.00%			50.00%
Quadrifoglio Vita S.p.A.	Bologna	50.00%			50.00%
Hotel Villaggio Cdm S.p.A.	Terrasini (PA)	49.00%			49.00%
Assicoop Genova S.p.A. in liq.	Genoa	49.00%			49.00%
Assicoop Ravenna S.p.A.	Ravenna		49.00%	Smallpart S.p.A.	49.00%
Assicoop Siena S.p.A.	Siena		49.00%	Smallpart S.p.A.	49.00%
Assicoop Romagna S.p.A.	Forli		48.00%	Smallpart S.p.A.	48.00%
Assicoop Ferrara S.p.A.	Ferrara		47.40%	Smallpart S.p.A.	47.40%
Assicoop Imola S.p.A.	Imola (BO)		47.34%	Smallpart S.p.A.	47.34%
Assicoop Modena S.p.A.	Modena		47.00%	Smallpart S.p.A.	47.00%
A.P.A. S.p.A.	Parma		46.50%	Smallpart S.p.A.	46.50%
Assicoop Firenze S.p.A.	Florence		44.00%	Smallpart S.p.A.	44.00%
AR.CO. Assicurazioni S.p.A.	Modena		40.00%	Smallpart S.p.A.	40.00%
Assicoop Sicura S.r.l.	Bologna		40.00%	Smallpart S.p.A.	40.00%
CarFlash S.p.A.	Milan		40.00%	Winterthur Assicurazioni S.p.A.	40.00%
Finec Holding S.p.A.	Bologna	37.44%	1.50%	Unipol Merchant S.p.A.	38.94%
Uniaudit S.p.A.	Bologna		35.37%	Unipol Merchant S.p.A.	35.37%
Assicura S.p.A.	Reggio Emilia		35.00%	Smallpart S.p.A.	35.00%
SCS Azioninnova S.p.A.	Bologna		31.49%	Unipol Merchant S.p.A.	31.49%
Euresa Holding s.a.	Luxembourg	24.05%			24.05%
Mediss Health Care Services S.p.A.	Milan		20.00%	Winterthur Assicurazioni S.p.A.	20.00%
Agefin S.p.A.	Bologna		19.90%	Unipol Banca S.p.A.	19.90%
Syneteristiki Insurance s.a.	Greece	16.39%			16.39%
Inarcheck S.p.A.	Milan		15.38%	Smallpart S.p.A.	15.38%
Previnet S.p.A.	Mogliano V. (TV)	14.00%			14.00%
Atlantis Vida s.a.	Spain	12.50%			12.50%
Protos SOA S.p.A.	Rome		10.59%	Smallpart S.p.A.	10.59%

(*) All shareholdings mentioned above are held as owners.

Statements of Solvency Margin

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

STATEMENT OF SOLVENCY MARGIN
(Legislative Decree 175 / 17 March 1995, Article 72 (2))

Financial Year 2003

(Amounts in €K)

Lines of business

Third party liability for land vehicles, aircraft, sea, lake, river and canal vessels; general third party liability; credit; bonds

Accident; health; own damage or loss of land vehicles, railway rolling stock, aircraft, sea, lake, river and canal vessels; goods in transit; fire and natural forces; pecuniary losses; assistance

Other damage to property; legal protection

(Please tick the appropriate box bearing in mind Legislative Decree No. 175/1995, Article 12, (4) concerning lines of business transacted)

I - BASIS OF CALCULATION OF THE SOLVENCY MARGIN FOR THE FIN. YEAR 2003 TAKEN FROM THE ACCOUNTS

<i>Items of the balance sheet - Non-Life insurance business</i>		
(1) Subscribed share capital unpaid	(same as item 1)	
(2) Deferred acquisition commissions	(same as item 4)	15,116
(3) Other intangible assets	(same as items 6, 7, 8 and 9)	8,876
(4) Stocks and shares of holding companies	(same as item 17)	
(5) Own stocks or shares	(same as item 91)	
(6) Subscribed share capital or equivalent funds	(same as item 101)	614,966
(7) Share premium reserve	(same as item 102)	803,615
(8) Revaluation reserves (1)	(same as item 103)	20,701
(9) Legal reserve	(same as item 104)	35,862
(10) Statutory reserves	(same as item 105)	
(11) Reserve for own shares and holding company's shares	(same as item 106)	
(12) Other reserves (2)		167,684
(13) Losses brought forward	(same as item 108 (*))	
(14) Loss for the financial year	(same as item 109 (*))	
(15) Profits brought forward	(same as item 108)	
(16) Profits for the financial year	(same as item 109)	93,231
(17) Subordinated liabilities (3)	(included in item 111)	390,000
<i>Items of the profit and loss account - financial year 2003</i>		
(18) Gross premiums written	(same as item 1)	1,373,865
(19) Claims paid - gross amount	(same as item 8)	852,558
(20) Claims paid - reinsurers' share	(same as item 9)	62,641
(21) Change in the sums recoverable - gross amount	(same as item 11)	13,554
(22) Change in the sums recoverable - reinsurers' share	(same as item 12)	812
(23) Change in the provision for outstanding claims - gross amount	(see Annex)	125,534
(24) Change in the provision for outstanding claims - reinsurers' share	(same as item 15)	11,855
(25) Charges directly related to premiums (4)		497
(1) State the amount of the supplementary provision, if any, set up in accordance with Legislative Decree 175 / 1995, Article 28 (4)		
(2) Specify the other reserves of item 107 excluding, for the first three years, the organisation fund referred to in Legislative Decree 175 / 1995, Article 12:		
	RESERVE FOR OWN SHARES AND HOLDING COMPANY'S SHARES	113,634
	EXTRAORDINARY RESERVE	36,336
	OTHER RESERVES	17,388
	RESERVE ACCORDING TO REGIONAL LAW 46 / 18 APRIL 1967 (SICILY)	326
(3) State the subordinated liabilities as defined by Legislative Decree 175 / 1995, Article 33 (2) (g) (h), and specify:		
	- loans having a fixed maturity date	390,000
	- loans with no fixed maturity date	
	- securities with unlimited duration and other financial instruments	
(4) Specify the charges:		
	FEES DUE TO THE SUPERVISORY AUTHORITY	474
	FEES DUE TO THE NATIONAL REGISTER FOR WORK-RELATED INJURIES	23

(*) state the absolute value of the loss

I - BASIS OF CALCULATION OF THE SOLVENCY MARGIN FOR THE FIN. YEAR 2003 TAKEN FROM THE ACCOUNTS

(continued)

<i>Items of the profit and loss account - financial years prior to 2003</i>		
(26)	Claims paid in the fin. year 2002: gross amount	(same as item 8) 839,623
(27)	Change in the sums recoverable in the fin. year 2002: gross amount	(same as item 11) 21,925
(28)	Change in the provision for outstanding claims in the fin. year 2002: gross amount	(see Annex) 59,436
(29)	Claims paid in the fin. year 2001: gross amount	(same as item 8) 789,766
(30)	Change in the sums recoverable in the fin. year 2001: gross amount	(same as item 11) 26,002
(31)	Change in the provision for outstanding claims in the fin. year 2001: gross amount	(see Annex) 65,561
<i>Items to be filled in by companies which only or mainly write 'special risks' (**)</i>		
(32)	Claims paid in the fin. year 2000: gross amount	(same as item 8)
(33)	Change in the provision for outstanding claims in the fin. year 2000: gross amount	(see Annex)
(34)	Claims paid in the fin. year 1999: gross amount	(same as item 8)
(35)	Change in the provision for outstanding claims in the fin. year 1999: gross amount	(see Annex)
(36)	Claims paid in the fin. year 1998: gross amount	(same as item 8)
(37)	Change in the provision for outstanding claims in the fin. year 1998: gross amount	(see Annex)
(38)	Claims paid in the fin. year 1997: gross amount	(same as item 8)
(39)	Change in the provision for outstanding claims in the fin. year 1997: gross amount	(see Annex)

(**) 'Special risks' cover credit, storm, hail and frost

II - ITEMS COVERING THE SOLVENCY MARGIN

(40) = (6) - (1)	Paid-up share capital or equivalent fund	614,966
(41)	One half of the subscribed share capital or equivalent fund unpaid provided at least 50% of that share capital or fund has been paid up	
	Reserves not covering specific commitments or rectifying asset items:	
(42) = (9)	legal reserve	35,862
(43)	free reserves	992,000
	Profits carried forward:	
(44)	undistributed profits from prior fin. years (*)	
(45)	undistributed profit for the fin. year (*)	14,335
(46)	Receivables of undefined-contribution mutual insurance companies towards their members within the limits provided for by Legislative Decree 175 / 1995, Article 33 (2) (f)	
(47)	Total subordinated liabilities (the amount shall not exceed 50% of the amount at line (79) of which:	50,696
(48)	loans having a fixed maturity date (the amount shall not exceed 25% of the amount at line (79))	50,696
(49)	loans with no fixed maturity date	
(50)	securities with unlimited duration and other financial instruments	
(51)	<i>Total (40) to (47)</i>	1,707,859
(52) = 0,4 x (2)	Deferred acquisition commissions	6,047
(53) = (3)	Other intangible assets	8,876
(54) = (4) + (5)	Own stocks or shares and stocks or shares of holding companies	
(55) = (13) + (14)	Loss for the financial year and losses carried forward	
(56)	<i>Total (52) to (55)</i>	14,923
(57) = (51) - (56)	<i>Total of the items covering the solvency margin and corresponding to the shareholders' equity of the Company</i>	1,692,936

(41) = (1) / 2 se (40) ≥ (6) / 2

(43) = (7) + (8) + (10) + (11) + (12)

(*) State only the amounts which, based on the resolution of the General Shareholders' Meeting, are included to all effects in the shareholders' equity of the company

III - AMOUNT OF THE SOLVENCY MARGIN TO BE COVERED

<i>(A) Calculation based upon the annual amount of premiums and contributions</i>				
(58) = (18) - (25)	Gross premiums written in the fin. year, net of charges directly related to premiums		1,373,368	
	to be divided:			
(59)	less than €10,000,000 =	10,000	× 0.18 =	1,800
(60)	more than €10,000,000 =	1,363,368	× 0.16 =	218,139
(61)	<i>Total a), (59) + (60)</i>			219,939
(62)	Retention level (g) in relation to claims paid in the year after reinsurance cessions			
	(minimum 0.500)		0.922	
(63)	<i>Solvency margin a) × g), (61) × (62)</i>			202,784
<i>(B) Calculation based on the average cost of claims for the last three financial years or for the last seven financial years if the undertaking only or mainly writes 'special risks'</i>				
(64)	Claims paid in the aforementioned period: gross amount		2,481,947	
(65)	Change in the provision for outstanding claims in the aforementioned period: gross amount		250,531	
(66)	Change in the sums recoverable in the aforementioned period: gross amount		61,481	
(67)	Cost of claims		2,670,997	
(68)	Annual average : 1/3 or 1/7 of (67)		890,332	
	to be divided:			
(69)	less than €7,000,000 =	7,000	× 0.26 =	1,820
(70)	more than €7,000,000 =	883,332	× 0.23 =	203,166
(71)	<i>Total b), (69) + (70)</i>			204,986
(72)	<i>Solvency margin b) × g), (62) × (71)</i>			188,997
<i>(C) Situation of the solvency margin and of the minimum guarantee fund</i>				
(73) = (63)	Solvency margin calculated upon the annual amount of premiums or contributions		202,784	
(74) = (72)	Solvency margin calculated upon the average cost of claims		188,997	
(75)	<i>The higher between (73) and (74)</i>			202,784
(76)	Guarantee fund: 1/3 of (75)		67,595	
(77)	Minimum guarantee fund pursuant to Legislative Decree 175 / 1995, Article 39 (2) (3) (4) (5)		400	
(78)	<i>Guarantee fund (the higher between (76) and (77))</i>			67,595
(79)	<i>Solvency margin to be covered (the higher between (75) and (78))</i>			202,784
(80) = (57)	<i>Total items covering the solvency margin (part II)</i>			1,692,936
(81) = (80) - (79)	<i>Surplus (deficit)</i>			1,490,152

