OFFERING CIRCULAR

COMPAGNIA ASSICURATRICE UNIPOL S.p.A.

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

euro 300,000,000 Fixed/Floating Rate Subordinated Callable Notes due 2023

The issue price of the euro 300,000,000 Fixed/Floating Rate Subordinated Callable Notes due 2023 (the "Notes") of Compagnia Assicuratrice Unipol S.p.A. ("Unipol" or the "Issuer") (together with its subsidiaries, the "Unipol Group" or the "Group") is 100 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 28 July 2023. The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the Republic of Italy. The Notes may also be redeemed at the option of the Issuer, in whole but not in part, at their principal amount on 28 July 2013 and at any Floating Rate Interest Payment Date (as defined in "Terms and Conditions of the Notes-Interest") thereafter. See *Terms and Conditions of the Notes-Redemption and Purchase*.

The Notes will bear interest from and including 28 July 2003 up to but excluding 28 July 2013 at the rate of 5.66 per cent. per annum payable annually in arrear on 28 July in each year commencing on 28 July 2004 and accruing up to but excluding 28 July 2013. From and including 28 July 2013 up to but excluding 28 July 2023, the Notes will bear interest at the rate of 2.5 per cent. per annum above the average of the Euribor rate for three-month euro deposits payable quarterly in arrear on each 28 January, 28 April, 28 July and 28 October commencing on 28 October 2013. Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by the Republic of Italy to the extent described under "Terms and Conditions of the Notes-Taxation".

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

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

The Notes will be in bearer form and in the denominations of euro 1,000, euro 10,000 and euro 100,000. The Notes will initially be in the form of a temporary global note (the "Temporary Global Note"), without interest coupons, which will be deposited on or around 28 July 2003 (the "Closing Date") with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "Permanent Global Note"), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denominations of euro 1,000, euro 10,000 and euro 100,000 and with interest coupons attached. See *Summary of Provisions Relating to the Notes in Global Form*.

Joint Arrangers

Credit Suisse First Boston | **Mediobanca Banca di Credito Finanziario S.p.A.** | **Unipol Merchant S.p.A.**

Joint Lead Managers

Credit Suisse First Boston | **Mediobanca Banca di Credito Finanziario S.p.A.**

25 July 2003

The Issuer has confirmed to Credit Suisse First Boston (Europe) Limited ("Credit Suisse First Boston") and Mediobanca – Banca di Credito Finanziario S.p.A. ("Mediobanca") (together the "Joint Lead Managers") that this Offering Circular contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Offering Circular on the part of the Issuer are honestly held or made, are not misleading in any material respect and have been reached after considering all relevant circumstances of which the Issuer is aware and are based on reasonable assumptions; this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all reasonable enquiries have been made to ascertain and to verify the foregoing. The Issuer accepts responsibility for the information contained in this document.

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

The Joint Lead Managers have not separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Joint Lead Managers as to the accuracy or completeness of this Offering Circular or any further information supplied in connection with the Notes. The Joint Lead Managers accept no liability in relation to this Offering Circular or any document forming part of this Offering Circular or the distribution of any document or with regard to any other information supplied by or on behalf of the Issuer. Each investor contemplating purchasing Notes shall make its own independent investigation of the financial condition, general affairs and prospects, and its own appraisal of the creditworthiness, of the Issuer.

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

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

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

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

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

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

In connection with this issue, Credit Suisse First Boston (Europe) Limited (the "Stabilisation Manager") (or any person acting for the Stabilisation Manager) may over-allot or effect transactions in any over-the counter market or otherwise, with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilisation Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

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DOCUMENTS INCORPORATED BY REFERENCE

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

(A) the audited consolidated and non-consolidated financial statements of the Issuer for the years ended 31 December 2001 and 31 December 2002; and

(B) the unaudited consolidated financial statements of the Issuer for the three months ended 31 March 2003.

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

So long as the Notes remain outstanding, the Information Memorandum (*Documento Infomativo*) issued by the Issuer in respect of the Winterthur Acquisition (as defined hereafter), together with the review report of KPMG S.p.A. annexed thereto and dated 4 July 2003, both in the original Italian, will be available for inspection at the offices of the Paying Agent in Luxembourg and at the registered office of the Issuer.

INVESTMENT CONSIDERATIONS

Potential purchasers of the Notes should carefully consider the following investment considerations, as well as the other information contained in this Offering Circular, before deciding to purchase Notes. This summary is not intended to be exhaustive and prospective Noteholders should also read the information set out elsewhere in this Offering Circular and in the documents incorporated by reference into this Offering Circular. Such documents will be available free of charge during business hours at the offices for the time being of the Paying Agent and the Listing Agent.

Winterthur Acquisition, Clearance from Regulatory Authorities

Pursuant to a purchase agreement entered into on 21 June 2003 (the "Purchase Agreement"), Unipol is in effect under an obligation to complete the acquisition of Winterthur Assicurazioni S.p.A. ("Winterthur Assicurazioni"), Winterthur Vita S.p.A. ("Winterthur Vita") and Winterthur Italia Holding S.p.A. ("Winterthur Italia Holding") (together, the "Winterthur Italia Group") from Winterthur Swiss Insurance and Winterthur Life (together, the "Sellers") by 31 December 2003 (the "Winterthur Acquisition").

The Winterthur Acquisition is subject to obtaining clearance from the relevant regulatory authorities that is still pending. At the time of entering into the Purchase Agreement, Unipol paid euro 90 million to the Sellers as part advance payment for the purchase price of the Winterthur Italia Group. The Sellers, under the Purchase Agreement, are entitled to keep this advance payment if clearance is not obtained by 31 December 2003.

The management plan for the Winterthur Acquisition aims at meeting medium and long term targets to improve the profitability of the Winterthur Italia Group and the Unipol Group. At present, management cannot give any assurance as to the achievement of its strategic aims in connection with the Winterthur Italia Group or the successful integration of the Winterthur Italia Group into the Unipol Group and, in particular, as to the timing and size of any cost savings or as to any improvements in efficiency levels and operating capacities of the Group. Further, any factors which could have adverse effects on the Winterthur Italia Group's business would also potentially adversely affect Unipol's business and results of operations.

Late or Missed Cost Savings and Adverse Effects on Technical Reserves Ratios

The Group is subject to extensive and periodical reviews of its reserve positions by internal and external actuaries, in accordance with the regulatory provisions of the *Istituto per la Vigilanza sulle Assicurazioni Private* ("ISVAP"). See *Description of the Issuer – Regulatory framework*. Management believes that the Group is adequately provisioned. As for any other insurance company, there is a degree of uncertainty with respect to the adequacy of such technical reserves. Further, there is no assurance that, in the future, unexpected events which might have an adverse effect on the Group's technical reserves and its business, financial condition and results will not occur. Management believes, however, that the Group's track record shows an approach to risk management which should reduce the risk of any unexpected adverse effects for the future and assist in mitigating any effects of the Winterthur Acquisition on its technical reserve ratios.

Forecasts

The Offering Circular contains some forecasts on Unipol's and the Group's business and performance, including those contained in *Description of the Issuer - Strategy*. This information is subject to risks and uncertainties that could determine a significant variation of the above forecasts.

Subordination of the Notes and ISVAP's Consent for Early Redemption

The Notes are subordinated and each prospective investor's attention is drawn to the following provisions.

- Subordination

  The payment obligations of the Issuer in respect of principal and interest under the Notes are subordinated to the claims of all unsubordinated and unsecured creditors (including policyholders) of the Issuer so that all such creditors are entitled to be satisfied in full before any payments are made in respect of principal and interest under the Notes. In a bankruptcy, dissolution, liquidation or other winding-up of the Issuer, including the Issuer becoming subject to an order for *liquidazione coatta amministrativa*, the Notes will rank *pari passu* with all other dated subordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application, and senior to all undated subordinated obligations of the Issuer and to the share capital of the Issuer.

- Early Redemption Subject to ISVAP's Consent

  The early redemption at the option of the Issuer and the early redemption for tax reasons, in each case of the Notes, and the purchase of Notes by the Issuer, to the extent the Notes are computed in whole or in part within the solvency margin (*margine di solvibilità*) of Unipol are all subject to the prior consent of ISVAP, with a minimum time for the relevant notice to be given by the Issuer to ISVAP of three months. Any consent by ISVAP in relation to any of these events affecting the Notes will be given upon ISVAP being satisfied that the then applicable minimum solvency margin ratios of the Group will be satisfied, both before and after the redemption of the Notes has been effected. Should an issue arise as to the Unipol's solvency margin potentially decreasing below the minimum level required for regulatory purposes upon the redemption of the Notes, ISVAP may give its consent to early redemption to the extent that Unipol can find alternative means, e.g. a share capital increase, of bringing its solvency margin up to the minimum level required by the then applicable regulatory provisions.

Reliance on the Italian Market

The Group, including the Winterthur companies that are to be acquired, operates in the Italian market. The Group's operating results are significantly dependent on the conditions of the Italian insurance market. Any downturn in this market may adversely affect the Group's financial condition and results. General economic conditions in Italy in general, including interest rate levels, inflation or deflation, financial and currency market trends, may also impact upon the Group's operating results.

Competition

The Italian insurance market has experienced significant changes in recent years due to the introduction of several laws and regulations as a result of the implementation of a number of insurance directives issued by the European Union (EU).

As a result, direct marketing of non-life and life insurance may be carried out on a cross-border basis and therefore for insurance companies it is much easier to operate outside their home state. The development of a single European market together with the reduction of regulatory restrictions is also facilitating the growth of new distribution systems, partially replacing the traditional reliance on insurance intermediaries such as agents. Changes in the regulatory regime have also increased competitive pressure on insurance companies in the Italian market in general. There is no assurance that the Group will be able to compete successfully in the future against existing or potential competitors or that the Group's business, financial condition and results of operations will not be adversely affected by increased competition.

Extensive Regulatory Supervision and its Impact

The Group, with respect to its insurance business, is subject to extensive regulatory supervision like other insurance companies operating in Italy. Laws and regulations which impact upon the Italian insurance industry, especially those related to consumer protection, may adversely affect the Group's insurance business at different levels.

Changes in Investment Market Conditions

The Group has substantial investments in listed and unlisted securities and any operating profits with respect to them depend to a significant extent on the market valuation and liquidity of these securities. Adverse market conditions and any liquidity of these securities may have an adverse impact on the results of the Group. Nevertheless, management believes that the conservative investment policy of the Group will reduce this adverse impact during 2003 and 2004. Further, the Group's investments in equity securities in aggregate is at present less than 3 per cent. of its overall assets, reducing the risk of an adverse impact to a minimum.

Volatility in the Price of the Notes

The price of the Notes on the market could be subject to significant fluctuations in response to, among other factors, interest rates, inflation and variations in the Group's operating results or financial condition. Developments and changes in securities analyst recommendations regarding the insurance industry may also influence and bring volatility in the price of the Notes in the market.

Absence of Secondary Market; Limited Liquidity

There can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide holders of the Notes with liquidity of investments, or that it will continue for the life of the Notes. Application has been made to list the Notes on the Luxembourg Stock Exchange.

TERMS AND CONDITIONS OF THE NOTES

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

The euro 300,000,000 Fixed/Floating Rate Subordinated Callable Notes due 2023 (the "Notes") of Compagnia Assicuratrice Unipol S.p.A. (in such capacity, the "Issuer") are the subject of a fiscal agency agreement dated 28 July 2003 (as amended or supplemented from time to time, the "Agency Agreement") between the Issuer, BNP Paribas Securities Services, Luxembourg branch as fiscal agent (the "Fiscal Agent", which expression includes any successor fiscal agent appointed in connection with the Notes), BNP Paribas Securities Services, Luxembourg branch as agent bank (the "Agent Bank", which expression includes any successor agent bank appointed in connection with the Notes) and the paying agents (if any) named therein (together with the Fiscal Agent, the "Paying Agents", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to their detailed provisions. The holders of the Notes (the "Noteholders") and the holders of the related interest coupons (the "Couponholders" and the "Coupons", respectively, which latter expression shall, unless the context otherwise requires, include the talons for further interest coupons (the "Talons")) shall be bound by, and deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination and Title

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

2. Status of the Notes

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

3. Interest

(A) *Accrual of Interest*

Interest on the Notes will accrue from and including 28 July 2003 (the "Issue Date"), payable in arrear on 28 July in each year commencing on 28 July 2004, and will accrue up to but excluding 28 July 2013 (each, a "Fixed Rate Interest Payment Date"), and thereafter on 28 January, 28 April, 28 July and 28 October in each year commencing on 28 October 2013 accruing up to but excluding 28 July 2023, (each, a "Floating Rate Interest Payment Date") subject as provided in Condition 5 (*Payments and Exchange of Talons*). Each period beginning on (and including) the Issue Date or any Fixed Rate Interest Payment Date and ending on (but excluding) the next (or first) Fixed Rate Interest Payment Date is herein called a "Fixed Rate Interest Period". Each period beginning on (and including) 28 July 2013 or any Floating Rate Interest Payment Date and ending on (but excluding) the next (or first) Floating Rate Interest Payment Date is herein called a "Floating Rate Interest Period".