(62) = 1 - [(20) - (22) + (24)] / [(19) - (21) + (1 Annex)]

(64) = (19) + (26) + (29); if the undertaking writes 'special risks', add items (32) + (34) + (36) + (38)

(65) = (23) + (28) + (31); if the undertaking writes 'special risks', add items (33) + (35) + (37) + (39)

(66) = (21) + (27) + (30)

(67) = (64) + (65) - (66)

(*) If the undertaking has been operational for less than 3 (7) years, the average must be based on the number of years of activity

Annex to the statement of solvency margin - Non-Life insurance business

(Amounts in €K)

	Financial years						
	2003	2002	2001	2000	1999	1998	1997
(1) Change in the provision for outstanding claims: gross amount (item 14 profit and loss account)	111,614	65,545	86,205				
Provision for outstanding claims of the fin. year and of prior financial years - portfolio movements *:							
- costs							
(2) - out of risks written as direct insurance business							
(3) - out of risks ceded on direct insurance business	27,865	31,782	29,516				
(4) - out of risks accepted as inward reinsurance business	15,249	22,822	20,643				
(5) - out of risks ceded on inward reinsurance business	91	1,647	2,405				
- income							
(6) - from risks written as direct insurance business							
(7) - from risks ceded on direct insurance business	37,015	29,469	30,971				
(8) - from risks accepted as inward reinsurance business	14,782	19,302	18,638				
(9) - from risks ceded on inward reinsurance business	156	1,445	3,525				
Change in exchange difference on provision for claims outstanding as at 1 January							
- out of risks written as direct insurance business:							
(10) - costs	72	117	72				
(11) - income							
- out of risks accepted as inward reinsurance business:							
(12) - costs	807	2,530	49				
(13) - income	17	56	665				
(14) total change in exchange differences (11 + 13 - 10 - 12)	-862	-2,590	688				

Change in the provision for outstanding claims: gross amount to be used to calculate the solvency margin:

Amount	Corresponding items of the statement of the solvency margin
	item 23 sect. I
125,534	item 28 sect. I
59,436	item 31 sect. I
65,561	
	(1+6+8+14)
	(1-2-4+6+8+14) **
	(1-2-4) ***

* Costs and income of portfolio movements relating to the financial year and to prior financial years must be indicated without offsetting: the balance between withdrawals and cessions must therefore not be calculated.

** In the case of 'special risks', the amount must also be calculated for the financial years 2001, 2000, 1999, 1998 (items 31, 33, 35, 37 sect. I)

*** In the case of 'special risks', the amount must also be calculated for the financial year 1997 (item 39 sect. I)

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

The Company legal representatives (*)

The Chairman (**)

Giovanni Consorte (**)

_____ (**)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

For internal use of the Company Register

Date of receipt

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

(**) Please indicate the functions of the signatory

Company **COMPAGNIA ASSICURATRICE UNIPOL S.p.A.**

STATEMENT OF SOLVENCY MARGIN
(Legislative Decree 174 / 17 March 1995, Article 61 (2))

Financial Year 2003

(Amounts in €K)

Lines of business for which the solvency margin has been calculated

- | | |
|---|-------------------------------------|
| I - Life assurance | <input checked="" type="checkbox"/> |
| II - Marriage assurance, birth assurance | <input type="checkbox"/> |
| III - The assurance referred to in Items I and II, linked to investment funds | <input checked="" type="checkbox"/> |
| IV - Permanent health insurance, under EEC Directive 79/267 of 5 March 1979, Article 1 (1) (d) | <input type="checkbox"/> |
| V - Capital redemption operations, under Legislative Decree 174 / 17 March 1995, Article 40 | <input checked="" type="checkbox"/> |
| VI - Management of pension funds set up to provide benefits
on death, on survival or upon termination or reduction of working life | <input checked="" type="checkbox"/> |
| Ancillary risks (insurance against personal injury) | <input type="checkbox"/> |

I - BASIS OF CALCULATION OF THE SOLVENCY MARGIN FOR THE FINANCIAL YEAR 2003 TAKEN FROM THE ACCOUNTS

<i>Items of the balance sheet - Life assurance business</i>		
(1) Subscribed share capital unpaid	(same as item 1)	
(2) Deferred acquisition commissions	(same as item 3)	16,877
(3) Other intangible assets	(same as items 6, 7, 8 and 9)	2,009
(4) Stocks and shares of holding companies	(same as item 17)	
(5) Own stocks or shares	(same as item 91)	
(6) Subscribed share capital or equivalent funds	(same as item 101)	291,265
(7) Share premium reserve	(same as item 102)	350,064
(8) Revaluation reserves (1)	(same as item 103)	
(9) Legal reserve	(same as item 104)	17,822
(10) Statutory reserves	(same as item 105)	
(11) Reserve for own shares and holding company's shares	(same as item 106)	
(12) Other reserves (2)		93,454
(13) Losses brought forward	(same as item 108 (*))	
(14) Loss for the financial year	(same as item 109 (*))	
(15) Profits brought forward	(same as item 108)	
(16) Profit for the financial year	(same as item 109)	40,876
(17) Subordinated liabilities (3)	(included in item 111)	210,000
(18) Profit for the financial year 2003	} If used to cover the solvency margin, according to Legislative Decree 174/1995, Article 33 (2) (b/1)	
(19) Profit for the financial year 2002		
(20) Profit for the financial year 2001		
(21) Profit for the financial year 2000		
(22) Profit for the financial year 1999		
(23) Average residual contractual life as at 31.12.2003		
(24) Mathematical provision based on pure premiums		4,005,701
(25) Mathematical provision based on pure premiums, relating to ceded risks		1,566
(26) Mathematical provision based on pure premiums, increased by the pro-rata amortization of acquisition costs included in gross premiums		3,946,583
(27) Mathematical provision, same as at item (26), relating to reinsurance cessions		1,543
(28) Sum of the differences between 'Life' capital amounts and mathematical provisions, for all contracts for which premium payments are still ongoing		1,501,494
CAUTION: all items relating to outward reinsurance business do not include the amounts due to CONSAP out of former compulsory cessions		
(1) State the amount of the supplementary provision, if any, set up in accordance with Legislative Decree 174/1995, Article 27 (4)		
(2) Specify the other reserves of item 107 excluding, for the first three years, the organisation fund referred to in Legislative Decree 174 / 1995, Article 10 (5):		
EXTRAORDINARY RESERVE		51,496
RESERVE FOR OWN SHARES AND HOLDING COMPANY'S SHARES		30,366
OTHER RESERVES		11,592
(3) State the subordinated liabilities as defined by Legislative Decree 174 / 1995, Article 33 (2) (a) (7) (8) and specify:		
- loans having a fixed maturity date		210,000
- loans with no fixed maturity date		
- securities with unlimited duration and other financial instruments		

(*) State the absolute value of the loss

I - BASIS OF CALCULATION OF THE SOLVENCY MARGIN FOR THE FINANCIAL YEAR 2003 TAKEN FROM THE ACCOUNTS

(continued)

<i>III - Life assurance, marriage assurance, birth assurance</i>		
(29)	Mathematical provisions relating to direct business	2,446,148
(30)	Mathematical provisions relating to inward reinsurance	11,773
(31)	Mathematical provisions relating to outward reinsurance	1,566
(32)	Non-negative sums at risk at the charge of the Company	4,181,638
(33)	Non-negative sums at risk at the charge of the Company after cessations and retrocessions	3,476,207
(34)	Non-negative sums at risk at the charge of the Company, relating to term assurance contracts on death having a period of validity of up to three years	521,036
(35)	Non-negative sums at risk at the charge of the Company, relating to term assurance contracts on death having a period of validity of more than three but less than, or equal to, five years	65,675
<i>Supplementary insurance - insurance against personal injury</i>		
(36)	Gross premiums written	
(37)	Claims paid in the financial year 2003: gross amount	
(38)	Claims paid in the financial year 2003: reinsurers' share	
(39)	Change in the provision for outstanding claims in the fin. year 2003: gross amount (same as item 15 of the Annex)	
(40)	Change in the provision for outstanding claims in the fin. year 2003: reinsurers' share	
(41)	Claims paid in the financial year 2002: gross amount	
(42)	Change in the provision for outstanding claims in the fin. year 2002: gross amount (same as item 16 of the Annex)	
(43)	Claims paid in the financial year 2001: gross amount	
(44)	Change in the provision for outstanding claims in the fin. year 2001: gross amount (same as item 17 of the Annex)	
<i>IV/V - Permanent health insurance and capital redemption operations</i>		
(45)	Mathematical provisions relating to direct business	959,162
(46)	Mathematical provisions relating to inward reinsurance	
(47)	Mathematical provisions relating to outward reinsurance	
<i>III/VI - Assurance business linked to investment funds and management of pension funds</i>		
Where the investment risk is borne by the Company:		
(48)	Provisions relating to direct business	89,333
(49)	Provisions relating to inward reinsurance	
(50)	Provisions relating to outward reinsurance	
Where the investment risk is not borne by the Company and contracts fix the amount of management fees for more than five years:		
(51)	Provisions relating to direct business	32,087
(52)	Assets relating to pension funds managed in the name and on behalf of third parties	
Where the mortality risk is borne by the Company:		
(53)	Non-negative sums at risk at the charge of the Company	11,537
(54)	Non-negative sums at risk at the charge of the Company after cessations and retrocessions	11,537

II - ITEMS COVERING THE SOLVENCY MARGIN

<i>Items A)</i>		
(55) = (6) - (1)	Paid-up share capital or equivalent fund	291,265
(56)	One half of the subscribed share capital or equivalent fund unpaid provided at least 50% of that share capital or fund has been paid up	
Reserves not covering specific commitments or rectifying asset items:		
(57) = (9)	legal reserve	17,822
(58)	free reserves	443,518
Profits carried forward:		
(59)	undistributed profits from prior fin. years (*)	
(60)	undistributed profit for the fin. year (*)	4,088

(*) State only the amounts which, based on the resolution of the General Shareholders' Meeting, are included to all effects in the shareholders' equity of the company

II - ITEMS COVERING THE SOLVENCY MARGIN (continued)

(61)	Receivables of undefined-contribution mutual insurance companies towards their members within the limits provided for by Legislative Decree 174 / 1995, Article 33 (2) (a) (6)	
(62)	Total subordinated liabilities (the amount shall not exceed 50% of the amount at line 117) of which:	37,498
(63)	loans having a fixed maturity date (the amount shall not exceed 25% of the amount at line 117)	37,498
(64)	loans with no fixed maturity date	
(65)	securities with unlimited duration and other financial instruments	
(66)	<i>Total (55) to (62)</i>	794,190
(67)	Deferred acquisition commissions, referred to in Legislative Decree 174 / 1995, Article 33 (3)	
(68) = (3)	Other intangible assets	2,009
(69) = (4) + (5)	Own stocks or shares and stocks or shares of holding companies	
(70) = (13) + (14)	Loss for the financial year and losses carried forward	
(71)	<i>Total (67) to (70)</i>	2,009
(72)	<i>Total items A) = (66) - (71)</i>	792,181
<i>Items B)</i>		
(73)	50% of future profits	
(74)	Difference between the mathematical provision based on pure premiums taken from the accounts, less the said mathematical provision relating to ceded risks and the corresponding mathematical provision based on pure premiums increased by the pro-rata amortization of acquisition costs included in gross premiums (within the limits referred to in Legislative Decree 174 / 1995, Article 33 (2) (b) (2))	
(75)	<i>Total items B) = (73) + (74)</i>	
(76)	<i>Total of the items covering the solvency margin and corresponding to the shareholders' equity of the Company (of which items B%) Total items A) and B) = (72) + (75)</i>	792,181

$$(56) = (1) / 2 \text{ if } (55) \geq (6) / 2; (56) = 0 \text{ if } (55) < (6) / 2$$

$$(58) = (7) + (8) + (10) + (11) + (12)$$

$$(67) = (2) - [(24) - (25) - (26) + (27)] \text{ provided it is positive}$$

$$(73) = [1 / 2] \times \frac{[(18) + (19) + (20) + (21) + (22) \times (23)]}{5} \text{ where } (23) \leq 10$$

$$(74) = [(24) - (25) - (26) + (27)] - (2) \text{ provided it is positive and } [(24) - (25) - (26) + (27)] \leq [3,5 / 100] \times (28)$$

III - AMOUNT OF THE SOLVENCY MARGIN TO BE COVERED

<i>A) Life assurance, marriage assurance, birth assurance</i>		
(77)	4/100 of mathematical provisions relating to direct business and inward reinsurance	98,317
(78)	retention rate relating to said provisions (minimum 0.85)	0,999
(79)	<i>(77) x (78)</i>	98,219
Contracts whose sums at risk are not negative (excluding term assurance policies on death referred to in the following items)		
(80)	0.3/100 of sums at risk	10,785
Contracts whose sums at risk are not negative (term assurance policies on death having a period of validity of up to three years):		
(81)	0.1/100 of sums at risk	521
Contracts whose sums at risk are not negative (term assurance policies having a period of validity of more than three but less than, or equal to, five years):		
(82)	0.15/100 of sums at risk	99
(83)	<i>Total (80) + (81) + (82)</i>	11,404
(84)	retention rate relating to sums at risk (minimum 0.50)	0,831
(85)	<i>(83) x (84)</i>	9,477
(86)	<i>Margin A), (79) + (85)</i>	107,696

$$(77) = [4 / 100] \times [(29) + (30)]$$

$$(78) = [(29) + (30) - (31)] / [(29) + (30)]$$

$$(80) = [0,3 / 100] \times [(32) - (34) - (35)]$$

$$(81) = [0,1 / 100] \times (34)$$

$$(82) = [0,15 / 100] \times (35)$$

$$(84) = (33) / (32)$$

III - AMOUNT OF THE SOLVENCY MARGIN TO BE COVERED (continued)

<i>B) Ancillary risks - insurance against personal injury (item B of the table referred to in Annex I to Legislative Decree 174 / 1995)</i>					
<i>b1) Calculation based upon the annual amount of premiums and contributions</i>					
(87) = (36)	Gross premiums written to be divided:				
(88)	less than €10,000,000	= x 0.18 =		
(89)	more than €10,000,000	= x 0.16 =		
(90)	<i>Total (88) + (89)</i>				
(91)	Retention level in relation to claims of the year borne by the Company after reinsurance cessions (minimum 0.50)			
(92)	<i>Solvency margin, (90) x (91)</i>				
<i>b2) Calculation based on the average cost of claims for the last three financial years</i>					
(93)	Claims paid in the aforementioned period: gross amount				
(94)	Change in the provision for outstanding claims in the aforementioned period: gross amount				
(95)	Cost of claims				
(96)	Annual average: 1/3 of (95) to be divided:				
(97)	less than €7,000,000	= x 0.26 =		
(98)	more than €7,000,000	= x 0.23 =		
(99)	<i>Total (97) + (98)</i>				
(100)	<i>Solvency margin, (99) x (91)</i>				
(101)	<i>Margin B), (the higher between (92) and (100))</i>				
<i>C) Permanent health insurance and capital redemption operations</i>					
(102)	4/100 of mathematical provisions relating to direct business and inward reinsurance			38,366	
(103)	retention rate relating to said provisions (minimum 0.85)			1.000	
(104)	<i>Margin C), (102) x (103)</i>				38,366
<i>D) Assurance business linked to investment funds and management of pension funds</i>					
Where the investment risk is borne by the Company					
(105)	4/100 of mathematical provisions relating to direct business and inward reinsurance			3,573	
(106)	retention rate relating to said provisions (minimum 0.85)			1.000	
(107)	<i>(105) x (106)</i>			3,573	
Where the investment risk is not borne by the Company, provided contracts fix the management fees for more than five years					
(108)	1/100 of gross provisions relating to direct business and inward reinsurance			321	
Where the mortality risk is borne by the Company					
(109)	0.3/100 of non-negative sums at risk			35	
(110)	retention rate of sums at risk (minimum 0.50)			1.000	
(111)	<i>(109) x (110)</i>			35	
(112)	<i>Margin D), (107) + (108) + (111)</i>				3,929
Situation of the solvency margin					
(113)	Global solvency margin to be covered (86) + (101) + (104) + (112)				149,991
(114)	Guarantee fund: 1/3 of (113)			49,997	
(115)	Minimum guarantee fund pursuant to Legislative Decree 174 / 1995, Article 36 (2)			800	
(116)	<i>Guarantee fund (the higher between (114) and (115))</i>			49,997	
(117)	<i>Solvency margin to be covered (the higher between (113) and (116))</i>				149,991
(118) = (76)	<i>Total items covering the solvency margin</i>				792,181
(119) = (118) - (117)	<i>Surplus (deficit)</i>				642,191

$$(91) = 1 - [(38) + (40)] / [(37) + (1 \text{ Annex})]$$

$$(93) = (37) + (41) + (43)$$

$$(94) = (39) + (42) + (44)$$

$$(95) = (93) + (94)$$

$$(102) = [4 / 100] \times [(45) + (46)]$$

$$(103) = [(45) + (46) - (47)] / [(45) + (46)]$$

$$(105) = [4 / 100] \times [(48) + (49)]$$

$$(106) = [(48) + (49) - (50)] / [(48) + (49)]$$

$$(108) = [1 / 100] \times [(51) + (52)]$$

$$(109) = [0,3 / 100] \times (53)$$

$$(110) = (54) / (53)$$

Annex to the statement of solvency margin - ancillary risks (insurance against personal injury)

(Amounts in €K)

	Financial years		
	2003	2002	2001
(1) Change in the provision for outstanding claims: gross amount (including item 48 of the profit and loss account)			
Portfolio movements relating to the provision for outstanding claims of the fin. year and of prior financial years*:			
- costs			
(2) - out of risks written as direct insurance business			
(3) - out of risks ceded on direct insurance business			
(4) - out of risks accepted as inward reinsurance business			
(5) - out of risks ceded on inward reinsurance business			
- income			
(6) - from risks written as direct insurance business			
(7) - from risks ceded on direct insurance business			
(8) - from risks accepted as inward reinsurance business			
(9) - from risks ceded on inward reinsurance business			
Change in exchange difference on provision for outstanding claims as at 1 January			
- out of risks written as direct insurance business:			
(10) - costs			
(11) - income			
- out of risks accepted as inward reinsurance business:			
(12) - costs			
(13) - income			
(14) total change in exchange differences (11 + 13 - 10 - 12)			

Change in the provision for outstanding claims: gross amount to be used to calculate the solvency margin:

Amount	Corresponding items of the statement of the solvency margin
(15) financial year 2003 (1+6+8+14)	item 39 sect. I
(16) financial year 2002 (1-2-4+6+8+14)	item 42 sect. I
(17) financial year 2001 (1-2-4)	item 44 sect. I

* Costs and income of portfolio movements relating to the financial year and to prior financial years must be indicated without offsetting: the balance between withdrawals and allocations must therefore not be calculated.

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

The Company legal representatives (*)

The Chairman (**)

Giovanni Consorte (**)

_____ (**)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

The Actuary undersigned, who has been charged to carry out the investigation and valuation referred to in Legislative Decree 174 / 1995, Article 24 (3), declares that the basis of calculation and the amount of the solvency margin to be covered are in accordance with Article 35 of the said Legislative Decree.

The Actuary
Antonella Rigaccini

For internal use of the Company Register

Date of receipt

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

(**) Please indicate the functions of the signatory

**STATEMENT OF SOLVENCY MARGIN
BY UNDERTAKINGS TRANSACTING BOTH
LIFE ASSURANCE BUSINESS AND NON-LIFE INSURANCE BUSINESS**
(Legislative Decree 174 / 17 March 1995, Article 61 (2),
Legislative Decree 175 / 17 March 1995, Article 72 (2))

		(Amounts in €K)		
Corresponding items from the statements of solvency margin Life assurance business and Non-Life insurance business	Life assurance business	Non-Life insurance business	Total	
Solvency margin to be covered Life business (117); Non-Life business (79)	149,991 ¹¹	202,784 ²¹	352,774	(a)
Items covering the solvency margin Life business, items A (72); Non-Life business (57)	792,181 ¹²	1,692,936 ²²	2,485,117	(b)
Life business, items B (75)				(c)
Total of the items covering the solvency margin	792,181 ¹⁴	1,692,936 ²⁴	2,485,117	(b + c)
Surplus / deficit of the items covering the solvency margin in respect of the solvency margin to be covered	642,191 ¹⁵	1,490,152 ²⁵	2,132,343	d = [(b + c) - a]
Usage of explicit items of the solvency margin still available in conformity with Legislative Decree 174 / 1995, Article 21 (3) (based on Legislative Decree 174 / 1995, Article 33 (2) (a), and Legislative Decree 175 / 1995, Article 33 (2)),				(e)
	642,191 ¹⁷	1,490,152 ²⁷	2,132,343	f = (d + e)

N.B. (e) always ≤ (d)
(e) always ≤ (b)

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

The Company legal representatives (*)

The Chairman _____ (**)

Giovanni Consorte _____ (**)

_____ (**)

The Statutory Auditors

U. Melloni

O. Caffagni

L. Roffinella

For internal use of the Company Register

Date of receipt

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

(**) Please indicate the functions of the signatory

Statement of Assets

Matching the Technical Provisions

Company

COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.

**STATEMENT OF ASSETS
MATCHING THE TECHNICAL PROVISIONS
(pursuant to Legislative Decree 175 of 17 March 1995, Article 31 (6))**

Financial year **2003**

(Amounts in €)

TECHNICAL PROVISIONS	As at 31 December 2003	As at 31 December 2002
Technical provisions to be matched	5 1,982,533,069	7 1,834,883,943

ASSETS DESCRIPTION	Ceiling	As at 31 December 2003		As at 31 December 2002	
		Values	%	Values	%
A INVESTMENTS					
A.1 <i>Debt securities and equivalent assets</i>					
A.1.1a Securities issued or guaranteed by zone A countries according to directive 89/647/EEC, or issued by local or public bodies of EU Member States or international organisations of which one or more of the EU Member States are members. They are traded in regulated markets.	9	242,356,468	12.2%	36,261,296	2.0%
A.1.1b Securities issued or guaranteed by zone A countries according to directive 89/647/EEC, or issued by local or public bodies of EU Member States or international organisations of which one or more of the EU Member States are members. They are not traded in regulated markets.	13	6,123,107	0.3%	6,123,107	0.3%
A.1.2a Bonds and equivalent securities traded in regulated markets.	17	292,209,078	14.7%	296,231,642	16.1%
A.1.2b Bonds and equivalent securities not traded in regulated markets and issued by undertakings or credit institutions having their registered offices in zone A countries, whose financial statements have been audited by independent, duly authorized, auditors for at least three years.	21	8,353,066	0.4%	8,755,158	0.5%
A.1.3 Bonds and equivalent securities, other than those indicated at previous items, provided their maturity date is within a year.	25		26	27	28
A.1.4 Units in undertakings for collective investment in transferable securities (UCITS).	29	21,719,451	1.1%	52,841,755	2.9%
A.1.5 Repo securities, with obligation to repurchase and deposit of securities with a credit institution.	20%	33 180,116,842	9.1%	83,009,985	4.5%
A.1.6 Banker's acceptances granted to or issued by credit institutions having their registered offices in zone A countries.	37		38	39	40
A.1.7 Financial bills referred to in Law 43 of 13 January 1994.	41		42	43	44
Sub-total A.1.6+A.1.7	10%	45	46	47	48
A.1.8 Accrued income from interest on admissible securities.	49	8,248,516	0.4%	4,630,341	0.3%
Total A.1	85%	53 759,126,528	38.3%	487,853,284	26.6%
<i>to carry forward</i>		759,126,528		487,853,284	