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

(B) *Payment of Interest*

Interest which accrues during either a Fixed Rate Interest Period or, as the case may be, a Floating Rate Interest Period ending on (but excluding) a Compulsory Interest Payment Date (as defined below) will be payable on that Compulsory Interest Payment Date. Interest which accrues during a Fixed Rate Interest Period or, as the case may be, a Floating Rate Interest Period ending on (but excluding) an Optional Interest Payment Date (as defined below) will be payable on that Optional Interest Payment Date only if the Issuer so elects by not less than 10 nor more than 30 days' notice to the Noteholders and the Couponholders in accordance with Condition 12 (*Notices*) (which notice will be irrevocable and will oblige the Issuer to pay that interest on that Optional Interest Payment Date) and will otherwise constitute "Arrears of Interest". The Issuer shall not have any obligation to pay interest on any Optional Interest Payment Date if it does not elect to do so and any such failure to pay shall not constitute a default of the Issuer for any purpose. The Issuer may pay outstanding Arrears of Interest (in whole or in part) at any time on giving not less than 10 nor more than 30 days' notice to the Noteholders and the Couponholders in accordance with Condition 12 (*Notices*) (which notice will be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in that notice). The Issuer will also be obliged to pay outstanding Arrears of Interest (in whole but not in part) on:

(i) the next Compulsory Interest Payment Date;

(ii) the Interest Payment Date following a five year period from the Optional Interest Payment Date upon which the Issuer has not paid in full interest accrued in respect of the Notes (including, for the avoidance of doubt, Arrears of Interest and any other unpaid interest amounts);

(iii) the due date for redemption of the Notes; or

(iv) the date on which an order is made for the bankruptcy, winding up, liquidation or dissolution of the Issuer.

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

In this Condition 3(B):

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

(C) *Interest Payment*

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

(i) from, and including, the Issue Date to, but excluding, 28 July 2013, 5.66 per cent. per annum (the "Fixed Rate of Interest"); and

(ii) during each period beginning on, and including, 28 July 2013, and ending on, but excluding, the next Floating Rate Interest Payment Date up to and including 28 July 2023, the rate determined in accordance with Condition 3(D) below (the "Floating Rate of Interest").

(D) *Floating Rate of Interest*

The Agent Bank will determine the rate for deposits in euro for a period equal to the relevant Floating Rate Interest Period which appears on the display page designated Euribor = on Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11.00 a.m. (Brussels time) on the second business day (as defined below) before the first day of the relevant Floating Rate Interest Period (the "Interest Determination Date").

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

(i) request the principal euro-zone office of each of four major banks in the euro-zone interbank market to provide a quotation of the rate at which deposits in euro are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date to prime banks in the euro-zone interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time;

(ii) determine the arithmetic mean (rounded, if necessary, to the nearest hundred thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and

(iii) if fewer than two such quotations are provided as requested, the Agent Bank will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in Europe, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date for loans in euro to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time.

The Floating Rate of Interest for such Floating Rate Interest Period shall be the sum of 2.5 per cent. per annum and the rate or (as the case may be) the arithmetic mean so determined; *provided*, *however*, *that* if the Agent Bank is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, the Floating Rate of Interest applicable to the Notes during such Floating Rate Interest Period will be the sum of the 2.5 per cent. per annum and the rate (or as the case may be) arithmetic mean last determined in relation to the Notes in respect of the preceding Floating Rate Interest Period.

(E) *Amount of Interest - Fixed*

The amount of interest payable in respect of each Note for any Fixed Rate Interest Period shall be calculated by applying the Fixed Rate of Interest to the principal amount of such Note and rounding the resulting figure to the nearest euro 0.01 (euro 0.005 being rounded upwards). Where an amount of interest is required to be calculated applying a Fixed Interest Rate for a period of less than a full year, it shall be calculated on the basis of the actual number of days in the period from and including the most recent Fixed Rate Interest Payment Date (or, if none, the Issue Date) to but excluding the relevant payment date divided by the actual number of days in the period from and including the most recent Fixed Rate Interest Payment Date (or, if none, the Issue Date) to but excluding the next (or first) scheduled Fixed Rate Interest Payment Date and rounding the resulting figure to the nearest euro 0.01 (euro 0.005 being rounded upwards).

(F) *Amount of Interest - Floating*

Where an amount of interest is required to be calculated applying a Floating Rate of Interest it shall be calculated by applying the applicable Floating Rate of Interest to the principal amount of such Note, multiplying the product by the actual number of days in the Floating Rate Interest Period (or any part thereof, in the case of a broken period) divided by 360 and rounding the resulting figure to the nearest euro 0.01 (euro 0.005 being rounded upwards).

(G) *Notifications, etc.*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 by the Agent Bank will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders.

(H) *Publications*

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

4. Redemption and Purchase

(A) *Scheduled redemption*

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 28 July 2023, subject as provided in Condition 5 (*Payments and exchange of Talons*).

(B) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (or, in the case of a Floating Rate Interest Period, on any Floating Rate Interest Payment Date) after 18 months from the Issue Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if:

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 6 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 28 July 2003; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, *however*, *that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent:

(1) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 4(B), the Issuer shall be bound to redeem the Notes in accordance with this Condition 4(B).

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

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on 28 July 2013, and each Floating Rate Interest Payment Date thereafter (each a "Call Settlement Date") at a price equal to 100 per cent. of their principal amount on the Issuer's giving not less than 15 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the relevant Call Settlement Date at such price).

(D) *Purchase*

The Issuer may purchase Notes in the open market or otherwise and at any price.

(E) *Cancellation*

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

(F) *Authorisations*

Any redemption or purchase provided for by Conditions 4(B) (*Redemption for tax reasons*), (C) (*Redemption at the option of the Issuer*) and (D) (*Purchase*) above shall be subject to any prior authorisation which may be required by any applicable law then in force, including authorisation from any authority supervising the business of the Issuer. If the laws of the country of incorporation of the Issuer provide that subordinated debt securities may be taken into account for the calculation of any relevant solvency margin, solvency requirement or adjusted solvency only if the terms and conditions of the relevant subordinated debt securities include a provision to the effect that authorisation from a supervisory authority must be obtained prior to the early redemption or purchase of the relevant debt securities, such authorisation shall be a condition precedent to the redemption or repurchase of the Notes.

In this Condition 4(F):

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

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

(G) *No other redemption*

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

5. Payments and Exchange of Talons

(A) *Principal*

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

(B) *Interest*

Payments of interest shall, subject to Condition 5(G) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 5(A) (*Principal*) above.

(C) *Payments subject to fiscal laws*

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

(D) *Deduction for unmatured Fixed Rate Coupons*

If a Note is presented without all unmatured fixed rate Coupons ("Fixed Rate Coupons") relating thereto, a sum equal to the aggregate amount of the missing Fixed Rate Coupons will be deducted from the amount of principal due for payment. Each sum of principal so deducted shall be paid in the manner provided in Condition 5(A) (*Principal*) above against presentation and (provided that payment is made in full) surrender of the relevant missing Fixed Rate Coupons.

(E) *Unmatured Floating Rate Coupons void*

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

(F) *Payments on business days*

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

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

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

(H) *Partial payments*

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

(I) *Exchange of Talons*

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

6. Taxation

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

(A) in respect of any Note or Coupon presented for payment:

(i) by or on behalf of a Noteholder or Couponholder who is liable to such taxes or duties by reason of his having some connection with the Relevant Jurisdiction, other than the mere holding of the Note or Coupon; or

(ii) by or on behalf of a Noteholder or Couponholder who is entitled to avoid such withholding or deduction by making a declaration to the relevant taxing authority, including (but not limited to) a declaration of non-residence or other similar claim for exemption; or

(iii) in circumstances where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or

(v) more than 30 days after the Relevant Date except to the extent that a Noteholder or Couponholder would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days on the assumption that it was a day on which payment would fall to be made on such presentation; or

(B) in relation to any payment or deduction of any interest, principal or other proceeds of any Note or Coupon on account of "*imposta sostitutiva*" (at the date of the issue of the Notes at 12.5 per cent. or such higher rate as may replace it) pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended or supplemented from time to time ("Decree 239") and in all circumstances in which the procedures required under Decree 239 in order to benefit from an exemption from *imposta sostitutiva* have not been complied with, except where such procedures have not been complied with as a result of any action or omission on the part of the Issuer or its agents.

In these Conditions:

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

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

7. Events of Default

Bankruptcy etc:

If any of the following events occurs:

(i) any of the applicable bankruptcy proceedings (*procedure concorsuali*) provided for under Royal Decree No. 267 of 16 March 1942 or under any other applicable laws, legislation, rules and regulations of the Republic of Italy, are commenced against the Issuer and are not dismissed or stayed within 30 days, or the Issuer institutes such proceedings; or

(ii) the Issuer enters into liquidation (otherwise than for the purposes of or pursuant to an amalgamation, merger, reorganisation or restructuring whilst solvent whereby a substantial part of the business and assets of the Issuer (including the principal business of the Issuer and the principal assets relating thereto) are vested in a body corporate in good standing and such body corporate assumes liability as principal debtor in respect of the Notes); or

(iii) any event occurs which under the laws of any other applicable jurisdiction has an analogous effect to any of the events referred to in (i) or (ii) above,

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

8. Prescription

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

9. Replacement of Notes and Coupons and Talons

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

10. Paying Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders. The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided*, *however*, *that*:

(i) the Issuer shall at all times maintain a fiscal agent;

(ii) the Issuer shall at all times maintain a paying agent in Luxembourg; and

(iii) if the conclusions of the ECOFIN Council meeting of 26-27 November 2000 are implemented, the Issuer will ensure that it maintains a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing such conclusions or any law implementing or complying with, or introduced to conform to, such Directive.

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

11. Meetings of Noteholders; Representative of Noteholders

(A) *Meetings of Noteholders; modification*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions, in accordance with Article 2415 of the Italian Civil Code. Such provisions are subject to compliance with the laws, legislation, rules and regulations of the Republic of Italy in force from time to time. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes. Such a meeting will be validly held if (i) there are one or more persons present, being or representing Noteholders holding more than one half of the aggregate principal amount of the outstanding Notes or (ii) in the case of a second meeting following adjournment of the first meeting for want of quorum, there are one or more persons present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes or (iii) in the case of a third meeting following a further adjournment for want of quorum, there are one or more persons present being or representing Noteholders holding more than one fifth of the aggregate principal amount of the outstanding Notes. The majority required to pass a resolution at any meeting convened to vote on an Extraordinary Resolution (including any meeting convened following adjournment of the previous meeting for want of quorum) will be the higher of (A) one or more persons holding or representing at least two thirds of the aggregate principal amount of the Notes represented at the meeting and (B) any majority specified from time to time in the constitutive documents of the Issuer; *provided, however, that* certain proposals (as set out in Schedule 5 to the Agency Agreement) (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary

Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders (other than a third meeting following adjournment of the first two meetings for want of quorum) by one or more persons holding or representing not less than one half of the aggregate principal amount of the outstanding Notes. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

(B) *Representative of Noteholders*

In accordance with Articles 2415 and 2417 of the Italian Civil Code, a representative of Noteholders *(rappresentante comune degli obbligazionisti)* (a "Representative of Noteholders") may be appointed in order to represent the Noteholders' interest in relation to the Notes and to carry out certain actions approved by a resolution of Noteholders, as set out in Schedule 5 to the Agency Agreement.

12. Notices

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

13. Governing Law and Jurisdiction

(A) *Governing law*

The Notes are governed by, and shall be construed in accordance with, English law, except that Condition 2 (*Status of the Notes*) is governed by the laws of the Republic of Italy; Condition 11 (*Meetings of Noteholders; Representative of Noteholders*) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Representative of the Noteholders are subject to compliance with the laws of the Republic of Italy; and the Notes and the Agency Agreement are subject to the application of mandatory provisions of the laws of any other applicable jurisdictions.

(B) *Jurisdiction*

The courts of England shall have jurisdiction to settle any disputes arising from or in connection with the Notes (a "Dispute").

(C) *Appropriate forum*

The Issuer irrevocably waives any objection which it might have to the courts of England being nominated as the forum to hear and determine any proceedings relating to a Dispute ("Proceedings") and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum and, accordingly, that it will not argue to the contrary.

(D) Rights of the Noteholders to take proceedings outside England

Condition 13(B) (*Jurisdiction*) is for the benefit of Noteholders only. As a result, nothing in this Condition 13 (*Governing Law and Jurisdiction*) prevents any Noteholders from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(E) *Process agent*

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Offices of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Manager shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Offices of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

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

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

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

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

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

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under a deed of covenant dated 28 July 2003 (the "Deed of Covenant") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

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

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

Notices. Notwithstanding Condition 12 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common depositary for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 12 (*Notices*) on the date of delivery to Euroclear and

Clearstream, Luxembourg; *provided*, *however*, *that*, so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, notices will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort)*.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount to euro 298,300,000 after deduction of the combined management and underwriting commission and of the arrangement fee due to Unipol Merchant S.p.A., will be used by the Issuer to finance in part the acquisition by the Issuer of the Winterthur Italia Group and to sustain the future growth of the Unipol Group, in particular its banking activities.