	<i>carried forward</i>			759,126,528			487,853,284	
A.2	Mortgage and interest-bearing loans backed by mortgages, banking or insurance guarantees or other suitable guarantees granted by local bodies.	20%	57	16,094,231		0.8%	18,070,420	1.0%
A.3	<i>Equities and equivalent assets</i>							
A.3.1a	Equities traded in regulated markets.		61	330,340,787		16.7%	293,855,824	16.0%
A.3.1b	Shares of the Bank of Italy, shares of co-operative societies and equities not traded in regulated markets, issued by undertakings having their registered office in zone A countries, whose financial statements have been audited by independent, duly authorized, auditors for at least three years.		65	159,759,537		8.1%	162,681,844	8.9%
A.3.2	Warrants traded in regulated markets.	3%	69		70		71	72
A.3.3	Units in undertakings for collective investment in transferable securities (UCITS).		73	5,016,487		0.3%	1,666,861	0.1%
A.3.4	Units and shares of closed investment funds in transferable securities, located in EU Member States and traded in regulated markets.	5%	77	516,456	78	0.0%	516,456	80 0.0%
	Total A.3	25%	81	495,633,267	82	25.0%	458,720,985	84 25.0%
A.4	<i>Land and buildings</i>							
A.4.1	Land, buildings and beneficial use of property, for the portions free from mortgages.		85	313,218,641	86	15.8%	329,140,720	88 17.9%
A.4.2	Leased buildings.	10%	89		90		91	92
A.4.3	Shareholdings in property companies where the Company holds more than 50% of the capital and whose sole purpose is the construction or management of non-luxury residential buildings or industrial or commercial buildings or buildings used for agricultural business. The amount corresponds to the book value up to the market value of the buildings i.r.o. the shareholding held, net of all liabilities shown in the accounts of the relevant property companies.		93	73,861,304	94	3.7%	49,580,685	96 2.7%
A.4.4	Units and shares of closed property investment funds located in Member States.	5%	97		98		99	100
	Total A.4	40%	101	387,079,945	102	19.5%	378,721,405	104 20.6%
	TOTAL A		105	1,657,933,971	106	83.6%	1,343,366,094	108 73.2%
B	RECEIVABLES							
B.1	Receivables from reinsurers net of payables, including their shares of technical provisions, duly documented, up to 90% of their amount.		109	79,902,870	110	4.0%	81,955,971	112 4.5%
	<i>to carry forward</i>			1,737,836,841			1,425,322,065	

	<i>carried forward</i>		1,737,836,841			1,425,322,065	
B.2	Deposits and receivables net of payables with ceding undertakings, duly documented, up to 90% of their amount.						
		113		114		115	116
B.3.1	Receivables from policyholders net of payables, arising out of direct insurance business, provided they have become due less than three months before.						
		117	110,000,000	118	5.5%	119	85,000,000 120 4.6%
B.3.2	Receivables from intermediaries net of payables, arising out of direct insurance and reinsurance business, provided they have become due less than three months before.						
		121	7,000,000	122	0.4%	123	39,000,000 124 2.1%
B.4	Receivables arising out of rescue or subrogation.						
			3%	125		126	127 128
B.5	Tax credits assessed once and for all or for which the assessment term is overdue.						
			5%	129		130	131 132
B.6	Receivables from guarantee funds net of payables.						
			5%	133		134	135 136
	TOTAL B						
		137	196,902,870	138	9.9%	139	205,955,971 140 11.2%
C	OTHER ASSETS						
C.1	Tangible fixed assets used by the Company to carry on its activity, other than land and buildings, up to 30% of their book value adjusted with its relevant amortization fund.						
		141		142		143	144
C.2	Tangible fixed assets which are not for corporate business, other than land and buildings and duly documented, up to 10% of their book value.						
		145		146		147	148
	Sub-total C.1 + C.2						
			5%	149		150	151 152
C.3	Deferred acquisition commissions up to 90% of their amount.						
		153	13,604,639	154	0.7%	155	11,956,721 156 0.7%
C.4	Accrued income from rents up to 30% of their amount.						
		157		158		159	160
	TOTAL C						
		161	13,604,639	162	0.7%	163	11,956,721 164 0.7%
	TOTAL B + C - B1						
			25%	165		166	6.6% 167 135,956,721 168 7.4%
D	Bank deposits, deposits with other credit institutions or any other institution authorized by the relevant supervisor authority to receive deposits, net of payables.						
			15%	169		170	5.8% 171 273,605,157 172 14.9%
E	Other asset items authorized by ISVAP pursuant to Legislative Decree 175/1995, Article 27 (5)						
		173		174		175	176
	GRAND TOTAL MATCHING ASSETS						
		177	1,982,533,069	178	100.0%	179	1,834,883,943 180 100.0%
	Sub-total A.1.1b + A.1.2b + A.1.3 + A.3.1b						
			10%	181		182	8.8% 183 177,560,109 184 9.7%

FORM 1

Company **COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.**

**STATEMENT OF ASSETS
MATCHING THE TECHNICAL PROVISIONS
(pursuant to Legislative Decree 174 of 17 March 1995, Article 31 (6))**

Financial year **2003**

(Amounts in €)

TECHNICAL PROVISIONS		As at 31 December 2003	As at 31 December 2002
Technical provisions (a)	1	3,454,029,626	2,730,624,286
Legal cessions (-) (b)	3		
Technical provisions to be matched (a)-(b)	9	3,454,029,626	2,730,624,286

ASSETS DESCRIPTION	Ceiling	As at 31 December 2003		As at 31 December 2002	
		Values	%	Values	%
A INVESTMENTS					
A.1 <i>Debt securities and equivalent assets</i>					
A.1.1a Securities issued or guaranteed by zone A countries according to directive 89/647/EEC, or issued by local or public bodies of EU Member States or international organisations of which one or more of the EU Member States are members. They are traded in regulated markets.		13	1,289,910,375	37.3%	523,167,905
A.1.1b Securities issued or guaranteed by zone A countries according to directive 89/647/EEC, or issued by local or public bodies of EU Member States or international organisations of which one or more of the EU Member States are members. They are not traded in regulated markets.		17		18	19
A.1.2a Bonds and equivalent securities traded in regulated markets.		21	1,647,645,507	47.7%	1,473,885,859
A.1.2b Bonds and equivalent securities not traded in regulated markets and issued by undertakings or credit institutions having their registered offices in zone A countries, whose financial statements have been audited by independent, duly authorized, auditors for at least three years.		25	11,791,115	0.3%	23,458,208
A.1.3 Bonds or equivalent securities, other than those indicated at previous items, provided their maturity date is within a year.		29		30	31
A.1.4 Units in undertakings for collective investment in transferable securities (UCITS).		33		34	35
A.1.5 Repo securities, with obligation to repurchase and deposit of securities with a credit institution.	20%	37		38	39
A.1.6 Banker's acceptances granted to or issued by credit institutions having their registered offices in zone A countries.		41		42	43
A.1.7 Financial bills referred to in Law 43 of 13 January 1994.		45		46	47
Sub-total A.1.6+A.1.7	10%	49		50	51
A.1.8 Accrued income from interest on admissible securities.		53	38,492,699	54	1.1%
Total A.1		57	2,987,839,696	58	86.5%
<i>to carry forward</i>			2,987,839,696		2,404,389,864
				59	2,404,389,864
				60	88.1%

	<i>carried forward</i>		2,987,839,696			2,404,389,864	
A.2	Mortgage and interest-bearing loans backed by mortgages, banking or insurance guarantees or other suitable guarantees granted by local bodies.						
	20%	61		62		63	64
A.3	<i>Equities and equivalent assets</i>						
A.3.1a	Equities traded in regulated markets.		219,290,944	66	6.3%	196,048,405	68 7.2%
A.3.1b	Shares of the Bank of Italy, shares of co-operative societies and equities not traded in regulated markets, issued by undertakings having their registered offices in zone A countries, whose financial statements have been audited by independent, duly authorized, auditors for at least three years.						
		69	201,907,379	70	5.8%	82,719,422	72 3.0%
A.3.2	Warrants traded in regulated markets.	3%		74			76
A.3.3	Units in undertakings for collective investment in transferable securities (UCITS).		43,956,111	78	1.3%	47,466,595	80 1.7%
A.3.4	Units and shares of closed investment funds in transferable securities, located in EU Member States and traded in regulated markets.	5%	1,035,496	82	0.0%		84
	Total A.3	35%	466,189,930	86	13.5%	326,234,422	88 11.9%
A.4	<i>Land and buildings</i>						
A.4.1	Land, buildings and beneficial use of property, for the portions free from mortgages.						
		89		90		91	92
A.4.2	Leased buildings.	10%		94			96
A.4.3	Shareholdings in property companies where the Company holds more than 50% of the capital and whose sole purpose is the construction or management of non-luxury residential buildings or industrial or commercial buildings or buildings used for agricultural business. The amount corresponds to the book value up to the market value of the buildings i.r.o. the shareholding held, net of all liabilities shown in the accounts of the relevant property companies.						
		97		98		99	100
A.4.4	Units and shares of closed property inv. funds whose assets are composed for not less than 90% of buildings divested by the State or local bodies or their consortia, as well as by societies fully owned, even indirectly, by the aforementioned bodies.						
		101		102		103	104
A.4.5	Units and shares of closed property inv. funds located in EU Member States.	5%		106			108
	Total A.4	40%		110		111	112
	TOTAL A		3,454,029,626	114	100.0%	2,730,624,286	116 100.0%
B	RECEIVABLES						
B.1	Receivables from reinsurers net of payables, including their shares of technical provisions, duly documented, up to 90% of their amount.						
		117		118		119	120
B.2	Deposits and receivables net of payables with ceding undertakings, duly documented, up to 90% of their amount.						
		121		122		123	124
	<i>to carry forward</i>		3,454,029,626			2,730,624,286	

	<i>carried forward</i>		3,454,029,626		2,730,624,286	
B.3.1	Receivables from policyholders net of payables, arising out of direct insurance business, provided they have become due less than three months before.					
		125		126	127	128
B.3.2	Receivables from intermediaries net of payables, arising out of direct insurance and reinsurance business, provided they have become due less than three months before.					
		129		130	131	132
B.4	Advance payments on assurance policies					
		133		134	135	136
B.5	Tax credits assessed once and for all or for which the assessment term is overdue.	5%				
		137		138	139	140
B.6	Receivables from guarantee funds net of payables	5%				
		141		142	143	144
	TOTAL B		145	146	147	148
C	OTHER ASSETS					
C.1	Tangible fixed assets used by the Company to carry on its activity, other than land and buildings, up to 30% of their book value, adjusted with its relevant amortisation fund.					
		149		150	151	152
C.2	Tangible fixed assets which are not for corporate business, other than land and buildings and duly documented, up to 10% of their book value.					
		153		154	155	156
	Sub-total C.1 + C.2	5%	157	158	159	160
C.3	Deferred acquisition commissions up to 90% of their amount.					
		161		162	163	164
C.4	Accrued income from rents up to 30% of their amount.					
		165		166	167	168
C.5	Revertible interest.	5%				
		169		170	171	172
	TOTAL C		173	174	175	176
	TOTAL B + C - C3	25%	177	178	179	180
D	Bank deposits, deposits with other credit institutions or any other institution authorized by the relevant supervisory authority to receive deposits, net of payables.	15%				
		181		182	183	184
E	Other asset items authorized by ISVAP pursuant to Legislative Decree 174/1995, Article 27 (5)					
		185		186	187	188
	GRAND TOTAL MATCHING ASSETS		189	3,454,029,626	190	100.0%
	Sub-total A.1.1b + A.1.2b + A.1.3 + A.3.1b	10%	193	213,698,494	194	6.2%
					195	106,177,630
					196	3.9%

FORM 2

Company COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.

**STATEMENT OF ASSETS MATCHING THE TECHNICAL PROVISIONS RELATING TO CLASS 'D.I'
OF THE BALANCE SHEET FOR THE CONTRACTS REFERRED TO IN LEGISLATIVE DECREE 174
OF 17 MARCH 1995, ARTICLE 30 (1) (2)**

Financial year 2003

FORM 3

Company COMPAGNIA ASSICURATRICE UNIPOL - S.p.A.