DESCRIPTION OF THE ISSUER

Introduction

Established in 1963, Compagnia Assicuratrice Unipol S.p.A. ("Unipol" or the "Issuer") together with its consolidated subsidiaries (hereinafter referred to as the "Unipol Group" or the "Group") was the fourth largest insurance group in Italy at the end of 2002.[1]

As at 31 December 2002, the Unipol Group consisted of:

– eight insurance companies in the insurance sector;

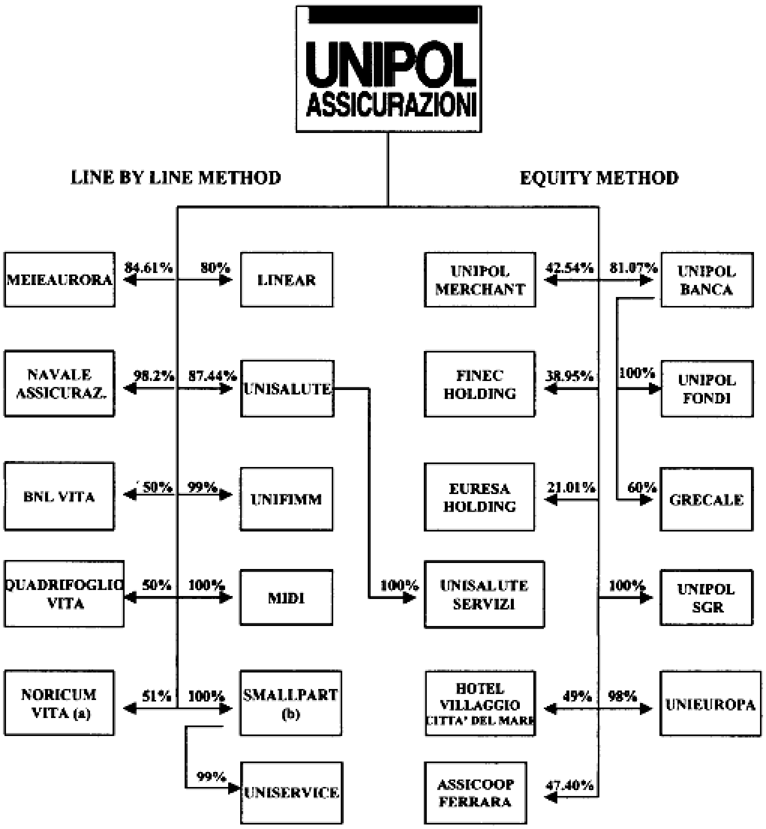
– Unipol Banca and a savings management company ("Unipol SGR S.p.A.") in the banking sector;

– two real estate companies;

– one investment company; and

– one service company primarily active in the insurance and assets holding sector.

The following chart sets out the principal consolidated subsidiaries within the Unipol Group as at 31 December 2002 and basis of consolidation [2].



(a) On 2 July 2003, Unipol entered into an agreement for the disposal of its holding in Noricum Vita S.p.A., subject to obtaining the relevant regulatory approvals required by law (see paragraph "Noricum Vita").

(b) On 20 December 2002, Unipol transferred to Smallpart S.p.A. its shareholdings in Uniservice S.p.A. (a company fully consolidated in Unipol's accounts), together with its shareholdings in A.P.A. S.p.A., A.R.C.O. Assicurazioni S.p.A., Assicoop Ravenna S.p.A., Assicoop Sicura S.p.A., Assicoop Imola S.p.A., Assicoop Siena S.p.A., Assicoop Modena S.p.A., Assicura S.p.A. and Assicoop Romagna S.p.A. (each valued according to the net equity method).

1 In terms of total premiums collected in the domestic market (source: Ania and ISVAP).

2 In addition to the companies set out in the chart, the Unipol Group includes a number of other non-strategic companies whose activities are strictly limited to asset-holding activities of the Unipol Group.

The Issuer is both the main operating company and the holding company of the Group.

The Group operates:

– in all the main lines of the insurance business, both in the life and the non-life sectors with two multi-sector companies, Unipol and Meieaurora Assicurazioni S.p.A. ("Meieaurora"). Unipol also operates in the pension funds sector;

– in the motor insurance sector with Compagnia Assicuratrice Linear S.p.A. ("Linear") (by telephone and Internet);

– in the healthcare sector with Unisalute S.p.A. ("Unisalute") (through agencies, group agreements with corporate entities and institutions and the Internet);

– in the marine and tourism non-life sector with Navale Assicurazioni S.p.A. ("Navale") (through agencies and brokers);

– in the bancassurance sector with Noricum Vita S.p.A. ("Noricum Vita"), Quadrifoglio Vita S.p.A. ("Quadrifoglio Vita") and BNL Vita Compagnia di Assicurazione e Riassicurazione S.p.A. ("BNL Vita"); through a sales network consisting of the branches of Cassa di Risparmio in Bologna S.p.A. and Banca Popolare dell'Adriatico S.p.A. (for Noricum Vita products), Banca Agricola Mantovana S.p.A. (for Quadrifoglio Vita products) and Banca Nazionale del Lavoro S.p.A. ("BNL") and through Banca BNL Investimenti S.p.A.'s financial promoters (for BNL Vita products). Unipol sells its life insurance products through a sales network consisting of Unipol Banca S.p.A. ("Unipol Banca") outlets, financial sales points and financial promoters; (See also *Description of the Issuer - Selected financial figures for insurance activity as at and for the year ended 31 December 2002 – Sales Network*);

– in the banking and managed savings sectors, with Unipol Banca through its branches, financial services selling points (*negozi finanziari*) and financial promoters;

– in the managed savings sector (through management of investment funds), with Unipol Fondi Limited; and

– in the merchant banking sector, with its affiliated company Unipol Merchant S.p.A. ("Unipol Merchant") (that has filed an application with the Bank of Italy and is awaiting authorisation to conduct credit business).

The Issuer has its head office at Via Stalingrado 45, Bologna, Italy, and is registered in the Companies Register of Bologna, Italy, with number 00284160371 as a joint stock company (*Società per Azioni*) incorporated under the laws of Italy.

Selected Financial Information as at and for the year ended 31 December 2002

Unipol Group

Total premiums collected by the Group for the year ended 31 December 2002, gross of the allotment of reinsurance premiums, amounted to euro 6,045.8 million, representing an increase of 22.3 per cent. compared to the corresponding period in 2001.

The gross technical reserves of the Group (including those used to hedge credit linked securities and pension funds) amounted to euro 17,353.1 million.

In the non-life sector, the average loss ratio, including claims settlement costs and net of reinsurance costs, was equal to 75.7 per cent. of the overall insurance premiums in the non-life sector.

The operating costs of the Group, which include acquisition commissions and other administrative expenses, net of the commissions received from reinsurance activity, were equal to euro 542.1 million. Such operating costs represent 9.5 per cent. of overall insurance premiums.

Results on ordinary activities of the Group were euro 192.4 million (euro 54.8 for the year ended 31 December 2001).

Net consolidated profits were euro 102.1 million (euro 62.3 million for the year 2001).

Unipol

In 2002, the Issuer achieved the following non-consolidated results:

– Unipol premiums collection increased by 10.5 per cent. over the corresponding period in 2001, to euro 1,901.7 million. Direct premiums reached euro 1,828.8 million, of which euro 1,211.9 million originated from the non-life sector and euro 616.8 million originated from the life sector. The growth rate was 11 per cent. for total direct premiums (with a 9.1 per cent. increase in the non-life sector and with a 15 per cent. increase in the life sector);

– technical results arising from the non-life sector of Unipol were euro 134.4 million compared to euro (63.7) million during 2001. The loss ratio in direct business was equal to 70.9 per cent. as opposed to 74.4 per cent. in 2001. The combined ratio in direct business decreased to 92.1 per cent. from 96 per cent. in 2001;

– the percentage of the operating expenses relative to the premiums collected decreased to 16.5 per cent. from 17.2 per cent. in 2001;

– total investments and liquid assets were euro 6,474.3 million representing an increase of 8.2 per cent. over the corresponding figure for 2001;

– net financial income of Unipol increased to euro 220 million, indicating growth of 19.7 per cent., before adjustments, while capital gains (that had a notable growth in 2001) and adjustments on investments net value decreased, respectively, by 53.8 per cent. and 12.8 per cent. over the corresponding figure for 2001;

– results from ordinary activities increased to euro 154.7 million (a notable increase of 70.6 per cent. over the figure) while extraordinary result was 20.3 million, decreasing by 54.1 per cent. over the 2001 figure;

– Unipol net profit was euro 103.1 million (euro 83.2 for the corresponding period in 2001), representing an increase of 23.9 per cent.

Capital and reserves, liabilities and other information

The following table shows the capitalisation and indebtedness of the Unipol Group as at 31 December 2002 and as adjusted by taking into account the issue of the Notes and the Issuer's proposed share-capital increase (See *Description of the Issuer - Share Capital – Recent changes to share capital*). The following tables are derived from the consolidated financial statements of the Group.

	As at 31 December 2002	
	Unadjusted	*Adjusted*
	(*in millions of euro*)	
Liabilities:		
Gross technical reserves	17,353	17,353
Other liabilities and debts[(1)]	821	821
Debenture loans	0	0
Subordinated liabilities	337	637
TOTAL LIABILITIES	**18,511**	**18,811**
Capital & Reserves:		
Share capital	506	906[(2)]
Reserves	731	1,395
Profit from the financial year	102	102
Capital and Reserves and minorities profits	163	163
TOTAL CAPITAL AND RESERVES	**1,502**	**2,566**
TOTAL LIABILITIES AND CAPITAL & RESERVES	**20,013**	**21,377**

(1) Of the total of Other liabilities and debts, short-term debts amounted to euro 816 million while long-term debts amounted to euro 4.6 million.
(2) The share capital figure includes warrants converted up to 1 July 2003.

Save as disclosed in this Offering Circular, there have been no material adverse changes in the capitalisation and indebtedness of the Unipol Group since 31 December 2002.

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

	As at and for the year ended 31 December 2002	*As at and for the year ended 31 December 2001*
	(*in millions of euro*)	
Gross premiums	6,045.8	4,943.1
Net operating expenses	542.1	504.3
Investments and liquid assets	17,686	14,819.3
Net income from investments	579.1	581.9
Gross technical reserves	17,353.1	14,626.3
Gross technical reserves/gross premiums (non-life)	165.9%	168.9%
Non-life loss ratio	75.7%	78.3%
Group capital & reserves (excluding profit)	1,338.5	1,122.6
Net profit	102.1	62.3
Return on Equity (ROE)	8.7%	5.8%

Market Overview

In 2002 and at the beginning of 2003, the insurance sector in Italy was marked by intense activity, resulting from trends that had already begun at the end of the 1990s which, in brief, can be summarised as follows:

– further development of the concentration process in the sector;

– greater gap – in terms of size and market share – between the first five groups operating in the non-life and life sectors (which represented more than 57 per cent. of the market in 2002) and the next five largest groups (approximately 10.8 per cent. of the market in 2002) and with the remaining 32 per cent. of the market fragmented among a large number of other insurance companies (source: Associazione Nazionale Imprese Assicuratrici (the Italian National Insurance Companies Association or "Ania") and ISVAP);

– growing market share of the life insurance companies belonging to banking groups (San Paolo Vita, Fideuram Vita, Monte Paschi Vita, etc.) and Poste Vita; these four insurance companies alone represented in 2002 more than 21 per cent. of the life insurance market in Italy (source: Ania and ISVAP). Furthermore, a greater autonomy of credit institutions in life insurance company management and a decrease in the importance of strategic partnerships between banks and insurance companies, excluding cases in which strategic-corporate agreements exist between banks and insurance companies, has occurred; and

– the first attempts by credit institutions to enter into non-life premium collection, as already existing in other European countries.

Furthermore, the insurance sector in Italy has recently faced a difficult period with:

– the financial markets crisis, which caused a decrease in financial margins;

– the progressive decrease of profits in the life insurance area, caused by the instability of financial markets, competition and tax decreases;

– significant criticism in the media and by consumer protection and antitrust agencies to which insurance companies are seeking to respond by providing more information to customers; and

– liabilities arising from government policies (reduction of tax relief and tax on technical provisions) and fines imposed by the antitrust body.

Notwithstanding the above, the Issuer believes that the sector will continue to grow over the next few years because of new challenges and new areas of activity arising from demographic changes and the welfare state crisis (ageing population and social security reform), as well as natural disasters and the emergence of new risks.

To face the difficulties and crisis areas indicated above and, at the same time, to take advantage of the opportunities tied to new development areas in the insurance business, management believes that those operating in the sector will need to adapt their strategies to face greater competition within the sector, threats arising from new competitors, such as those in the banking sector, plus other challenges emerging from the greater and more sophisticated needs of consumers. The insurance groups must achieve economies of scale in costs and investments and customer synergies, above all through growth and strong development of technological innovations.

Strategy

In this context, the Unipol Group has reinforced the strategy it has pursued since 2000. On 21 June 2003 Unipol and its holding company Finsoe S.p.A. ("Finsoe") entered into an agreement (the "Purchase Agreement") with Winterthur Swiss Insurance and Winterthur Life (both part of Credit Suisse Group) for the acquisition of 99.99 per cent. of Winterthur Assicurazioni, 70.22 per cent. of Winterthur Vita and 100 per cent. of Winterthur Italia Holding (in turn owner of the remaining 29.78 per cent. of Winterthur Vita). In particular, Unipol will directly purchase 89.99 per cent. of Winterthur Assicurazioni, 60.22 per cent. of Winterthur Vita and 100 per cent. of Winterthur Italia Holding, for a total amount of euro 1,319.2 million, while additional 10 per cent. shareholdings in Winterthur Assicurazioni and Winterthur Vita, will be purchased by Finsoe.