**STATEMENT OF INVESTMENTS ARISING OUT OF THE MANAGEMENT OF PENSION FUNDS
REFERRED TO IN CLASS "D.II" OF THE BALANCE SHEET**

Financial year 2003

SECTION II - Closed pension funds

(Amounts in €)

Fund Serial No	Fund name	Sub-funds per type of investment (1)	(2)	As at 31 December 2003		As at 31 December 2002					
				Provisions	Investments	Provisions	Investments				
1	F.P.C. PERSONALE BAM	1 - No-risk and guaranteed yield	2016	10,996,159	10,996,159	8,945,130	8,945,130				
2	FUNDUM	Single sub-fund (bonds and short-term investments with guaranteed yield)	2025	1,463,176	1,463,176	1,036,605	1,036,605				
TOTAL				5	12,459,335	6	12,459,335	7	9,981,735	8	9,981,735
GRAND TOTAL (2)				9	61,904,713	10	61,904,713	11	43,481,117	12	43,481,117

(1) Specify for each fund the amount of provisions and relevant assets of each sub-fund.

(2) The grand total corresponds to the sum of the totals shown in each section.

Statutory Auditors' Report

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

**in accordance with Article 153 of Legislative Decree 58/1998
and Article 2429 (3) of the Civil Code**

Dear Shareholders,

During the financial year which ended 31 December 2003, we performed the supervisory activity required by law, in accordance with the guidelines of the Board of Statutory Auditors recommended by the National Councils of Chartered Accountants.

Specifically, in compliance with instructions provided by Consob in its communication of 6 April 2001, and by Isvap, we confirm the following:

- We have monitored compliance with the law and the articles of association.
- We have obtained from the Directors, on at least a quarterly basis, information on business carried out and on transactions of substantial economic, financial and capital significance effected by the Company and we can reasonably state that actions decided on and implemented comply with the law and the by-laws and do not appear to be obviously imprudent or risky, entail potential conflict of interest, or contrast with the resolutions adopted at the Shareholders' Meeting, or be liable to compromise capital integrity.
- By collecting information from the managers of the administrative sector and by meetings with the external auditors for the purposes of a mutual exchange of significant data and information, we have investigated and monitored, to the best of our ability, the adequacy of the Company's organizational structure, the application of correct management principles and the sufficient and timely supply of information requested by the Parent Company to meet the requirements set out in Article 114 (1) of Legislative Decree 58/98, and in this regard we have no particular comments to make.
- We have evaluated and monitored the adequacy of the internal audit system and of the administration/accounting system, including its reliability in terms of correctly reflecting business data, by obtaining information from the managers of the respective functions, examining business documents and analyzing the results of the work carried out by the external auditors, monitoring the work of the internal audit staff, and in this regard we have no particular comments to make.
- We have held meetings with representatives of the external auditors, in accordance with Article 150 (2), Legislative Decree 58/98, and no significant data and information have emerged which require inclusion in this report.
- We have not identified the existence of atypical (or unusual) transactions carried out with Group Companies or related parties.
- Transactions of an ordinary or recurrent type have been carried out with subsidiaries and affiliated companies in the context of reinsurance relationships, provision of IT services, property and financial management services, collection of claims reports and their settlement; there have been current account and securities deposit operations with the subsidiary Unipol Banca. These operations (shown in detail in Annexes 16 and 30 of the Notes to the Accounts) are deemed appropriate and in keeping with the interests

of the Group and the Company.

- In the report by the external auditors KPMG S.p.A., there were no comments or requests for information.
- We would like to point out that during 2003 significant outcomes have been achieved from a strategic point of view, fully explained in the Board Report, in particular:
 - ✓ The acquisition of Winterthur Italia Group took place, plus a fully subscribed capital increase of €1,054m;
 - ✓ A project was launched to integrate the newly-acquired Group and the subsidiary Meieaurora, creating from this a composite company (third in the Italian market) called Aurora Assicurazioni.
- During the financial year the external auditors were charged with the following tasks:
 - ✓ verifying that procedures were consistent with those for the 2002 Social Report;
 - ✓ professional assistance, supporting the Internal and External Audit section;
 - ✓ checks in relation to the offering circular concerning the issue of a subordinated debenture loan;
 - ✓ examination of the consolidated balance sheet and pro-forma consolidated profit and loss account for the Unipol Group as at 31 December 2002, in connection with acquiring the Winterthur Italia Group.

Fees for the services listed above amount to €73K in total.

- Neither the Board of Statutory Auditors nor the external auditors in office during the financial year have issued any of the opinions referred to in the law.
- No charges were filed under Article 2408 of the Italian Civil Code and no complaints were made by third parties.
- We confirm that we have performed the audits requested by Isvap. Specifically:
 1. in periodic checks we have verified that assets posted to match technical provisions are in order, in accordance

with Isvap Circular 176/92, that they are fully available and that there are no constraints or encumbrances on them. The Company has complied with the eligibility requirements and investment limits set out in the regulations;

2. we note that the Company has fulfilled its money-laundering obligations under law 197/1991 and we believe that the organizational structure in place is suitable for ensuring timely updating of files and identification of suspicious transactions;
 3. we have verified, as required under Article 5 of Isvap Procedure 893/98 relating to the classification and valuation of the securities portfolio, that postings to investments for long-term use as at 31 December 2003, and operations in such securities, have taken place in accordance with the relevant decisions of the Board of Directors. We have verified that financial derivative transactions carried out during the financial year are in line with resolutions passed by the Board of Directors and that the periodic reports to Isvap have been properly made.
- We have verified compliance with legal requirements in drawing up the accounts and in the content of the Board Report and – where necessary – have given our consent on valuation criteria relating to intangible fixed assets.
 - The reports on pension fund management conform to the instructions issued by COVIP (the Supervisory Committee) and with the results on the statements for the various investment lines.
 - The supervisory activity described above has been carried out in 9 meetings of the Board of Statutory Auditors and by attendance at 8 meetings of the Board of Directors in accordance with Article 149 (2) of Legislative Decree 58/98. In the course of this supervisory activity and based on the information obtained from the external auditors, nothing has been identified in terms

of omissions and/or causes for criticism and/or irregularities or any significant facts whatsoever which would require notification to the Supervisory Body or mentioning in this report.

The Board of Statutory Auditors, inviting the Shareholders' Meeting to approve the accounts for the financial year 2003, as presented to you by the Board of Directors, expresses its favourable opinion with regard to the proposed allocation of the profit for the financial year, amounting to €134,106,917.

* * *

Moving to the consolidated accounts:

- we have verified that accounting principles and valuation criteria have been properly applied thereto. In particular, compliance with principles for consolidation and regulations associated with drawing up the basis of consolidation;
- we have verified that the Parent Company's organizational and procedural set-up is adequate to manage the information flows and consolidation operations;
- we have verified that the Parent Company complies with CONSOB requirements on disclosure relating to business performance and foreseeable business outlook.

Bologna, 9 April 2004

The Board of Statutory Auditors

External Auditors' Report



Revisione e organizzazione contabile

KPMG S.p.A.
Via Andrea Costa 160
40134 BOLOGNA BO

Telefono 051 4392511
Telefax 051 4392599
e-mail: it-fmauditaly@kpmg.it

(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 156 of legislative decree no. 58 of 24 February 1998, article 62 of legislative decree no. 174/95 and article 73 of legislative decree no. 175/95

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

- 1 We have audited the financial statements of Compagnia Assicuratrice Unipol S.p.A. as at and for the year ended 31 December 2003. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. With respect to the examination of technical reserves accounted for under "liabilities" in the balance sheet, we also referred to the attached report issued by a qualified actuary in accordance with article 62 of legislative decree no. 174/1995 and article 73 of legislative decree no. 175/1995. This report states that the company's technical reserves are adequate and comply with the provisions of relevant legislation and regulations and correct actuarial techniques. We believe that our audit provides a reasonable basis for our opinion. The responsibility for the audit of the financial statements of certain subsidiary and associated companies, representing 22% and 6% of the captions "Investments in affiliated undertakings and participating interests – shares and participating interests in subsidiaries" and "Total assets", respectively, rests with other auditors.

Reference should be made to the report dated 11 April 2003 for our opinion on the prior year figures which are presented for comparative purposes as required by law.

- 3 In our opinion, the financial statements of Compagnia Assicuratrice Unipol S.p.A. as at and for the year ended 31 December 2003 comply with the Italian regulations governing their preparation; therefore they are clearly stated and give a true and fair view of the financial position and results of the company.



KPMG S.p.A. is a member of KPMG International

Milano Ancona Bari Bergamo Bologna Bolzano
Brescia Catania Como Firenze Foggia Genova Lecce
Napoli Novara Padova Palermo Parma Perugia
Pescara Roma Torino Treviso Trieste Udine Varese Verona

Società per azioni
Capitale sociale Euro 4.386.923,85 i.v.
Registro Imprese Milano e Codice Fiscale
N. 00709600159
R.E.A. Milano N. 512867
Part. IVA 00709600159
Sede legale: Via Vittor Pisani, 25 - 20124 Milano MI

- 4 The company holds controlling interests in a number of companies and, in accordance with current legislation, has prepared consolidated financial statements. Such statements are presented in addition to its own financial statements in order to furnish adequate information on the financial position and results of both the company and the group. We have audited the consolidated financial statements and these (with our audit report thereon) are presented together with the statutory financial statements.

Bologna, 9 April 2004

KPMG S.p.A.

(Signed on the original)

Massimo Tamburini
Director of Audit

Prof. RICCARDO OTTAVIANI

ATTUARIO

ORDINARIO NELL'UNIVERSITA' DI ROMA

00198 ROMA- VIA TEVERE, 46
TEL 0685.35.4000 FAX 0685.35.33.73

ACTUARY'S REPORT

For the purposes al Article 62 of Legislative Decree No. 174 dated March 17, 1995 and Article 73 of Legislative Decree No. 175 dated March 17, 1995, as replaced respectively by Article 79 letter R) and by Article 80 letter I) of Legislative Decree No. 173/1997.

(translation from the original italian text)

To : KPMG S.p.A.
Via Andrea Costa, 160
40134 - Bologna

RE: "Compagnia Assicuratrice UNIPOL S.p.a."

- Financial Statements as at and for the year ended December 31, 2003

1. In complying with my assignment, I have applied actuarial auditing standards to items related to technical reserves accounted for in the balance sheet's liabilities side of financial statements of **Compagnia Assicuratrice UNIPOL S.p.a.** as at and for the year ended December 31, 2003, in order to express my opinion on their sufficiency in conformity with laws and rules in force and with correct actuarial techniques in observance of the principles included in article 2 of the legislative measure No. 845 issued by ISVAP on April 1st, 1998.
2. In my opinion, the technical reserves – Property Casualty insurance -, of **Compagnia Assicuratrice UNIPOL S.p.a.** as at December 31, 2003, taken as whole, are sufficient in conformity with laws and rules in force and with correct actuarial techniques, in observance of the principles included in article 2 of the above mentioned legislative measure.
3. In my opinion, the technical reserves – Life insurance - of **Compagnia Assicuratrice UNIPOL S.p.a.** as at December 31, 2003, taken as whole, are sufficient in conformity with laws and rules in force and with correct actuarial techniques, in observance of the principles included in article 2 of the above mentioned legislative measure.

Rome, April 9, 2004

The Actuary
Riccardo Ottaviani



R. Ottaviani

Report on Corporate Governance



**ANNUAL REPORT
ON THE CORPORATE GOVERNANCE SYSTEM
AND
ON COMPLIANCE WITH THE RECOMMENDATIONS
CONTAINED IN THE SELF-REGULATION CODE**

*(under Section IA.2.13
of the Regulations issued by the Italian Stock Exchange, Borsa Italiana S.p.A.)*

1st part – Description of the governance structure

As already advised in the report dated 11 April 2001 to the Borsa Italiana S.p.A., and in previous Annual Reports, the Company's Board of Directors, in keeping with the careful attention it has always paid to matters relating to corporate governance, resolved in the meeting of 26 March 2001 to adopt the recommendations contained in the Self-Regulation Code (for brevity, hereinafter referred to as 'the Code').

In terms of its own corporate governance model, the Company some time ago adopted provisions in its By-laws to comply with the new rules introduced by the 'Consolidated law on financial intermediation' (Legislative Decree 58 of 24 February 1998), particularly as regards the appointment of the members of the Board of Statutory Auditors, the frequency of Board of Directors' meetings, at least quarterly, and also reporting to the Board of Statutory Auditors on the more significant transactions carried out by the Company and by its subsidiaries, with particular regard to transactions in which the directors might have a potential conflict of interest.