With the purchase of the Winterthur Italia Group, the Unipol Group will:

- strengthen its position at fourth place in the Italian insurance sector, with a market share of approximately 9 per cent., significantly increasing its premium income (from approximately 6,000 to 8,000 million euro based on 2002 data – source Ania and ISVAP);
- increase the weight of premium income arising from its own networks in respect of those arising from bancassurance agreements;
- significantly increase the number of its customers (from 4.5 to over 6 million);
- have a distribution structure that, while covering all of Italy, will be prevalent in the central-northern regions, where the Group believes there is a higher potential growth rate.

The acquisition of Winterthur Assicurazioni and Winterthur Vita is part of a strategy (starting with certain acquisitions carried out in 2000) which envisages the Unipol Group concentrated in two insurance centres (Bologna and Milan) and has as an assumption the maintenance of independent insurance companies, in relation to their respective markets and development targets. In particular, the strategic provisions of the plan can be summarised as follows:

- extension of Group functions to the Winterthur Italia Group and identification of unifying actions to be performed, in accordance with what was carried out when the Group acquired Meieaurora in 2000;
- reorganisation and optimisation of the Group's distribution network;
- changes in management aimed at improving efficiency and containing costs.

From an economic, asset and financial point of view, these strategies envisage the creation of a 2004-2006 plan that has the purpose of:

- increasing Group profits through further creation of cost, income and investment synergies;
- significantly strengthening customer synergies, in particular with Unipol Banca S.p.A..

In particular, the plan created has identified the following areas of improvement:

(a) the services supplied by Unipol to companies within the Group, which will be progressively extended to acquired companies;

(b) the coordination of guidelines, planning and management control;

(c) strengthening customer synergies and income at Group level; and

(d) three-year plans for all companies, in the context of the Group's consolidated three year plan.

Looking at each of these in further detail:

(a) The services supplied by Unipol to Group companies are:
    - claims management
    - finance
    - real estate
    - group IT and technological innovation
    - reinsurance

- group acquisitions management and in particular:
  - Unipol has created a project which allows for the settlement of claims of all Group companies, through an electronic system (Sertel) and Group claims-handling centres (CLG) connected on-line with the head office. In time and with the necessary modifications, this system will be extended to Winterthur Assicurazioni, with the purpose of improving user service and reducing the costs of managing claims;
  - the financial management and back-office of insurance companies has been concentrated at the Head Office, to centralise and contain costs. This has allowed for the unification of Group investment policy and has shown to be significantly efficient in the face of strong turbulence registered in financial markets over the past two years. In view of this, the intention is that the financial management of the Winterthur Italia Group will be centralised at Unipol;
  - the services in relation to the investment, divestment and management of the Group's real estate assets, concentrated in the past years at Unipol, will be extended to the Winterthur Italia Group;
  - in relation to IT and technological innovations, partly based on experience acquired with Meieaurora S.p.A. ("Meieaurora"), the aim of integrating Unipol's and the Winterthur Italia Group's IT systems will be pursued with the aim of:
    - having a single database with a single information output for all companies in the Group;
    - reducing costs by concentrating the area of specialisation; and
    - achieving economies of investment;
- in the reinsurance sector, a broadly similar policy will be implemented;
- purchases will be concentrated at the Head Office, with the aim of further reducing general expenses.

(b) Coordination, by Unipol Assicurazioni, of the planning and management control guidelines of the Group will be further developed and extended to the Winterthur Italia Group, taking into consideration prospective changes in legislation (reform of accounting standards and tax and corporate provisions) which will have a strong impact on both accounting and IT systems. The Group's functions/business that will be further strengthened and developed are:

- Group planning, budget and management;
- Group audit, administration and consolidated financial statements;
- legal;
- human resources and training guidelines; and
- improvement of sales network.

(c) Being able to count on a customer base of over 6 million, the income synergies to perform at Group level are moving in two directions:

- first, the traditional method, involving cross selling actions targeting specific customers, with the aim of increasing the sale ratio to 2.5/3 contracts per customer;
- secondly, by a more innovative method, aimed at attracting insurance customers through Unipol Banca S.p.A. with product and distribution guidelines and cross selling targeting specific customers. In particular, for Unipol Banca S.p.A. the income synergies arising from cross-selling actions will be facilitated by the proximity of bank branches (branches and financial agencies) with the agencies of Meieaurora and the Winterthur Italia Group, based on the experience of the Unipol network.

(d) The preparation of three-year plans for all companies, and consequently the overall plan at Group level, have been developed taking into consideration the actions identified in the points above. The experience gained with the acquisitions of Meieaurora in 2000 has facilitated the quantification of the Group's objectives.

In the course of the three years 2001-2003, the IT system of the Unipol Group was extended to the agencies network, the claims-handling centres and the head office of Meieaurora. In particular, a new system for settling claims via Internet or telephone, called Sertel, is now available to the claims-handling network. Achieving these targets has enabled Unipol to:

– standardise the IT platforms of the companies;

– reduce the impact of electric data process (EDP) costs on individual companies;

– improve customer services by agencies;

– achieve investment synergies; and

– extend part of the Unipol Banca S.p.A. IT system to agencies, in compliance with the requirements of the Bank of Italy. There are more than 100 Unipol agencies qualified to develop part of the banking activity.

A videoconference system is currently being extended to all agencies, claims-handling centres, bank branches and to finance shops, in order to limit structural costs from an organisational point of view, and to respond more quickly and effectively to customers. At present, more than 600 local offices are linked to the videoconference system.

The programme for the years 2004-2006, which was planned assuming the recovery in 2005 of the main macro-economic, financial and area indicators (GDP, interest rates, stock quotations) and the substantial steadiness of the frequency and average cost of claims, in addition to the extension of the business and the above mentioned developments to the Winterthur Italia Group, may be summarised as follows:

– development of insurance premiums, aimed at collecting more than euro 10 billion in 2006 (45 per cent. non-life insurance and 55 per cent. life insurance) more than 68 per cent. of which would be carried out through the distribution network of the Group and about 32 per cent. through the bancassurance companies;

– achievement of cost and investment synergies following the integration of the acquired companies and the optimisation of the IT systems, the claims-handling structures and the sales network of the Group;

– a new boost to customer synergies with Unipol Banca S.p.A., encouraged by the proximity between the banks and the insurance companies of the Winterthur Italia Group and Meieaurora;

– significant increase in the revenues of the companies of the Group.

The activities described above are intended to take place in the course of 2004 and completed by the end of the same year.

Selected Financial Figures for Insurance Activity as at and for the Year ended 31 December 2002

Life sector

Life insurance premiums collected by the Group, amounting to euro 3,721.8 million during 2002, represent 61.6 per cent. of total premiums collected and have increased by 33.6 per cent. in comparison to 2001.

Unipol, with total life insurance premiums collected of euro 622.5 million, has recorded a significant increase (14.8 per cent.) over the corresponding period in 2001, while premiums collected by Meiarora increased by 17.2 per cent., amounting to euro 294.3 million.

The companies operating through bancassurance channels (BNL Vita, Noricum Vita and Quadrifoglio Vita) have collected life insurance premiums of euro 2,805.4 million, indicating a growth rate of 40.8 per cent. over the corresponding period in 2001.

An increase in productivity achieved by the Group in 2002 arose from improvements to the distribution network and from sales initiatives and innovative products such as two new-unit link policies and one capital endowment policy.

Payments for claims, expired policies, redemptions and annuities amounted to euro 1,242.9 million (an increase of 32.5 per cent. over the corresponding period in 2001).

The technical reserves (including those used to hedge linked contracts and pension funds) reached euro 13,497.2 million (compared to euro 10,982 million at the end of 2001).

Operating costs in 2002, which include the overall sales commissions and the other expenses related to acquisitions and administration, net of the commissions from reinsurance, totalled euro 135.1 million. Such costs represented 3.7 per cent. of the overall insurance premiums in the life sector, net of reinsurance (4.1 per cent. in 2001).

As regards close-end pension funds, Unipol's activities continued in the management of the five funds already operating at the beginning of 2002 while the management of two new funds (Previcooper and Fundum) began in the second half of the year 2002. However, this sector has suffered from the slow start in private pension activity (*pensione integrativa*) in the Italian market. Assets under management at the end of the year amounted to euro 189.4 million**.**

As regards the "Unipol Previdenza", "Unipol Futuro" and "Unipol Insieme" open-end pension funds, the investment activity undertaken by the network of several commercial banks, by agencies of the Unipol group and directly by the head office, continued during the year 2002. As at 31 December 2002, the three funds reached a total net worth of euro 33,5 million for a total of 6,736 subscribers.

Non-life sector

Non-life insurance premiums collected by the Group reached a total of euro 2,324 million, representing an increase of 7.7 per cent. The third party motor liability ("Motor TPL") insurance division totalled euro 1.209,1 million in premiums, accounting for 52 per cent. of total non-life income.

Unipol's non-life insurance premiums reached a total of euro 1,279.2 million, representing an increase of 8.6 per cent. over 2001 (9.1 per cent. in direct business).

Specialised companies, such as Linear and Unisalute, have been characterised by a significant increase in their activities. Unisalute, with euro 53.2 million in direct non-life insurance premiums (a 26.4 per cent. increase on 2001), has strengthened its position in the healthcare insurance sector, while Linear, with total non-life insurance premiums of euro 98 million, has achieved growth of 46.5 per cent. compared to 2001 and maintains an estimated share of 17 per cent. in the market for motor insurance through telephone and Internet (source: elaborated from data produced by Ania).

Meieaurora, with total non-life insurance premiums of euro 798.6 million, in 2002 recorded a small increase (1.6 per cent.) compared to 2001.

The Group's payments relating to claims reached a total of euro 1,561.5 million in 2002, up 6.4 per cent. on 2001.

The Group's total allocation for reserves for premiums and losses increased by 5.8 per cent. to euro 3,855.9 million, equal to 165.9 per cent. of acquired premiums.

As at 31 December 2002, the Group's average loss ratio including claims settlement costs and net of reinsurance costs, was equal to 75.7 per cent. of overall insurance premiums in the non-life sector (78.3 per cent. at the end of 2001).

The Group's operating expenses in 2002, which included acquisition and collection commissions and other acquisition and administrative expenses, and net of reinsurance commissions received, totalled euro 407 million. Such operating expenses amount to 20 per cent. of premiums (20.9 per cent. in 2001).

Reinsurance

Indirect premiums as at 31 December 2002 amounted to euro 39.5 million (of which euro 34.3 million for non-life and euro 5.2 million for life), representing a decrease of 14.7 per cent. over the corresponding period in 2001. Indirect premium collection accounted for 0.7 per cent. of the total premiums underwritten.

Sales network

The sales network at the end of 2002 was composed of 1,109 exclusive agencies of which 569 belonged to Unipol (with 768 agents and 1,135 subagents) and 540 to Meieaurora (with 766 agents and 590 subagents).

In the bancassurance sector, the sales network consisted of 286 Banca Agricola Mantovana outlets for Quadrifoglio products, 315 outlets (of which 183 of Cassa di Risparmio di Bologna and 132 of Banca Popolare dell'Adriatico) for Noricum Vita products, 700 BNL Group sale points and 1,170 BNL Investimenti financial advisors for BNL Vita.

Funding through the banking network was carried out through 173 branches of Unipol Banca as at 31 December 2002 (60 of which were integrated by an equal number of insurance agencies) (compared to 95 branches at the end of 2001). Unipol Banca also had 57 financial sales points and more than 400 financial advisors, a direct sale channel (electronic banking) and the main Unipol agencies, which sell banking products.

Investments and Liquid Assets

As at 31 December 2002 financial investments and liquid assets amounted to euro 17,686 million representing an increase of euro 2,866.8 million (equal to 19.3 per cent.) over the corresponding figure for 2001.

The following table shows the allocation of assets and changes with respect to 2001.

	2002	(%)	2001	(%)	*Var.%*
	(*Amounts in thousands of euro*)				
Lands and buildings	520,991	2.9	629,227	4.2	-17.2
Investments in consolidated subsidiaries:					
– Shares and quotas	921,105	5.2	841,404	5.7	9.5
– Bonds	32,761	0.2	0	0.0	
TOTAL	**953,866**	**5.4**	**841,404**	**5.7**	**13.4**
Other Financial Investments					
– Shares and quotas	316,542	1.8	244,933	1.7	29.2
– Quotas of common investment funds	131,257	0.7	143,455	1.0	-8.5
– Bonds and other fixed income securities	8,502,181	48.1	7,836,348	52.9	8.5
– Financing	71,235	0.4	66,623	0.4	6.9
– Other investments[1]	1,183,265	6.7	513,874	3.5	130.3
TOTAL	**10,204,479**	**57.7**	**8,805,234**	**59.4**	**15.9**
Deposits with transferred companies	27,431	0.2	27,476	0.2	-0.2
Investments in favour of insured parties which bear the risk and deriving from pension fund management					
– Investment funds and market indices	5,118,241	28.9	3,946,304	26.6	29.7
– Pension funds	43,481	0.2	26,222	0.2	65.8
TOTAL	**5,161,723**	**29.2**	**3,972,526**	**26.8**	**29.9**
Other elements of assets					
– Bank and post-office deposits, cash in hand	810,234	4.6	540,190	3.6	50.0
– Own shares	7,313	0.0	3,227	0.0	126.6
TOTAL	**817,547**	**4.6**	**543,417**	**3.7**	**50.4**
TOTAL INVESTMENTS AND LIQUID ASSETS	**17,686,036**	**100.0**	**14,819,284**	**100.0**	**19.3**

[1] Including spot and forward agreement and commissions for derivatives transactions.