The Company is legally controlled by Finsoe S.p.A. – Finanziaria dell'Economia Sociale S.p.A. which is in its turn legally controlled by Holmo S.p.A.

The Company is the Parent Company of the Unipol Group and, as such, fulfils a management and coordination role for the companies within the Group.

The share capital of the Company is currently divided into registered ordinary shares and registered preference shares.

With regard to the recommendations contained in the Self-Regulation Code, the Company has for some time had in place procedures designed to regulate the orderly and effective conduct of its Ordinary and Extraordinary Shareholders' Meetings.

We can thus confirm that the vast majority of the members of the Board of Directors (twenty-three out of twenty-five) are non-executive directors, that is,

having no delegated management authority, and that they have appropriate skills and professional and personal qualities, and actively contribute to decision-making by the Board.

In relation to the roles and delegated powers of the Managing Directors, under Article 14 of the By-laws, legal representation of the Company resides with the Chairman. The Vice-Chairman represents it in law only in the event of the absence or prevention of the Chairman.

Under Article 13 of the By-laws the Board of Directors has conferred on the Chairman/Managing Director and the Vice-Chairman/Managing Director, severally, powers for the management of company activities and specifically all matters pertaining to implementation of the resolutions of the Board of Directors and of the Shareholders' Meeting and coordination of activities for achieving the business objectives.

The Managing Directors do, however, bring to the Board of Directors for approval those transactions which have a significant economic, equity and financial impact, and provide both directors and statutory auditors with sufficient information on any atypical or unusual transactions, or those with related parties, which have been carried out under the authority delegated to them.

For the sake of completeness, note that in relation to the organization of the Company, a non-statutory body, a *Comitato di presidenza* (Management Committee), has been in place since 1986, with the task of bringing together management, strategic planning and control for all the Company's activities and those of the Group.

This Committee is currently composed of the Chairman/Managing Director, the Vice-Chairman/Managing Director, and also the Area General Managers. The Area General Managers are not the same person as the General Manager referred to in Article 2396 of the Civil Code.

In fact, the Area General Managers receive from the Managing Directors the powers for the management tasks entrusted to them, via specific authorizations, and do not receive their powers directly from the Board of Directors.

Furthermore, at its meeting on 10 September 2001, the Board of Directors, in order to implement the resolutions passed on 26 March 2001, provided for the formal establishment of a *Comitato per la remunerazione* (Remuneration Committee) and a *Comitato per il controllo interno* (Internal Audit Committee), appointing their members and specifying their duties.

2nd part – Information on implementation of the provisions of the Self-Regulation Code

1. Board of Directors

The Board of Directors is the body appointed by the Shareholders' Meeting and, as expressly stipulated in the By-laws, is composed of not less than 15 and not more than 25 directors, with a three year mandate which will expire at the Shareholders' Meeting which approves the financial statements for the 2003 financial year. The Board of Directors is currently composed of 25 directors, listed

below as well as in the attached Table 1, their personal details and positions, indicating the executive directors and the independents.

Members		Role	Executive	Non-executive	Independent
Surname	Name				
Consorte	Giovanni	Chairman and Managing Director	X		
Sacchetti	Ivano	Vice-Chairman and Managing Director	X		
Andriani	Antonio Silvano	Director		X	X
Antoni	Jean Dominique	Director		X	X
Bocchetti	Francesco	Director		X	X
Carannante	Rocco	Director		X	X
Casini	Claudio	Director		X	X
Collina	Piero	Director		X	X
Fabrizi	Pier Luigi	Director		X	X
Forest	Jacques	Director		X	X
Galanti	Vanes	Director		X	X
Gillone	Fabrizio	Director		X	X
Gnutti	Emilio	Director		X	X
Levorato	Claudio	Director		X	X
Lorenzani	Ermanno	Director		X	X
Migliavacca	Enrico	Director		X	X
Pacetti	Massimo	Director		X	X
Sangalli	Gian Carlo	Director		X	X
Sibani	Leone	Director		X	X
Soldi	Aldo	Director		X	X
Solinas	Giuseppe	Director		X	X
Stefanini	Pierluigi	Director		X	X
Tréré	Graziano	Director		X	X
Venturi	Marco Giuseppe	Director		X	X
Zucchelli	Mario	Director		X	X

Only two directors are executive, whilst, taking into account the amendments made to the Self-Regulation Code in July 2002, the remaining 23 directors are held to be independent in that they do not have, nor have they recently had significant financial relations with the issuing Company or with its subsidiaries, nor with the Managing Directors of the Company itself nor with controlling shareholders; nor do they have shareholdings, including indirectly or for the account of third parties, in their subsidiaries or in companies in which they are directors or managers, such as

to allow them significant control or influence on the issuing Company, nor are they party to any shareholders' agreements for control thereof.

On this subject, it is noted that in its meeting of 26 March 2004 the Board of Directors, based on information supplied by each Director, found that no such relationships existed in the case of the non-executive directors.

In accordance, as usual, with the necessary principles of transparency, it is shown that directors Francesco Boccetti, Claudio Casini, Piero Collina, Vanes Galanti, Fabrizio Gillone, Claudio Levorato, Aldo Soldi, Pier Luigi Stefanini and Mario Zucchelli are members of the Board of Directors both of the direct controlling Company Finsoe S.p.A. – Finanziaria dell'Economia Sociale S.p.A. and of the indirect controlling Company Holmo S.p.A., whilst the directors Antonio Silvano Andriani, Jacques Forest and Emilio Gnutti are members of the Board of Directors of the direct controlling company Finsoe S.p.A. – Finanziaria dell'Economia Sociale S.p.A..

The posts which each director has declared himself as holding in other companies quoted on regulated markets, including foreign markets, as well as in finance, banking and insurance companies or those of significant size, are given below:

Giovanni CONSORTE: *Chairman of the Board of Directors and Managing Director:* Finsoe S.p.A. – Finanziaria dell'Economia Sociale
Chairman of the Board of Directors: Meieaurora S.p.A.
Vice-Chairman of the Board of Directors and Managing Director: Unipol Banca S.p.A., Unipol Merchant S.p.A. - Banca dell'Impresa S.p.A.
Vice-Chairman of the Board of Directors: Winterthur Assicurazioni S.p.A., Winterthur Vita S.p.A., Hopa S.p.A.
Member of the Board: Snia S.p.A., Cassa di Risparmio in Bologna S.p.A., Sorin Grup S.p.A., Telecom Italia S.p.A., Euresa Holding S.A. (Luxembourg)

Ivano SACCHETTI: *Chairman of the Board of Directors:* Unipol Banca S.p.A.; Unipol Merchant S.p.A. – Banca dell'Impresa S.p.A.
Vice-Chairman of the Board of Directors and Managing Director: Meieaurora S.p.A., Quadrifoglio Vita S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale
Managing Director: Winterthur Assicurazioni S.p.A., Winterthur Vita S.p.A.
Member of the Board and Member of the Executive Committee: Nuova Banca Agricola Mantovana S.p.A.
Member of the Board: Banca Monte dei Paschi di Siena S.p.A

Antonio Silvano ANDRIANI: *Chairman of the Board of Directors:* Monte Paschi Vita S.p.A., Montepaschi Assicurazioni Danni S.p.A.
Member of the Board: BAIG – Banca Advantage di Investimenti & Gestioni S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale

Jean Dominique ANTONI: *Chairman of the Supervisory Board:*
Altima Assurance S.A. – (France)
Director: Filia-Maif S.A.(France)
Deputy Director: Maif (France)

Francesco BOCCHETTI: *Chairman of the Board of Directors:* Coopfond S.p.A.
Member of the Board: Holmo S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale

Claudio CASINI: *Member of the Board:* Holmo S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale

Piero COLLINA: *Member of the Board:* Unipol Banca S.p.A., Holmo S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale, Unipol Merchant S.p.A., Finec Holding S.p.A., HERA S.p.A.

Pier Luigi FABRIZI: *Chairman of the Board of Directors and of the Executive Committee:* Banca Monte dei Paschi di Siena S.p.A.
Vice-Chairman of the Board of Directors and Member of the Executive Committee: Banca Nazionale del Lavoro S.p.A.
Member of the Board: Banca Agricola Mantovana S.p.A..

Jacques FOREST: *Chairman of the Management Committee:* P&V Assurances scrl Vivium S.A. (Belgium)
Chairman of the Board of Directors and Managing Director: PVH S.A. (Belgium)
Chairman of the Board of Directors: S.A. Acteldirect – (Belgium), Euresa Life S.a.s.. – (Luxembourg), PNP (Belgium)
Managing Director: PSH S.C.(Belgium)
Member of the Board: Syneteristiki Insurance Company – (Greece), Compagnie Nationale à Portefeuille – (Belgium), Euresa Holding S.A. – Luxembourg), Finsoe S.p.A. – Finanziaria dell'Economia Sociale
Member of the Governing Board: Banque Nationale de Belgique – (Belgium)

Vanes GALANTI: *Vice-Chairman of the Board of Directors:* Holmo S.p.A., Ariete S.p.A.
Member of the Board: Unipol Banca S.p.A, Finsoe S.p.A. – Finanziaria dell'Economia Sociale, Unipol Merchant S.p.A., Finec Holding S.p.A.

Fabrizio GILLONE: *Member of the Board:* Holmo S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale

Emilio GNUTTI: *Chairman of the Board of Directors and Managing Director:* G.P. Finanziaria S.p.A.
Chairman of the Board of Directors: HOPA S.p.A., Holinvest S.p.A., Earchimede S.p.A.
Vice-Chairman of the Board of Directors: Banca Monte dei Paschi di Siena S.p.A., Sorin S.p.A.
Managing Director: Fingruppo Holding S.p.A.
Member of the Board: SNIA S.p.A., ASM Brescia S.p.A., Banca C. Steinhauslin & C. S.p.A., Olimpia S.p.A., , Finsoe S.p.A. – Finanziaria dell'Economia Sociale

Claudio LEVORATO: *Member of the Board:* Holmo S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale

Ermanno LORENZANI: *Chairman of the Board of Statutory Auditors:* Omega S.p.A.

Gian Carlo SANGALLI: *Member of the Board:* Banca di Bologna Credito Cooperativo

S.c. a r.l., Unicredit Private Banking S.p.A., Agart S.p.A.

Leone SIBANI: *Chairman of the Board of Directors:* San Paolo Imi Private Equity S.p.A.

Member of the Board: Cassa di Risparmio in Bologna S.p.A., San Paolo Imi Internazionale S.p.A., Banca Popolare dell'Adriatico S.p.A., Biesse S.p.A..

Aldo SOLDI: *Member of the Board:* Holmo S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale

Giuseppe SOLINAS: *Member of the Board:* Società Reale Mutua di Assicurazioni, Italiana Assicurazioni S.p.A.

Pierluigi STEFANINI: *Chairman of the Board of Directors:* Holmo S.p.A., Ariete S.p.A.

Member of the Board: Finsoe S.p.A. – Finanziaria dell'Economia Sociale, Unipol Banca S.p.A.

Marco Giuseppe VENTURI: *Member of the Board:* Unipol Banca S.p.A.

Mario ZUCHELLI: *Chairman of the Board of Directors:* Finpar S.p.A.

Vice-Chairman of the Board of Directors: Sofinco S.p.A.

Member of the Board: Holmo S.p.A., Finsoe S.p.A. – Finanziaria dell'Economia Sociale, Unipol Merchant S.p.A., Finec Holding S.p.A.

The By-laws provide for the Board of Directors to be granted all powers for the ordinary and extraordinary management of the Company and all rights necessary in order to achieve those business objectives which are not expressly reserved for the Shareholders' Meeting.

It is the task of the Board of Directors to appoint, every three years and following the appointment of the directors by the Shareholders' Meeting, two Managing Directors, establishing their powers and remuneration.

The duties of the Board of Directors also include the matters indicated in letters a), b), c), d), e), g) of Article 1.2 of the Code, whilst its delegated powers include defining the organizational and administrative set-up of the Company and of the Group, with regard to which the Managing Directors provide appropriate information. However, the appointment and dismissal of Managers remains the exclusive preserve of the Board.

As regards the transactions referred to in letter e) of Article 1.2 of the Code, the Board of Directors, specifically examines in advance, and rules upon, investments in listed and non listed Italian and foreign shares having a value above a ceiling equal, at any given moment, to a maximum of 20% of the Company's total investments; buy-sell and exchange transactions for shareholdings in companies and other entities, both Italian and foreign, as well as buy-sell transactions for companies or branches thereof, having a value greater than €5,164,569 for any single operation; transactions involving taking a holding in or establishing companies, consortia, European economic interest groupings, having a value greater than €5,164,569 for any single operation; buy-sell and leasing transactions

on property which exceed a value of €12,911,422 in a single operation also remain the exclusive preserve of the Board.

Under an explicit provision of the By-laws, the Board of Directors meets on at least a quarterly basis, amongst other things to report promptly to the Board of Statutory Auditors on activities and on transactions of major economic, financial and equity significance which have been carried out by the Company or by its subsidiaries and, specifically, to report on any transactions in which the directors have a potential conflict of interest.

During the 2003 financial year eight (8) Board meetings were held; for the 2004 financial year six (6) meetings are planned.

Documentation and information relating to the items shown on the agenda of the convening notice for meetings of the Board, are normally sent to the directors sufficiently in advance of the date of the meeting itself.

The directors' average attendance rate at board meetings is 70%.

2. Appointment and remuneration of directors

With regard to the appointment of directors, as provided for by the Code, the Company recommends that at the time a new director is appointed or the entire Board is renewed, a briefing note concerning the personal and professional skills of each candidate should be deposited at the Head Office ten days before the date fixed for the Shareholders' Meeting.

The Company has not adopted the list voting mechanism for the appointment of directors.

To date, the Company has not deemed it necessary to establish a *Comitato per le proposte di nomina* (Appointments Committee). As a rule, appointment proposals are presented by the controlling shareholder following a candidate pre-selection process, taking into account their personal and professional skills as well as the requirements of prevailing regulations.

As stated above, all shareholders are given the opportunity to learn about candidates' characteristics sufficiently in advance, by means of the briefing note deposited at the registered office ten days before the date set for the Shareholders' Meeting.

As regards directors' remuneration, the Shareholders' Meeting in ordinary session, in the meeting of 27 April 2001 at which the entire Board was renewed, approved a payment of €30,987 p.a. for each Director as well as an attendance voucher for taking part in meetings of the Board and the Shareholders' Meeting in the amount of €516 for each meeting, and also establishing that they should be reimbursed for out-of-pocket expenses incurred in the performance of their functions.

The Board of Directors, in the meeting of 27 April 2001, approved, under Article 2389 (2) of the Civil Code, a payment of €51,645 for each Managing Director.

In its meeting of 28 March 2003, the Board of Directors also decided to grant an attendance voucher to members of the Internal Audit Committee and the Remuneration Committee, for participating in meetings of the aforesaid committees, in the amount of €516 for each meeting, as well as reimbursement of out-of-pocket expenses incurred in the performance of their functions.

As stated in the first part of the Report, the Board of Directors, in order to implement the resolution passed in the meeting of 26 March 2001, proceeded in its meeting of 10 September 2001 to formally establish a *Comitato per la remunerazione* (Remuneration Committee) appointing as its members the non-executive directors Vanes Galanti, Leone Sibani and Pierluigi Stefanini; neither the Managing Directors nor members of senior management are members of this committee.

The function of this committee is solely to make suggestions in relation to:

- emoluments (remuneration and benefits) of Managing Directors;
- the adoption of general criteria for the remuneration of members of senior management, meaning thereby the members of the *Comitato di presidenza*.

The Remuneration Committee met for the first time on 10 November 2001, appointing the director Pierluigi Stefanini as its coordinator and establishing its operating procedures.

In this meeting, the committee drew up a proposal for variable remuneration in addition to fixed remuneration for the two Managing Directors of the Company, both of whom have an employee relationship with the Company, as well as for the Area General Managers.

This proposal provided for a bonus equal to 50% of the fixed remuneration to be payable to each Managing Director and 25% of the fixed remuneration for each Area General Manager, subject to the achievement of specific objectives, established in advance by the Board of Directors, in terms of the gross profit of Unipol Assicurazioni and the consolidated profit for the Group.

The aforesaid proposal was examined and fully approved by the Board of Directors in the meeting of 12 November 2001.

At its following meeting on 18 July 2003 the Remuneration Committee presented to the Board of Directors of the Company a further proposal relating to the variable remuneration of the two Managing Directors. This proposal provided for an upward adjustment to the percentages previously approved, subject to the achievement of specific objectives, established in advance by the Board of Directors, in terms of the gross profit of Unipol Assicurazioni and the consolidated profit for the Group.

The proposal was approved by the Board of Directors in the meeting of 18 July 2003.

The Company has not yet adopted any stock option plan.

3. The internal audit system

In order to evaluate the adoption of the measures set out by the Code in relation to internal audit, the Board has of course taken into account the relevant ISVAP instructions issued in Circular 366 dated 3 March 1999, which was the subject of the framework decision of the Board in its meeting of 17 December 1999.

As described in the previous Annual Report on Corporate Governance, the above Board meeting approved the explanatory report evaluating the compliance and sufficiency of the Company's internal audit system; from this evaluation it emerged that the Company's internal audit system complies with the instructions of the Supervisory Body, bearing in mind the improvements which are constantly being sought and implemented; nor can we ignore the adjustments to developments in progress, or the new risk profiles which may affect the business performance.

In addition, the *Divisione auditing interno e revisione esterna* (Internal and External Audit Division), which currently reports to the Chairman/Managing Director has, as required, defined the tasks, powers and responsibilities of the internal audit function performed both for the Company and for some its insurance subsidiaries, specified by reference to the relevant standards.

The Internal and External Audit Division reports on its activities, at least every six months, to the Managing Directors, the Internal Audit Committee and the Board of Statutory Auditors.

As previously stated, the Board of Directors implemented in the meeting of 10 September 2001 the aforementioned resolution passed on 26 March 2001 and formally constituted the Internal Audit Committee, appointing as its members the non executive and independent directors Francesco Bocchetti, Piero Collina and Fabrizio Gillone.

This committee was assigned the task of analyzing issues relating to the control of the business performance, also reporting significant issues to the Board of Directors for consideration. In this sense, the committee has a consultative and advisory role in relation to the Board of Directors.

Following its first meeting, held on 25 January 2002, in which it approved the appointment of its own coordinator, the Internal Audit Committee dealt with some specific issues relating to the Company's internal audit system and those of its subsidiaries and reviewed the Internal Audit Annual Report for the financial year 2001 in accordance with ISVAP regulations; it held two further meetings in 2002, four meetings in 2003 and two meetings in 2004.

At these meetings, in which the Chairman of the Board of Statutory Auditors has always taken part, the topics summarized below were discussed:

- the procedures governing the workings of the committee were established and approved; these were subsequently updated to comply with the new instructions given in the Self-Regulation Code approved in July 2002;
- the plans and achievements of the Audit Division of the Company were examined;

- some specific topics were reviewed in depth, including complaints management and the activities of the Company's anti-fraud unit;
- problems relating to Legislative Decree 231/2001 (administrative liabilities of legal entities, companies and associations) were discussed;
- the activities carried out by the company charged with the external audit of the accounts, and its schedule of work were debated;
- the 'Internal Audit Annual Reports', prepared by the Audit Division of the Company for the 2002 and 2003 financial years were reviewed; reports relating to the Board meetings of 24 January 2003 and 30 January 2004 were discussed and approved respectively;
- the suitability of the accounting principles followed and their consistent application in producing the consolidated accounts were evaluated;
- finally, it examined the proposal of the external audit company KPMG to be entrusted with this function for the three-year period 2003 – 2005, and the associated work schedule.

Every six months the Internal Audit Committee has reported to the Board of Directors on the activities it has carried out and on the adequacy of the internal audit system.

4. Transactions with related parties

The Board of Directors, in its meeting of 28 March 2003, in order to implement the regulations in question and with the aim of assuring compliance with Article 71/bis of the Regulations for Issuers, adopted by CONSOB by resolution no. 11971 of 14 May 1999 and subsequent amendments and additions, approved the 'Code of Conduct for Transactions with Related Parties', including specific internal procedural rules which must be applied by the business areas of Unipol and its subsidiaries once properly incorporated and implemented by the Managing Directors via the *Funzione affari generali e adempimenti* (Corporate Affairs and Compliance).

In summary the aforesaid Code provides that:

- (i) within the limits set out in currently applicable resolutions conferring delegated powers, the Board of Directors of Unipol has exclusive competence to approve transactions with related parties, including Intra-group transactions, which fall into the categories given in Article 71/bis referred to, and which thereby entail the requirement to produce a briefing document to be distributed to the market.
The onus for verifying that the conditions for the applicability of Article 71/bis are present must reside with the Managing Directors, who will be responsible for formulating the related proposal for consideration by the Board of Directors;
- (ii) the body which has competence to approve the transaction will have recourse to the advice of independent consultants to more effectively fulfil the need for substantial and procedural rectitude, regardless whether the nature, value or other features of the transactions require it;

- (iii) any Unipol director who is a related party, even indirectly, in a transaction being discussed, must make this relationship explicit and abstain from the actual decision;
- (iv) the Managing Directors must inform the Board of Directors on a quarterly basis of transactions with related parties, except those which are typical and/or usual, carried out by Unipol and its subsidiaries.

The guidelines drawn up in order to incorporate the Code, which the Managing Directors must implement via the Corporate Affairs and Compliance function, in general provide for:

- a) notification of the Code to all known related parties – those known as Group related parties and direct related parties (members of Company bodies, General Managers and Joint General Managers);
- b) the duty of direct related parties to ensure that the respective Indirect Related Parties inform Unipol Assicurazioni and its subsidiaries of their status on each occasion where the said indirect related parties intend to enter into a transaction with Unipol Assicurazioni or with its subsidiaries.
- c) creation of a database of direct related parties, to be constantly updated, so that the affected business areas of Unipol and the companies can provide the Corporate Affairs and Compliance function with adequate information on their activities with related parties;
- d) submission by the business areas of Unipol and its subsidiaries to the Corporate Affairs and Compliance function of briefings on these transactions, for the purposes of complying with obligations to provide information to the Board of Directors and to the market in accordance with the Code. Specifically:
 - (i) advance notification of atypical and/or unusual transactions having a value greater than €10m, if with Group related parties, or €2m, if with other related parties;
 - (ii) advance notification of typical and/or usual transactions having a value greater than €25m, if with Group related parties, or €10m, if with other related parties;
 - (iii) subsequent notification on a monthly basis of all transactions (always excluding those which are typical and/or usual), highlighting those having a value greater than €1m.

5. Procedures for confidential information

In the meeting of 26 March 2001, the Board of Directors incorporated the recommendations set out in the Code regarding procedures relating to confidential business information, thus taking the opportunity to regulate both internal procedures and those for communicating outside of the Company information which arises within its field of business or that of its subsidiaries which is not in the public domain and would potentially, if made public, significantly affect the price of its own listed financial instruments and those of its subsidiaries.

Such communications with the authorities and to the public – including shareholders and investors, analysts and journalists – take place in accordance

with prevailing regulations as well as with the principle of equal access to information.

The decision on the content of the aforesaid communications rests with the Managing Directors, it is the Corporate Affairs and Compliance function which handles dissemination in the manner stipulated by prevailing regulations.

In its meeting of 27 March 2002 the Board of Directors also debated the 'Guidelines' for a procedure designed to avoid the disclosure of confidential or price sensitive information in an untimely, incomplete or inadequate manner.

The principal features of these 'Guidelines' are:

- definitions of 'Confidential information' and of 'Price sensitive news';
- identification of those who must follow the 'Guidelines';
- definition of a procedure for the disclosure of 'Confidential information' and 'Price sensitive news'.