As at 31 December 2002, Other Financial Investments amounted to euro 10,204.5 million, an increase of euro 1,399.2 million over the corresponding period in 2001.

Investments in bonds and fixed rate securities made up 83.3 per cent. of the total figure which was also constituted by shares and quotas (3.1 per cent.), various financial investments (mainly spot against forward agreements) (11.6 per cent.), units of investment funds (1.3 per cent.) and financing (0.7 per cent.).

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

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

Investments covering life insurance contracts and capitalisation with direct lending linked to investment funds or share indices (unit-linked and index-linked policies), valued at their current value, at the end of 2002, amounted to euro 5,118.2. Investments deriving from pension fund management arise from open-end funds, the units of which are placed by Unipol, and from backed close-ended funds also managed by Unipol. The amount of such investments, as at 31 December 2002, was euro 43.5 million, with an increase of 65.8 per cent.

The proceeds from investments and liquid assets, net of financial burdens, amounted to euro 478.6 million in 2002, compared to euro 424.8 over the corresponding period in 2001. The net capital gain relating to sales of real estate and transactions of shares and quotas, fixed rate securities and various financial investments reached euro 100.5 million (compared to euro 157.1 million in 2001) of which euro 37.2 million related to long term investments (compared to euro 85 million in 2001).

As at 31 December 2002, in aggregate the net yield from investments and the net profits arising from disposals amounted to euro 579.1 million (euro 581.9 in 2001).

The net return on investments, gross of the adjustment on the investment value, was approximately 5 per cent. (5.6 per cent. in the corresponding period in 2001).

Share Capital

Current amount of share capital

The current share capital of Unipol is of euro 509,066,012, all fully subscribed and paid-up, divided into 324,140,818 ordinary shares and into 184,925,194 preference shares, all having a nominal value of 1 euro each.

Each ordinary share carries a right to one vote in the ordinary and extraordinary shareholders' meeting of Unipol; each preference share carries a right to one vote in the extraordinary shareholders' meeting of Unipol.

On 12 May 2000 the Board of Directors resolved, *inter alia*, to increase the Issuer's paid up share capital to a maximum amount of euro 31,000,615.10 through the issue of up to 20,908,575 ordinary shares and up to 39,116,986 preference shares, respectively to be taken up solely by holders of the "Warrant ordinary shares UNIPOL 2000-2005" and "Warrant preference shares UNIPOL 2000-2005" (together, the "Warrants").

As at 1 July 2003 the outstanding Warrants, exercisable by 20 June 2005, were:

– 104,542,878 Warrants for ordinary shares UNIPOL 2000-2005, corresponding to 20,908,575 ordinary shares; and

– 195,584,932 Warrants for preference shares UNIPOL 2000-2005, corresponding to 39,116,986 preference shares.

Principal characteristics of the shares

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

In 2002, the ordinary shares reached a maximum price of euro 4.180 and a minimum price of euro 3.831, while the preference shares reached a maximum price of euro 2.042 and a minimum price of euro 1.572.

On 30 April 2003, the shareholders' meeting of Unipol approved a dividend in respect of the year ended 31 December 2002 of euro 0.1156 for each preference share (euro 0.1002 in 2001), and euro 0.1104 for each ordinary share (euro 0.0950 in 2001), representing a total amount payable in dividends of euro 56.9 million.

Shareholders

According to the shareholders' register and other available information, the shareholders owning at the date of this Offering Circular an interest greater than 2 per cent. of the Issuer's share capital are the following:

Principal Shareholders	***Number of ordinary shares***	***%***	***Number of preference shares***	***%***	***Total number of shares***	***%***
FINSOE S.p.A. (*) – Finanziaria dell'Economia Sociale –Bologna	195,420,036	59.89	185,000	0.10	195,605,036	38.42
Società Reale Mutua di Assicurazioni – Turin	18,615,000	5.74	10,000	0.00	18,625,000	3.66
P & V Assurances – Belgium	16,769,652	5.17	404,000	0.22	17,173,652	3.37
MAIF – Società di Assurance Mutuelle – France	12,300,000	3.79			12,300,000	2.42
HOPA S.p.A. – Brescia	10,769,565	3.32	156,800	0.08	10,926,365	2.15
Sanpaolo Imi S.p.A. – Turin	10,259,883	3.16	348,850	0.19	10,608,733	2.08

(*) The majority of the share capital of Finsoe is held by Holmo S.p.A., whose share capital in turn is held by over 25 independent cooperative companies (*società cooperative*) mainly based in the Emilia-Romagna region.

Recent changes to share capital

The Board of Directors of Unipol resolved on 21 June 2003 to increase the Issuer's share capital to euro 1,054.3 million by means of a rights issue involving the issue of 252,829,824 ordinary shares ("New Ordinary Shares") and 144,241,617 preference shares, ("New Preference Shares") to be offered to the existing shareholders in the following ratios: 39 ordinary shares or preference shares for every 50 shares of the same category already held, at the price of euro 3.40 for each New Ordinary Share or euro 1.35 for each New Preference Share, totalling an overall amount of euro 1,054,347,584.55. Certain existing shareholders of Unipol representing approximately 80 per cent. of its share capital have agreed to take up the offer of shares under the rights issue and the remaining 20 per cent., to the extent not taken up by existing shareholders or by investors, is expected to be underwritten by a syndicate of banks. See *Description of the Issuer - Certain relationships involving the Issuer and the Joint Lead Managers.* The proceeds of the rights issue, which is due to be completed by 31 December 2003, will be used by Unipol to finance the Winterthur Acquisition. See *Description of the Issuer - Recent Developments - The Winterthur Acquisition*.

Principal Subsidiaries

The following table sets out the principal consolidated subsidiaries within the Unipol Group as at 31 December 2002, and a description of the business activity of each such subsidiary:

Company Name/Head Office	*Share capital (in thousands of euro)*	*Direct Unipol Shareholding (%)*	*Business Activity*
BNL Vita S.p.A., Milan	110,000	50.00	Life (bancassurance)
Compagnia Assicuratrice Linear S.p.A., Bologna	16,000	80.00	Non-life (motor) by telephone and Internet
Meieaurora S.p.A., Milan	190,777	84.61	Non-life/life
Navale Assicurazioni S.p.A., Ferrara	10,500	98.20	Non-life (marine and tourism)
Noricum Vita S.p.A., Bologna	16,000	51.00	Life (bancassurance)
Quadrifoglio Vita S.p.A., Bologna	22,500	50.00	Life (bancassurance)
Unisalute S.p.A., Bologna	17,500	87.44	Healthcare (managed care)
Unipol Banca S.p.A., Bologna	284,200	81.07	Banking activities

B.N.L. VITA

The company, jointly owned with Banca Nazionale del Lavoro S.p.A. ("BNL"), with its head office in Milan, operates in the life insurance sector and distributes its own products through a sales network consisting, as at 31 December 2002, of approximately 700 BNL branches and approximately 1,170 financial promoters of BNL Investimenti Sim S.p.A. (1,200 financial advisors as at 31 March 2003).

In 2002, premiums collected totalled euro 1,692 million representing an increase of 26.5 per cent. over 2001, while newly produced premiums amounted to euro 1,498 million (a 32 per cent. increase compared to 2001). This increase is partially due to the enlargement of the range of both traditional and financial products.

Premiums from traditional policies represented 46 per cent. of overall premium income, compared to 25 per cent. in 2001 – a change which was in accordance with market trends.

In 2002, net operating expenses amounted to euro 56.3 million representing 3.3 per cent. of overall premiums, a slight rise over 2001.

At the end of 2002 the number of employees was 85, the same as in 2001.

In October 2002, a subordinated loan amounting to euro 22 million was issued to cover the company's solvency margin by new financial resources.

In 2002, investments and liquid assets increased by 22.9 per cent., from euro 5,124 million in 2001 to euro 6,297 million.

As at 31 December 2002, net profits were equal to euro 12.3 million up sharply from euro 8.9 million in 2001, despite being affected by net value adjustments on investments (of euro 57.8 million).

Linear

Linear, established in 1995, with its head office in Bologna, operates in the motor insurance sector through telephone and Internet channels. The Italian market for direct sales of motor insurance policies by telephone and Internet during 2002 amounted to euro 539 million (source: Ania) in aggregate with an increase from 2% in 2001 to 3% in 2002 of the overall motor insurance market.

In 2002, Linear gathered premiums amounting to euro 98 million, an increase of 46.5 per cent. over 2001. This increase was partly due to a significant contribution from the Internet channel, the premiums of which amounted to more than euro 31 million, representing approximately 32 per cent. of overall premiums income (25 per cent. in 2001).

In 2002, Linear implemented its development programme by focusing particularly on the improvement of technical results and the reduction of operating costs while maintaining the same standard of service.

The loss ratio in direct business decreased from 82.4 per cent. of earned premiums in 2001 to 77.8 per cent. in 2002.

General costs decreased from 13.7 per cent. of direct premiums in 2001 to 12.8 per cent., notwithstanding the costs relating to the transfer and enlargement of the head office.

As at 31 December 2002, company employees were 220, 164 of whom were working in a call-centre (while in 2001 there were 176, 136 of whom were working in a call centre).

This increase in recent years determined the need to improve Linear's financial resources to cover the solvency margin. In September 2002, Linear increased its share capital increase to euro 6 million.

As at 31 December 2002, investments and liquid assets were equal to euro 133.8 million (compared to euro 85.3 million in 2001) while net investment income, both ordinary and extraordinary, amounted to euro 4.5 million (euro 2.3 million in 2001).

As at 31 December 2002 net profits amounted to euro 5.2 million, up 84 per cent. as compared to 2001 (euro 2.8 million).

Meieaurora

Meieaurora, which has its head office in Milan, is an insurance company operating in both the life and non-life sectors, originated by the merger between Meie Assicurazioni S.p.A., Meie Vita S.p.A. (both acquired from the Telecom Italia group in 2000) and Aurora Assicurazioni S.p.A. (acquired from the Generali group in 2000) in 2001. Its sales networks consisted, as at 31 December 2002, of 540 exclusive agencies (and 766 agents and 590 subagents in total), compared to 523 as at 31 March 2003 (752 agents and 590 subagents).

In 2002 Meieaurora gathered direct premiums amounting to euro 1,092.5 million with an increase of 5.5 per cent. over 2001. The life section was up by 17.2 per cent., while non-life section, with an increase of 1.8 per cent. over 2001, was affected by the rationalisation process of the sales network (with a decrease of 29 compared to 2001) and by a rigorous underwriting policy causing a decrease in contracts in its portfolio. Those policies led to an improvement of the loss ratio in non-life direct business (claims/premiums) which decreased from 84.7 per cent. in 2001 to 79.7 per cent. in 2002.

Operating costs, gross of commissions received from reinsurers, totalled euro 195.6 million (euro 198.2 million in 2001) and were equal to 17.9 per cent. of premium income (19.1 per cent. in 2001).

As at the end of the year, Meieaurora's staff was made up of 861 employees (863 as at the end of 2001).

As at the end of the financial year, investments and liquid assets amounted to euro 2,682 million (euro 2,468.8 million in 2001), an increase of 8.6 per cent. Investment income and capital gains, net of charges, value adjustments and excluding net investment income from "Class III" of Life business amounted to euro 116.5 million (an increase of 11.2 per cent. over 2001).

In 2002, Meieaurora closed the financial period with net profits amounting to euro 30.2 million, up sharply by 173 per cent. as compared to euro 11 million in 2001.

Navale

Navale was acquired from the Generali group in 2002 and has its head office in Ferrara. It operates in the non-life sector, although in specialised areas, in particular in the marine and tourism sectors, through brokers and non-exclusive agencies.

As at 31 December 2002, direct premium collections were equal to euro 128.4 million, indicating an increase of 14.4 per cent. over 2001. This result was mostly achieved through approximately 210 brokers which collected about 67 per cent. of total premiums while non-exclusive agencies and the head office's direct channel gathered the remaining 33 per cent.

Activity aimed at the technical balance of the portfolio by increasing premiums rates, in particular, in the transport and third party liability sectors, together with a cut of exposures for the cover of major industrial risks, improved the net loss ratio, which decreased from 86.2 per cent. in 2001 to 84.6 per cent. in 2002, notwithstanding the rise of reinsurance costs.

Operating costs, gross of reinsurance costs, were equal to euro 25.9 million (euro 23.8 million in 2001) representing 20.2 per cent. of premiums compared to 20.6 per cent. in 2001.

As at the end of 2002, Navale's staff was composed of 98 employees, one less than in 2001.

As at 31 December 2002, investments and liquid assets amounted to euro 121 million representing an increase of 7 per cent. over 2001 and net ordinary income was equal to euro 7.9 million (an increase of 13 per cent. over 2001).

For the year ended 31 December 2002, before-tax profits amounted to euro 1.4 million (1.3 million in 2001) while after-tax profits were euro 0.5 million, compared to euro 0.6 million in 2001.

Noricum Vita

Noricum Vita, with its head office in Bologna, is an insurance company operating in the life sector since 1991 and selling its own products through a sales network consisting of 183 branches of Cassa di Risparmio di Bologna S.p.A. in Bologna and 132 branches of Banca Popolare dell'Adriatico S.p.A., in each case as at 31 December 2002.

In 2002, premiums collection amounted to euro 293 million representing a decrease of 0.2 per cent. compared to 2001. In 2002, new business amounted to approximately euro 268 million, by registering an increasing weight of the "Class I" (according to ISVAP's classification) traditional products (from 15 per cent. in 2001 to 65 per cent. in 2002) at the expense of financial index-linked and unit-linked products.