With regard to internal dealing, the Company adopted on 24 December 2002, in accordance with 2.6.3 and seq. of the Regulations for markets organized and managed by Borsa Italiana SpA, a Code which specifically governs the duties of disclosure incumbent on relevant persons and issuers as well as the limits of application in the case in question. This Code has undergone a number of amendments, adopted by the Company's Board of Directors on 6 February 2003 and 26 March 2004.

This Code identifies the relevant persons both with regard to the issuing company and to its main subsidiaries as well as the transactions which must be notified, these being any transactions of any amount carried out by the relevant person for his own account, and for whatever reason, involving financial instruments and financial derivatives as specified in Article 2.6.4. (1) of the Regulations for organized markets.

Relevant Persons advise the Appointed Office of the issuing company of all the transactions carried out.

Notification in the proper formats must reach the Appointed Office promptly and in any case no later than the 2nd (second) day the Stock Exchange is open following the day the transaction is concluded.

In the event that transactions are not concluded, no notification is required.

Under Article 2.6.4. of the Regulations, the Appointed Office notifies the market of information received in accordance with the following procedures and terms:

- a) if the cumulative countervalue of transactions carried out by a relevant person during three calendar months is equal to or greater than €30,000, the notification to the market takes place by the 10th (tenth) day the Stock Exchange is open following the three month calendar period referred to;
- b) if the countervalue of transactions carried out by a relevant person, amalgamated with other transactions concluded during the current three

month calendar period and not notified by the Appointed Office in accordance with letter a) above, amounts to more than €150,000, notification is given to the market without delay and in any case by the 1st (first) day the Stock Exchange is open following the notification by the relevant person of the conclusion of the transaction which has caused the threshold to be exceeded.

In order to prevent potential conflicts of interest and to protect the Issuing Company and the Group, relevant persons are forbidden to conclude transactions specified under Article 2.3. above during the following periods (*blocking periods*):

- in the 30 days preceding notification to the public of the approval by the Board of Directors of Unipol's draft annual accounts and half-yearly report; and also
- in the 15 days preceding notification to the public of the approval by the Board of Directors of Unipol's results for the first and third quarters of each financial year.

The constraints set out in the first indent of the present article do not apply to exercising any stock options or option rights relating to financial instruments and subsequent Transactions effected in the context of such exercise.

Where the Managing Directors consider necessary for justifiable reasons, they may grant waivers to the constraints on activity described in this article.

The Board of Directors may establish bars or restrictions on the conclusion of transactions in the lead up to transactions of an extraordinary nature, immediately advising the relevant persons thereof through the Appointed Office.

Relevant persons who do not comply with the regulations set out in the present Code may, following discussion by the Board of Directors, and taking into account the seriousness of the violation and whether it is a recurrence, be penalized by a fine of €500 to €5,000 for each omission.

6. Relations with shareholders

The Company has always paid particular attention to relations with its own shareholders and, with regard to relationships with institutional investors, has set up a specific 'investor relations' function called the *Unità Studi, Mercati and Relazioni con gli Investitori* (Unit for Research, Markets and Investor Relations) currently located in the area of the General Co-directorate for Investments, Property, Shareholdings and Group Control; it can be contacted as follows: Telephone (+39) 051 6096166 – Fax: (+39) 051 6096601 – e-mail: a.donati@unipol.it.

With regard to day-to-day relations with other shareholders, which become particularly intense in the run-up to Shareholders' Meetings, the Company makes use of the *Ufficio soci* (Shareholders' Office) currently located in the area of Company Affairs and Corporate Legal Division.

Also, in relation to the conduct of Shareholder's Meetings, as already described in the first part, the Company has for many years had a procedure, approved by the Shareholders' Meeting, designed to regulate the ordered and effective conduct of Ordinary and Extraordinary Shareholders' Meetings. This procedure has been published on the internet site set up by the Company (www.unipol.it), as an attachment to the By-laws.

These rules govern, in particular, the procedures and maximum length for speeches, voting procedures, powers of the Chairman to maintain order in the Shareholders' Meeting and ensure proper conduct of business.

7. Statutory Auditors

With regard to the appointment of the Board of Statutory Auditors, the By-laws provide for a list voting procedure whereby the submitted lists must be deposited at the Company's registered office at least ten days before the date fixed for the first convening of the Shareholders' Meeting, accompanied by all documentation required in order to supply comprehensive information on the personal and professional skills of the candidates.

Bologna, 26 March 2004

The Board of Directors

TABLE 1: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

Board of Directors							Internal Audit Committee		Remuneration Committee		Appointments Committee (2) <i>If any</i>	Executive Committee <i>If any</i>
Role	Members	Executive	Non executive	Independent	(1)	Number of other posts		(1)		(1)		
Chair and Managing Director	Giovanni Consorte	X			100	13						
Vice Chair and Managing Director	Ivano Sacchetti	X			100	8						
Director	Antonio Silvano Andriani		X	X	75	4						
Director	Jean Dominique Antoni		X	X	38	3						
Director	Francesco Bocchetti		X	X	75	3	X	100				
Director	Rocco Carannante		X	X	88	0						
Director	Claudio Casini		X	X	75	2						
Director	Piero Collina		X	X	75	6	X	50				
Director	Pier Luigi Fabrizi		X	X	13	3						
Director	Jacques Forest		X	X	63	11						
Director	Vanes Galanti		X	X	100	6			X	100		
Director	Fabrizio Gillone		X	X	100	2	X	100				
Director	Emilio Gnutti		X	X	75	12						
Director	Claudio Levorato		X	X	50	2						
Director	Ermanno Lorenzani		X	X	100	1						
Director	Enrico Migliavacca		X	X	88	0						
Director	Massimo Pacetti		X	X	50	0						
Director	Gian Carlo Sangalli		X	X	63	3						
Director	Leone Sibani		X	X	75	5			X	100		
Director	Aldo Soldi		X	X	88	2						
Director	Giuseppe Solinas		X	X	100	2						
Director	Pierluigi Stefanini		X	X	75	4			X	100		
Director	Graziano Trerè		X	X	25	0						
Director	Marco Giuseppe Venturi		X	X	0	1						
Director	Mario Zucchelli		X	X	38	6						

(1) percentage participation in meetings

(2) the company has not deemed it necessary to establish a Committee for appointment proposals

Number of meetings held during the 2003 financial year

Board of Directors: 8

Internal Audit Committee: 4

Remuneration Committee: 1

TABLE 2: BOARD OF STATUTORY AUDITORS

Role	Members	Percentage attendance in meetings of the Board	Number of other posts
Chair	Umberto Melloni	100	0
Permanent statutory auditor	Omer Caffagni	44	0
Permanent statutory auditor	Lorenzo Roffinella	44	0
Alternate statutory auditor	Diego Bassini		0
Alternate statutory auditor	Roberto Chiusoli		0

Number of meetings held during the calendar year: 9

Quorum required for the submission of lists: 3% of ordinary share capital

TABLE 3: OTHER PROVISIONS IN THE SELF-REGULATION CODE

	YES	NO	Summary of reasons for any deviation from the recommendations of the Code
Procedure for delegations of powers and transactions with related parties			
Has the Board of Directors established delegations of powers and has it specified:			
a) the limits to these?	X		
b) procedures for their exercise?	X		
c) the reporting frequency?	X		
Has the Board of Directors retained responsibility for examining and approving transactions which have a significant economic, capital or financial impact (including transactions with related parties)?	X		
Has the Board of Directors established guidelines and criteria for identifying 'significant' transactions?	X		
Are the above guidelines and criteria described in the report?	X		
Has the Board of Directors established appropriate procedures for the examination and approval of transactions with related parties?	X		
Are the procedures for approving transactions with related parties described in the report?	X		
Procedures for the most recent nomination of directors and statutory auditors			
Have nominations for the director posts been filed at least ten days in advance?	X		
Were nominations for the director posts accompanied by comprehensive information?	X		
Were nominations for the director posts accompanied by an indication of suitability to qualify as independents?		X	The Board of Directors has subsequently carried out an assessment of independence
Have nominations for the role of statutory auditor been submitted at least ten days in advance?	X		
Were nominations for the role of statutory auditor accompanied by comprehensive information?	X		
Meetings			
Has the Company approved a procedure for Meetings?	X		
Has the procedure been attached to the report (or is there information on where it can be obtained/downloaded)?	X		
Internal Audit			
Has the Company designated persons responsible for internal audit?	X		
Are these persons hierarchically independent from the managers of the operational areas?	X		
Organisational unit responsible for internal audit (ref art. 9.3 of the Code)	Internal and External Audit Division		
Investor relations			
Has the Company appointed an Investor relations manager?	X		
Organisational Unit and details (address/telephone/fax/e-mail) of the investor relations manager?	Unit for Research, Markets and Investor Relations Telephone: (+39) 051 6096166 – Fax: (+39) 051 6096601 – e-mail: a.donati@unipol.it		

Summary of Resolutions adopted by the General Meeting

Summary of resolutions adopted by the General Meeting

The General Shareholders' Meeting, held in second call on 29 April 2004, resolved:

In ordinary session

1. to approve the Annual Accounts as at 31 December 2003 and the Board Report and to allocate the profits for the year, by distributing a dividend of €0.1302 for each preference share and €0.1250 for each ordinary share, payment to begin on 20 May 2004;
2. to appoint the Board of Directors for the years 2004 – 2005 – 2006, maintaining the number of directors at 25, and to fix the level of emoluments of each of them;
3. to appoint the Board of Auditors for the years 2004 – 2005 – 2006 and to fix the emoluments of each of them. The new Board consists of Umberto Melloni (Chairman), Luigi Capè and Carlo Cassamagnaghi (permanent auditors) and Marco Baccani and Roberto Chiusoli (alternate auditors);
4. to renew for a period of 18 months the authorization to purchase and/or sell, all at once or spread over several transactions, own shares, both ordinary and preference, up to a maximum of 50 million shares and a maximum of €100m, and also to lay down the procedures for doing so;

to authorize the purchase of a maximum of 74 million shares in the holding company Finsoe, thus maintaining €74m in the relevant fund for the purchase of shares in the holding company.

In extraordinary session

1. to amend the wording of the by-laws in order to
 - make them comply with the legislation introduced by Legislative Decree 6 of 17 January 2003 and by Legislative Decree 37 of 6 February 2004;

- revise part of the text, mainly on a formal level.

Convened after the Shareholders' Meeting, the Board of Directors appointed Giovanni Consorte as Chairman and Ivano Sacchetti as Vice-Chairman, both of whom were also confirmed as Managing Directors.

Company's Boards and Officials after the Shareholders' Meeting

HONORARY CHAIRMAN

Enea Mazzoli

BOARD OF DIRECTORS

CHAIRMAN AND
MANAGING DIRECTOR

Giovanni Consorte

VICE-CHAIRMAN AND
MANAGING DIRECTOR

Ivano Sacchetti

BOARD MEMBERS

Antonio Silvano Andriani / Jean Dominique Antoni (*)
Francesco Boccetti / Rocco Carannante (*) / Claudio Casini
Piero Collina / Bruno Cordazzo / Pier Luigi Fabrizi
Jacques Forest / Vanes Galanti / Emilio Gnutti
Claudio Levorato / Ivan Malavasi (*) / Riccardo Margheriti
Enrico Migliavacca (*) / Massimo Pacetti (*) / Marco Pedroni
Aldo Soldi / Giuseppe Solinas (*) / Pierluigi Stefanini
Graziano Trere' (*) / Marco Giuseppe Venturi (*) / Mario Zucchelli

BOARD OF STATUTORY AUDITORS

Umberto Melloni, Chairman
Carlo Cassamagnaghi / Luigi Capè
Marco Baccani / Roberto Chiusoli (Alternate Members)

AREA GENERAL MANAGERS

Franco Migliorini, *Personnel, Organisation and External Relations*

JOINT GENERAL MANAGERS

Carlo Cimbri, *Investments, Property, Shareholdings and Control*
Carmelo De Marco, *Insurance Business*
Riccardo Laurora, *IT Systems*
Salvatore Petrillo, *Administration and Accounting*

CENTRAL MANAGERS

Domenico Brighi / Giancarlo Brunello / Federico Corradini
Stefano Dall'Aglio / Francesco Montebugnoli / Stefano Scavo

(*) Independent Board Members

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