As at the end of 2002, the company staff amounted to 15 employees, with a decrease of one employee over the corresponding period in 2001.

A subordinated loan amounting to euro 5 million was issued in September 2002 to strengthen its solvency margin.

Investments and liquid assets increased from euro 923 million as at 31 December 2001 to euro 1,122 million as at 31 December 2002, an increase of 21.5 per cent. Ordinary and extraordinary investment income, net of the relevant charges and excluding "Class III" (according to ISVAP's classification) investment income and charges, amounted to euro 26.7 million, an increase of 17.4 per cent. over 2001.

As at 31 December 2002 net profits were of euro 4.4 million representing an increase of 31.1 per cent. over 2001 (euro 3.3 million).

In accordance with an agreement signed with the Sanpaolo IMI group on 2 July 2003, the Unipol Group is disposing of its shareholdings in Noricum Vita for a consideration of euro 40.3 million.

Quadrifoglio Vita S.p.A.

Quadrifoglio Vita, with its head office in Bologna, is an insurance company operating since 1998 in the life sector selling its products through a distribution network composed of 286 outlets of Banca Agricola Mantovana S.p.A. as at 31 December 2002.

In 2002, the company gathered premiums amounting to euro 820.3 million compared to euro 362.4 million in 2001, an increase of 126.4 per cent. due to both the effort made by Banca Agricola Mantovana S.p.A. in distribution activity and the flexibility of the products which, guaranteeing capital and interest, were designed to adapt to customer requirements in the current situation, characterised by instable financial markets.

As regards new business premiums, equal to euro 806 million (an increase of 133 per cent. over 2001), traditional and capital endowment policies, on the one hand, and financial products (mainly unit-linked products), on the other, represented, respectively, 44 per cent. and 56 per cent. of the figure.

As at 31 December 2002, the operating costs trend showed a small impact (1.7 per cent.) on premiums, without any significant variation in respect with 2001.

At the end of 2002, the company had 14 employees with an increase of one employee over the corresponding period in 2001.

The growth of Quadrifoglio Vita led to a need to strengthen Quadrifoglio Vita's own funds to cover its solvency margin. For this purpose, in September 2002, the company issued a subordinated loan amounting to euro 10 million.

As at 31 December 2002 investment and liquid assets amounted to euro 1,664.8 million (euro 929.6 million as at 31 December 2001) representing an increase of 79 per cent.

Ordinary and extraordinary investments income, net of the relevant charge and excluding income and charge from "Class III" (according to ISVAP's classification) investments, amounted to more than euro 25.5 million (euro 15 million in 2001).

As at 31 December 2002 net profits were euro 9.1 million whilst in 2001 they were euro 3.4 million, representing an increase of 169 per cent.

Unisalute

Unisalute, established in 1995 and with its head office in Bologna, is a company operating in the healthcare and personal accident sectors and in ancillary insurance activities (through supplementary health schemes).

Unisalute is the first Italian insurance company, specialising in the healthcare sector, to operate through medical services provided by the national health service and providing for its services through an internal operating centre consisting of specialist employees and doctors.

Unisalute sells its services through division consultants (supplying companies, trade unions and other entities with insurance products as part of national collective bargaining agreements) and through agents and the Internet. Its customers include companies operating in different sectors such as banks, commercial companies, chemical factories, service companies and professional bodies.

In 2002, Unisalute's overall direct premium income amounted to euro 53.2 million, representing an increase of 26.4 per cent. over 2001. Such increase reinforced Unisalute's position in the healthcare insurance sector with a market share of 3.5 per cent. (source: Ania) and about 475,000 insured customers.

Net loss ratio in direct business decreased in 2002 to 76 per cent. from 80 per cent. in 2002.

The company's employees were 161 (121 in 2001), 69 working in a call centre.

In 2002, operating costs represented 17.9 per cent. of direct premiums, in line with the previous year notwithstanding the strengthening of company structures and the enlargement of the head office.

As at 31 December 2002, investments and liquid assets were equal to euro 44.8 million (euro 40.6 million as at 31 December 2001). Net investments income amounted to euro 1.9 million (euro 1.5 million in 2001).

For the year ended 31 December 2002, net profits amounted to euro 3.5 million, more than doubled over 2001 (euro 1.6 million).

Unipol Banca

Unipol Banca S.p.A., with its head office in Bologna, originated in 1998 from the acquisition by Unipol of a controlling interest in a small local bank (Banec).

Unipol Banca has a multichannel sales network: traditional banking branches (where all banking products and services are available), integrated sale points (banking branches next to insurance agencies, offering a wide range of insurance and private pension products), financial advisers in financial sale points and in insurance agencies, insurance agencies authorised by Unipol Banca to sell banking products, telephone banking and Internet banking services.

Unipol Banca has been selling a wide range of typical banking services and products as well as managed savings products (portfolio management by Unipol Banca and units of Unipol Funds; see *Description of the Issuer – Principal Subsidiaries - Unipol Funds Ltd*) and Unipol life insurance policies through a sales network made up of 173 banking outlets, 57 financial sales points and 407 financial advisors as at 31 December 2002. Unipol Banca had also been selling its own products and services through telephone and Internet banking service.

In 2002, Unipol Banca's activities were aimed particularly at developing commercial initiatives with the insurance division to increase the number of customers and, subsequently, the volume of collected and managed assets. The expansion of the commercial network continued in particular with the acquisition in December 2002 of 59 branches from the Capitalia group for a consideration of euro 163.4 million. The former Capitalia group branches are located in the following Italian regions: Lazio (21 branches), Tuscany (eleven branches), Lombardy (ten branches), Sicily (six branches), Emilia Romagna (five branches), Piedmont (three branches), Sardinia (three branches) and Liguria (one branch).

As at 31 December 2002, Unipol Banca's staff was made up of 736 employees indicating an increase of 71 on the 2001 figure. After the transfer of employees at the branches acquired from the Capitalia group to Unipol Banca, the staff amounted to 1,133 persons.

As at 31 December 2002, including its acquired branches, Unipol Banca reached euro 2,228 million in direct customer deposits (euro 1,121 million at the end of 2001) and customer funds of euro 6,979, of which euro 999 million were from savings management. Loans to customers amounted to euro 1,647 million. Net doubtful loans decreased from 0.76 per cent. of the overall lendings in 2001 to 0.6 per cent. in 2002.

Compared with 2001, net interest income increased by 24.8 per cent. to euro 37.4 million. Gross operating income increased by 50.8 per cent. to euro 83.7 million.

Operating costs increased by 49 per cent. over 2001 because of a euro 10 million reimbursement of debts contracted to cover the development of the bank. In 2002 net income was euro 5.3 million, three times greater than the operating income in 2001 (euro 1.5 million), net of depreciations and reserves amounting to euro 15.6 million.

On 14 July 2003, Unipol transferred to Unipol Banca its shareholding in Unipol Merchant for a consideration of euro 32.9 million, consisting of 29,908,405 shares, representing 42.45 per cent. of the Unipol Merchant's share capital (the "Unipol Merchant Shares"). A fully subscribed and paid-up share capital increase in Unipol Banca of euro 184.7 million was issued in January 2003 to finance the acquisition of the Capitalia group's branches and the Unipol Merchant Shares (which will, upon, *inter alia*, completion of the acquisition of the Unipol Merchant Shares, increase Unipol's shareholding in Unipol Merchant from 5.32 per cent. to 50.36 per cent.). The payment of the relevant purchase price for the Unipol Merchant Shares is expected to be completed upon obtaining a number of regulatory approvals, including as regards Unipol Merchant obtaining from the Bank of Italy the authorisation to conduct credit business. Following this share capital increase, Unipol Banca's net equity amounted to euro 477 million.

Unipol Funds Ltd

Unipol Funds Ltd, with its head office in Dublin, is an Irish company operating in the portfolio management sector, managing the 10 sections of the multisection investment fund called "Unipol Funds". At the end of 2002, the company managed assets amounting to euro 272 million with an increase of euro 125 million over the same figure in 2001 (up 84 per cent.). In 2002 net income was equal to euro 38,000 (euro 37,000 at the end of 2001).

Other subsidiaries

The following table sets out the subsidiaries of the Unipol Group as at the date of this Offering Circular with an indication of the direct and indirect shareholding of Unipol:

Company Name	***Indirect Unipol Shareholding*** *(%)*	***Direct Unipol Shareholding*** *(%)*	***Total***
Midi S.r.l.	100.00%		100.00%
Smallpart S.p.A.	100.00%		100.00%
Unifimm S.r.l.	100.00%		100.00%
Unipol Sgr S.p.A.	100.00%		100.00%
Navale Assicurazioni S.p.A.	98.22%		98.22%
Unisalute S.p.A.	87.44%		87.44%
Meiaurora S.p.A.	84.61%		84.61%
Unipol Banca S.p.A.	82.86%	2.00%	82.86%
Linear Assicurazioni S.p.A.	80.00%		80.00%
Noricum Vita S.p.A.	51.00%		51.00%
BNL Vita S.p.A.	50.00%		50.00%

Quadrifoglio Vita S.p.A.	50.00%			50.00%
Uniservice S.p.A.		99.00%	(Smallpart)	99.00%
Unieuropa S.r.l.		98.00%	(Smallpart)	98.00%
Unisalute Servizi S.r.l.		100.00%	(Unisalute)	100.00%
Unipol Fondi Ltd		100.00%	(Unipol Banca)	100.00%
Grecale S.r.l.		60.00%	(Unipol Banca)	60.00%

Regulatory Framework

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

Except for some powers specifically reserved to the Ministry of Industry, all control and supervisory powers relating to the insurance industry are exercised autonomously by ISVAP. ISVAP's purposes include: (i) monitoring of financial, technical and asset and liability management and monitoring solvency ratios; (ii) auditing of financial statements; (iii) supervision of the activity of insurance brokers and agencies; (iv) advising the Ministry of Industry with respect to the business plans submitted by companies seeking authorisation to conduct insurance activities; (v) proposing disciplinary measures including the revocation of authorisations; (vi) approving restructuring plans; (vii) advising the Ministry of Industry on any involuntary liquidation procedure for financially troubled entities; and (viii) communicating and collaborating with other EU insurance supervisory authorities. ISVAP has the power to request information from insurance companies, conduct audits of their activities and question their legal representatives, to appoint members of the Board of Directors and of the Board of Statutory Auditors, and to convene shareholders, directors and auditors meetings in order to propose the necessary measures necessary to conform the insurance companies' management to the provisions of law. In addition, insurance companies are required to submit the minutes of shareholders' meetings to ISVAP within 15 days from the date of their approval.

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

Management and Employees

Board of Directors

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

Name	***Place and date of birth***
Giovanni Consorte *Chairman and Managing Director*	Chieti, 16 April 1948
Ivano Sacchetti *Deputy Chairman and Managing Director*	Montecchio Emilia (RE), 27 July 1944
Antonio Silvano Andriani *Director*	Giovinazzo (BA), 31 August 1933
Jean Dominique Antoni *Director*	Paris, France, 1 February 1950
Francesco Boccetti *Director*	Vernio (PO), 5 November 1948
Rocco Carannante *Director*	Castelvolturno (CE), 31 March 1941

Name	*Place and date of birth*
Claudio Casini *Director*	Fontanelice (BO), 26 April 1946
Piero Collina *Director*	Bologna, 24 February 1946
Pier Luigi Fabrizi *Director*	Siena, 23 April 1948
Jacques Forest *Director*	Ecaussinnes d'Enghien, Belgium, 12 April 1944
Vanes Galanti *Director*	Imola (BO), 15 November 1949
Fabrizio Gillone *Director*	Vische (TO), 28 December 1939
Emilio Gnutti *Director*	Brescia, 6 August 1947
Claudio Levorato *Director*	Pianiga (VE), 15 February 1949
Ermanno Lorenzani *Director*	Campegine (RE), 29 April 1934
Enrico Migliavacca *Director*	Milan, 18 April 1952
Massimo Pacetti *Director*	Sesto Fiorentino (FI), 21 April 1947
Gian Carlo Sangalli *Director*	Arezzo, 1 September 1952
Leone Sibani *Director*	Bologna, 14 April 1937
Aldo Soldi *Director*	Piombino (LI), 25 November 1951
Giuseppe Solinas *Director*	Venaria Reale (TO), 6 June 1933
Pierluigi Stefanini *Director*	Sant'Agata Bolognese (BO), 28 June 1953
Graziano Trerè *Director*	Faenza (RA), 27 March 1947
Marco Giuseppe Venturi *Director*	San Pietro a Maida (CZ), 4 November 1947
Mario Zucchelli *Director*	Castelfranco Emilia (MO), 23 January 1946

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

The Board of Directors, in accordance with Article 13 of Unipol's By-laws and by implementing the Code of Corporate Governance for listed companies, has granted to the Chairman-Managing Director and the Deputy Chairman-Managing Director, severally, the power to manage Unipol's businesses and in particular to perform all the activities connected to the implementation of the resolutions of the Board of Directors and the Shareholders' Meetings, and to coordinate the activities for the achievement of the Issuer's objects.

On 27 April 2001, the Board of Directors confirmed the delegations of power to the Managing Directors within certain limits.

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

No Executive Committee has been appointed.

Statutory Auditors

The Board of the Statutory Auditors, in office until the approval of the financial statements for the financial year 2004, is composed of:

Name	***Place and date of birth***
Umberto Melloni *Chairman*	Bologna, 10 December 1940
Omer Caffagni *Auditor*	Carpi (MO), 13 October 1946
Lorenzo Roffinella *Auditor*	Savona, 25 July 1944
Diego Bassini *Alternate Auditor*	Sala Bolognese (BO), 23 February 1944
Roberto Chiusoli *Alternate Auditor*	Bologna, 15 September 1964

General Manager and Senior Management

General Manager

The Issuer has not appointed a General Manager.

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

General Area Managers:

– Maria Bettazzoni – *Administration, Financial Statements and Auditing Area* – born in San Cesario sul Panaro (MO) on 27 September 1941- employed by the Issuer since September 1966.

– Franco Migliorini – *Personnel, Organizational and Communication Area* – born in Bagno a Ripoli (FI) on 8 December 1940 – employed by the Issuer since February 1974.

Joint General Area Managers:

– Carlo Cimbri – *Finance Area, Real Estate, Interests and Control Manager* – born in Cagliari on 31 May 1965 – employed by the Issuer since August 1991, initially through Finsoe (its holding company) and since February 2001 by the Issuer.

– Carmelo De Marco –*Insurance Area* – born in Messina on 24 June 1946 – employed by the Issuer since October 1973.

– Riccardo Laurora – *Information System Area* – born in Trani (BA) on 17 January 1948 – employed by the Issuer since March 1988.

Central Managers:

– Domenico Brighi – *Central Manager of Companies Agencies and Central Management* – born in Meldola (FO) on 20 December 1950 – employed by the Issuer since July 1987.

– Giancarlo Brunello – *Press and Public Relations* – born in Treviso on 26 August 1948 – employed by the Issuer since July 1973.

– Stefano Dall'Aglio – *Finance Activities* – born in Bologna on 6 April 1945 – employed by the Issuer since February 1968.

– Salvatore Petrillo – *Administration and Accounts* – born in Naples on 2 February 1943 – employed by the Issuer since February 1968.

Staff

As at 31 December 2002, Unipol Group had 2,895 employees while the holding company, Unipol, had 1,442 employees.

Legal Proceedings

Save as disclosed below, there are no litigation or arbitration proceedings against or affecting the Issuer, any of its subsidiaries or any of their respective assets, nor is the Issuer aware of any pending or threatened proceedings, which are or might be material in the context of the issue of the Notes.

Unipol applied to the Regional Administrative Court of Lazio for judicial review of a decision of the Italian antitrust authority relating to an alleged cartel between Unipol and other leading insurance companies in relation to certain insurance policies which certain public bodies had taken out in Emilia Romagna and as a result of which a fine of euro 113,621 was imposed on Unipol and paid by Unipol on 8 March 1999. The case is due to be heard on 28 January 2004.

Unipol, together with over 35 other Italian and non-Italian insurance companies operating in Italy, has for some years now been involved in proceedings before the Italian antitrust authority which has charged such companies with alleged illegal concerted practices and exchange of information concerning insurance tariffs and sale of insurance policies in the motor TPL sector. The total amount of administrative fines imposed by the Italian antitrust authority against the Unipol Group amounted to ITL 33 billion (approximately euro 17 million) in aggregate, which was paid in April 2001. In 2002, the State Council confirmed this fine imposed by the Italian antitrust authority to leading insurance companies. An appeal on jurisdiction grounds before the Italian Court of Cassation was filed by Unipol against the decision of the State Council. No indication can be given at present as to when the case will be heard.

Recent developments

The Winterthur Acquisition

On 21 June 2003 Unipol and Finsoe entered into an agreement for the purchase of the Winterthur Italia Group (the "Purchase Agreement"). The acquisition of the Winterthur Italia Group is to be carried out by the transfer to Unipol by Winterthur Swiss Insurance Company and Winterthur Life (both part of the Credit Suisse Group) (the "Sellers") of shareholdings in the holding companies of the Winterthur Italia Group for a total consideration of euro 1,319.2 million and consists of:

- 89.99 per cent. of Winterthur Assicurazioni and, indirectly, NewWin S.p.A. and Winterthur SIM S.p.A., both fully owned by Winterthur Assicurazioni;
- 60.22 per cent. of Winterthur Vita; and
- 100 per cent. of Winterthur Italia Holding, which in turn owns 29.78 per cent. of Winterthur Vita.

The Winterthur Italia Group also comprises the following subsidiaries: Immobiliare San Vigilio S.p.A., Centro Servizi Missori S.r.l., Advenia Società of Servizi Assicurativi and Finanziari S.r.l., Wintervesa S.r.l. and Webinsurance Partners Italy S.r.l.

In addition, Finsoe will acquire the remaining 10 per cent. shareholding in Winterthur Assicurazioni and Winterthur Vita for a consideration of euro 145.8 million, bringing the total purchase price to euro 1,465 million.

The purchase price is payable wholly in cash. Mediobanca has issued two guarantees to the Sellers on behalf of Unipol and Finsoe, respectively, for a total amount of euro 1,365 million (of which 1,229 million in respect of Unipol), to guarantee regular and timely payment of the agreed purchase price

The buyers have undertaken to change the names of the purchased companies and to stop using the trade mark "Winterthur" by 30 June 2004.

Unipol and Finsoe, at the time of entering into the Purchase Agreement, paid to the Sellers a deposit of euro 100 million (of which euro 90 million was paid by Unipol). The Sellers are entitled to keep such deposit if the transfer does not take place by 31 December 2003 (see *Investment Considerations – Winterthur Acquisition, Clearance from Regulatory Authorities*).

The acquisition is conditional upon obtaining clearance from the relevant Italian and European Union competition authorities, from ISVAP and from the Bank of Italy, as provided under existing legislation. Completion of the Winterthur Acquisition is to take place on the tenth Business Day following receipt of clearance from the regulatory authorities but in any case no later than 31 December 2003.

The Winterthur Acquisition will be financed by Unipol, for its share of the purchase price by a euro 1,054.3 million rights issue and by the issue of the Notes, both of which were approved by the Board of Directors of Unipol on 21 June 2003 (see *Description of the Issuer – Share Capital – Recent changes to share capital*).

The Winterthur Italia Group

The Winterthur Italia Group was, as at 31 December 2002, the eighth largest insurance group in the Italian market (fourteenth if banks that provide insurance services in Italy are included) (source: Ania and ISVAP); the Winterthur Italia Group has a network of approximately 800 agencies throughout Italy and approximately 1.8 million customers.

Overall direct premiums of the Winterthur Italia Group reached, in 2002, euro 2,041 million (14.7 per cent. up on the previous year), of which euro 1,319 million were earned by non-life companies (euro 1,317 million by Winterthur Assicurazioni and euro 2 million by NewWin) and approximately euro 722 million by Winterthur Vita (in the life sector).

In 2002, the Winterthur Italia Group recorded a consolidated profit of approximately euro 94.5 million, a significant increase from euro 77 million in the previous year (+22.6 per cent.). The operating results were due to improvements in non-life and life technical management, which compensated reduced earnings from financial management.

In particular Winterthur Assicurazioni, with an increase in direct premiums equal to 7.2 per cent. from 31 December 2002 (from euro 1,228 to 1,317 million), recorded a growth of net profits equal to 15.1 per cent. (from euro 75.4 to 86.8 million), due to the improvement of the combined ratio (95.7 per cent. compared to 96.7 per cent. in 2001 on direct premiums).

In 2002 Winterthur Vita recorded a significant growth in direct premiums (a 31.2 per cent. increase against 2001, from euro 550 to euro 722 million), due to the notable development of traditional products. The net profits of Winterthur Vita increased from euro 1.6 to 10.4 million. During the first six months of 2003 the company further increased its assets through a share capital increase of euro 30 million, fully paid up by Winterthur Vita.

In 2002, the consolidated return on equity of the Winterthur Italia Group was 20.2 per cent. in consequence, *inter alia*, of the small impact of taxes in 2002 due to tax losses carried forward from the previous years.

As at 31 December 2002, the sale network included 799 agencies, of which 493 were in the North of Italy, 159 in central Italy and 147 in the south of Italy. Of the 799 agencies, 777 operate with both Winterthur Assicurazioni and Winterthur Vita licences and 22 have a Winterthur Vita licence only.

Winterthur Vita distributes its products through a network of personal bankers (330 as at 31 December 2002) headed by Credit Suisse Italy S.p.A., which in the last financial year collected approximately 49 per cent. of Winterthur Vita's direct premiums.

As at 31 December 2002 the Winterthur Italia Group had 1,598 employees.

Effects of the acquisition

For a description of the Unipol Group's strategy and how the Winterthur Acquisitions fits in with this strategy, see *Description of the Issuer – Strategy*.

The following table shows a comparison of the distribution networks of the Unipol Group and the Winterthur Italia Group in Italy:

Areas	***Unipol Group***	***Winterthur Italia Group***	***Total***	***%***
		(No. of Agencies)		
Northern Italy	485	493	978	51.8
Central Italy	263	159	422	22.3
Southern Italy and Islands	343	147	490	25.9
Total	1,091	799	1,890	100.0

The following table shows the geographical breakdown of total premiums collected in Italy by the Unipol Group and the Winterthur Italia Group in 2002 on a *pro forma* basis:

Areas	***Unipol Group***	***Winterthur Italia Group***	***Unipol Group and Winterthur Italia Group pro forma***	***%***
		(in millions of euro)		
Northern Italy	3,581	1,540	5,121	63.6
Central Italy	1,292	290	1,582	19.7
Southern Italy and Islands	1,133	211	1,344	16.7
Total	6,006	2,041	8,047	100.0

Management of the Unipol Group believes that the presence of the Winterthur Italia Group in Milan will allow the Unipol Group to have a stronger presence in the principal Italian insurance market.

From a sale of products/banking services and managed savings point of view, management of the Unipol Group believes that the Winterthur Acquisition will create:

– a wider potential market, represented by a larger number of customers;

– an increase in agencies, to which the integrated distribution model (banking, insurance and planned savings) can gradually be added using the experience obtained with the distribution network of Unipol Assicurazioni.

Management also expects:

(a) in relation to employees, streamlining and economies of scale by means of professional development processes, aimed at improving the quality of service offered to customers, and allowing for expansion and keeping costs down;

(b) limited investments, mostly in information systems; and

(c) the tax position of Unipol not to be significantly altered s as result of the Winterthur Acquisition.

Although Management of the Unipol Group believes that the Winterthur Acquisition offers some significant opportunities, there can be no assurance that the Unipol Group will achieve its strategic objectives in connection with the Winterthur Acquisition or that the integration of the Winterthur Italia Group into the Unipol Group will be a success and will achieve the intended results (See *Investment Considerations – Winterthur Acquisition – Clearance from Regulatory Authorities*).

Rating agencies

In the light of the prospective Winterthur Acquisition, Moody’s confirmed Unipol’s A2 insurance financial strength rating with stable outlook, while Standard & Poor’s placed Unipol’s single A counterparty credit and financial strength ratings on credit watch with negative outlook. Accordingly, Unipol’s subordinated debt rating is now BBB+ with negative outlook. Standard & Poor’s states that it intends to resolve the credit watch shortly, following discussions with Unipol’s management, and that if it decides on a downgrade it does not expect it to be by more than one or two notches.

Noricum Vita

On 2 July 2003 Unipol entered into an agreement with the Sanpaolo IMI group which provides for the Unipol Group to dispose of its shareholding in Noricum Vita (see *Description of the Issuer – Principal Subsidiaries – Noricum Vita*).

Certain relationships involving the Issuer and the Joint Lead Managers

Credit Suisse First Boston and Mediobanca are acting as Joint Lead Managers in the issue of the Notes. Unipol and/or its parent company, Finsoe, have entered into the following transactions involving the Joint Lead Managers and/or their respective affiliate companies:

– In the Winterthur Acquisition, the sellers of the Winterthur Italia Group are Winterthur Swiss Insurance and Winterthur Life, both of whom, in common with Credit Suisse First Boston, form part of Credit Suisse Group. See *Description of the Issuer - Recent Developments - The Winterthur Acquisition*.

- Mediobanca has granted a guarantee in favour of Winterthur Swiss Insurance and Winterthur Life, by which it has guaranteed regular and timely payment by Unipol and Finsoe of the purchase price in respect of the Winterthur Acquisition up to a total amount of euro 1,365 million, comprised of euro 1,229 million for Unipol's payment obligations and euro 136 million in respect of those of Finsoe. See *Description of the Issuer - Recent Developments - The Winterthur Acquisition*.
- In order to finance the Winterthur Acquisition, the Issuer intends to carry out a euro 1,054.3 million rights issue and, although no binding contract has been entered into as at the date of this Offering Circular, it is proposed that Mediobanca will establish and lead an underwriting syndicate in order to guarantee subscription of up to approximately 20 per cent. of the rights issue, being the proportion of the issue which might not to be taken up by Unipol's existing shareholders or by investors. See *Description of the Issuer - Share Capital - Recent changes to share capital* and *Description of the Issuer - Recent Developments - The Winterthur Acquisition*.

SUMMARY FINANCIAL INFORMATION IN RELATION TO THE ISSUER

Annual financial statements as at and for the years ended 31 December 2002 and 2001

The following tables set out in summary form consolidated and non-consolidated balance sheet and profit and loss account information relating to the Issuer. Such information is derived from a translation of the original Italian text of the audited consolidated and non-consolidated financial statements of the Issuer prepared in accordance with generally accepted accounting principles in Italy as at and for the years ended 31 December 2002 and 31 December 2001.

ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets

ASSETS

	As at 31 December 2002				*As at 31 December 2001*			
	(Amounts in thousands of euro)							
A. SUBSCRIBED SHARE CAPITAL UNPAID								0
of which called-up capital		0				0		
B. INTANGIBLE ASSETS								
1. Deferred acquisition commissions		61,784				58,882		
2. Other acquisition costs		2,570				2,166		
3. Goodwill		6,063				7,230		
4. Other intangible assets		15,582				18,872		
5. Differences arising from consolidation		393,367		479,366		419,665		506,815
C. INVESTMENTS								
I – Land and buildings			520,991				629,227	
II – Investments in affiliated undertakings and participating interests:								
1. Shares and participating interests in:								
a) holding companies	0				0			
b) subsidiaries	248,370				247,261			
c) associated undertakings	1,875				1,556			
d) affiliated undertakings	94,461				104,503			
e) other undertakings	576,399	921,105			488,084	841,404		
2. Debt securities		32,761				0		
3. Corporate financing		0	953,866			0	841,404	
III- Other financial investments								
1. Shares and participating interests		316,542				244,933		
2. Units and shares in investment trust		131,257				143,455		
3. Bonds and other fixed-income securities		8,502,181				7,836,348		
4. Loans		71,235				66,623		
5. Participation in investment pools		0				0		
6. Deposits with credit institutions		0				0		
7. Sundry financial investments		1,183,265	10,204,480			513,874	8,805,233	
IV- Deposits with ceding undertakings			27,431	11,706,768			27,476	10,303,340
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE RISK THEREOF AND INVESTMENTS ARISING OUT OF PENSION FUND MANAGEMENT				5,161,723				3,972,526
				17,347,857				14,782,681
D . *bis* TECHNICAL PROVISIONS – REINSURERS' SHARE								
I – NON-LIFE INSURANCE BUSINESS								
1. Provision for unearned premiums		91,695				91,954		
2. Provision for outstanding claims		359,474				349,307		
3. Other technical provisions		401	451,570			401	441,662	
II – LIFE ASSURANCE BUSINESS								
1. Mathematical provisions		305,525				408,514		
2. Provision for amounts payable		4,160				4,514		
3. Other technical provisions		133				119		

Consolidated Balance Sheets

ASSETS (*continued*)

	As at 31 December 2002			As at 31 December 2001		
	(Amounts in thousands of euro)					
4. Technical provisions for life assurance policies where investment risk is borne by policyholders arising out of pension fund management	0	309,818	761,388	0	413,147	854,809
E. DEBTORS						
I – Debtors arising out of direct insurance operations		520,249			514,424	
II – Debtors arising out of reinsurance operations		143,793			169,845	
III- Other debtors		236,056	900,098		141,436	825,705
F. OTHER ASSETS						
I – Tangible assets and stocks		16,199			16,209	
II – Cash at bank and in hand		810,234			540,190	
III- Own shares		7,313			3,227	
IV- Other assets		49,000	882,746		50,336	609,962
G. PREPAYMENTS AND ACCRUED INCOME			120,910			122,434
TOTAL ASSETS			**20,012,999**			**17,195,591**

Consolidated Balance Sheets

LIABILITIES

	As at 31 December 2002			As at 31 December 2001		
	(Amounts in thousands of euro)					
A. CAPITAL AND RESERVES						
I – Capital and reserves – Group						
1. Subscribed share capital or equivalent funds	505,696			451,273		
2. Free reserves	770,369			631,420		
3. Consolidation reserve	-46,445			-23,847		
4. Reserve for valuation differences on unconsolidated shareholdings	-503			-1,765		
5. Exchange risk reserve	0			0		
6. Reserves for own shares and holding company's shares	7,313			3,227		
7. Profit (loss) for the financial year	102,116	1,338,546		62,339	1,122,647	
II – Capital and reserves – minority interests						
1. Capital and reserves – minority interests	144,360			138,958		
2. Profit (loss) for the year – minority interests	18,922	163,282	1,501,828	10,130	149,088	1,271,735
B. SUBORDINATED LIABILITIES			337,000			300,000
C. TECHNICAL PROVISIONS						
I – NON-LIFE INSURANCE BUSINESS						
1. Provision for unearned premiums	858,603			807,876		
2. Provision for outstanding claims	2,987,276			2,826,723		
3. Equalization provision	7,821			7,391		
4. Other technical provisions	2,167	3,855,867		2,297	3,644,287	
II – LIFE ASSURANCE BUSINESS						
1. Mathematical provisions	8,058,794			6,785,192		
2. Provision for amounts payable	105,950			65,149		
3. Other technical provisions	172,676	8,337,420	12,193,287	161,940	7,012,281	10,656,568
D. TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING OUT OF PENSION FUND MANAGEMENT			5,159,784			3,969,758
E. PROVISIONS FOR OTHER RISKS AND CHARGES						
1. Provisions for pensions and similar obligations		0			0	
2. Provision for taxation		19,918			13,285	
3. Contingent consolidation provision		0			0	
4. Other provisions		22,046	41,964		19,413	32,698
to carry forward			19,233,863			16,230,759
F. DEPOSITS RECEIVED FROM REINSURERS			342,451			322,725
G. CREDITORS AND OTHER LIABILITIES						
I – Creditors arising out of direct insurance operations		46,463			29,618	
II – Creditors arising out of reinsurance operations		40,600			35,949	
III- Debenture loans		0			210,486	
IV- Amounts owed to credit institutions		0			29	
V – Debts secured by a lien on property		3,421			3,706	
VI – Sundry debts and other financial debts		14,301			7,469	
VII – Staff leaving indemnity		40,797			40,862	
VIII – Other creditors		127,309			112,563	

Consolidated Balance Sheets

LIABILITIES (*continued*)

	As at 31 December 2002		*As at 31 December 2001*	
	(Amounts in thousands of euro)			
IX – Other liabilities	127,171	400,062	160,568	601,250
H. ACCRUALS AND DEFERRED INCOME		36,623	40,857	
TOTAL LIABILITIES		20,012,999		17,195,591

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

	as at 31 December 2002	*as at 31 December 2001*
	(Amounts in thousands of Euro)	
I – Guarantees issued by the Company	32,185	23,921
II – Guarantees received from third parties	96,071	81,277
III – Guarantees issued by third parties in favour of consolidated undertakings	18,543	18,136
IV – Commitments	3,561,157	1,869,317
V – Third parties' assets held in deposit	5,681	3,659
VI – Pension fund assets managed on behalf of third parties	179,525	118,809
VII – Securities deposited with third parties	16,755,421	14,312,737
VIII – Other memorandum accounts	35,326	210,114

Consolidated Profit And Loss Accounts

	For the year ended 31 December 2002			*For the year ended 31 December 2001*		
	(Amounts in thousands of euro)					
I. TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS						
1. EARNED PREMIUMS, NET OF REINSURANCE						
a) Gross premiums written		2,323,953			2,157,496	
b) (-) Outward reinsurance premiums		248,842			225,707	
c) Change in the provision for unearned gross premiums		52,579			63,330	
d) Change in the provision for unearned premiums, reinsurers' share		15,293	2,037,825		10,539	1,878,998
2. OTHER TECHNICAL INCOME, NET OF REINSURANCE			3,876			9,474
3. CLAIMS INCURRED, NET OF SUMS RECOVERABLE AND REINSURANCE						
a) Claims paid						
aa) Gross amount	1,561,483			1,467,175		
bb) (-) Reinsurers' share	139,166			143,607		
cc) change in the sums recoverable, net of reinsurers' share	36,226	1,386,091		42,610	1,280,958	
b) Change in the provision for claims						
aa) Gross amount	167,032			232,818		
bb) (-) Reinsurers' share	11,012	156,020	1,542,111	42,692	190,126	1,471,084
4. CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			-86			152
5. BONUSES AND REBATES, NET OF REINSURANCE			1,464			1,489
6. OPERATING EXPENSES:						
a) Acquisition commissions		302,890			278,393	
b) Other acquisition costs		67,295			60,281	
c) Change in deferred acquisition commissions and costs		7,273			-2,348	
d) Renewal commissions		44,373			42,063	
e) Administrative expenses		71,801			76,562	
f) (-) Reinsurance commissions and profit participation		72,100	406,986		67,786	391,861
7. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			6,969			18,443
8. CHANGE IN THE EQUALISATION PROVISIONS			430			529
9. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)			83,827			4,914
II. TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS						
1. WRITTEN PREMIUMS, NET OF REINSURANCE						
a) Gross premiums written		3,721,799			2,785,586	
b) (-) outward reinsurance premiums		43,248	3,678,551		41,958	2,743,628
2. (+) ALLOCATED INVESTMENT RETURNS TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (Item III.5)			269,038			271,863
3. INVESTMENT INCOME AND UNREALISED GAINS ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING OUT OF PENSION FUND MANAGEMENT			184,823			93,746
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE			49,411			23,061
5. CLAIMS INCURRED, NET OF REINSURANCE						
a) Claims paid						
aa) Gross amount	1,242,882			938,019		
bb) (-) Reinsurers' share	32,955	1,209,927		44,791	893,228	
b) Change in the provision for claims						
aa) Gross amount	40,803			11,659		
bb) (-) Reinsurers' share	204	40,599	1,250,526	1,719	9,940	903,168

Consolidated Profit And Loss Accounts

	For the year ended 31 December 2002			*For the year ended 31 December 2001*		
	(Amounts in thousands of euro)					
6. CHANGE IN THE MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE						
a) Mathematical provisions						
aa) Gross amount	1,271,849			460,070		
bb) (-) Reinsurers' share	8,657	1,263,192		4,218	455,852	
b) Other technical provisions						
aa) Gross amount	18,174			8,066		
bb) (-) Reinsurers' share	23	18,151		-24	8,090	
c) Technical provisions for life assurance policies where investment risk is borne by policyholders and arising out of pension fund management						
aa) Gross amount	1,190,148			1,387,451		
bb) (-) Reinsurers' share	0	1,190,148	2,471,491	0	1,387,451	1,851,393
7. BONUSES AND REBATES, NET OF REINSURANCE			2,054			2,766
8. RATING EXPENSES						
a) Acquisition commissions		76,899			55,727	
b) Other acquisition costs		25,753			21,303	
c) Change in deferred acquisition commissions and costs		-3,677			-3,858	
d) Renewal commissions		13,411			12,966	
e) Administrative expenses		24,520			24,488	
f) (-) Reinsurance commissions and profit participation		9,124	135,136		5,876	112,466
9. INVESTMENT CHARGES AND UNREALISED LOSSES ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING OUT OF PENSION FUND MANAGEMENT			258,593			218,868
10. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			27,254			13,415
11. BALANCE ON THE TECHNICAL ACCOUNT LIFE ASSURANCE BUSINESS (Item III.2)			36,769			30,222
III. NON-TECHNICAL ACCOUNT						
1. BALANCE OF THE TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS (Item I.9)			83,827			4,914
2. BALANCE OF THE TECHNICAL ACCOUNT – LIFE INSURANCE BUSINESS (Item II.11)			36,769			30,222
3. INVESTMENT INCOME						
a) Income from shares and participating interests						
aa) share of profit (loss) for the year of shareholdings included by the equity method	6,287			2,085		
bb) other income	76,081	82,368		23,149	25,954	
b) Income from other investments						
aa) income from land and buildings	22,615			23,626		
bb) income from other investments	434,629	457,244		429,256	452,882	
c) Value re-adjustments on investments		3,315			5,512	
d) Capital gains on investments		95,703	638,630		109,261	593,609
4. INVESTMENT CHARGES						
a) Investment management charges, including interest payable		67,051			64,700	
b) Value adjustments on investments		152,952			153,703	
c) Capital losses on investments		32,307	252,310		37,044	255,447
5. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE LIFE ASSURANCE TECHNICAL ACCOUNT (Item II.2)			269,038			271,863
6. OTHER INCOME			65,375			56,735
7. OTHER CHARGES						
a) Interest on financial debts		25,290			18,773	
b) Sundry charges		85,546	110,836		84,602	103,375
8. BALANCE ON ORDINARY ACTIVITIES			192,417			54,795
9. EXTRAORDINARY INCOME			50,311			124,412
10. EXTRAORDINARY CHARGES			14,119			41,140

Consolidated Profit And Loss Accounts

	For the year ended 31 December 2002	*For the year ended 31 December 2001*
	(Amounts in thousands of euro)	
11. BALANCE ON EXTRAORDINARY ACTIVITIES	36,192	83,272
12. PROFIT BEFORE TAXATION	228,609	138,067
13. TAX ON PROFIT	107,571	65,598
14. CONSOLIDATED PROFIT	121,038	72,469
15. PROFIT (LOSS) FOR THE FINANCIAL YEAR – MINORITY INTERESTS	18,922	10,130
16. PROFIT (LOSS) FOR THE FINANCIAL YEAR – GROUP	102,116	62,339

ANNUAL AUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheets

ASSETS

As at 31 December 2002 — *As at 31 December 2001*

(Amounts in thousands of euro)

	As at 31 December 2002				As at 31 December 2001			
A. SUBSCRIBED SHARE CAPITAL UNPAID				0				0
of which called-up capital		0				0		
B. INTANGIBLE ASSETS								
1. Deferred acquisition commissions								
a) life assurance business	20,382,930				24,364,085			
b) non-life assurance business	13,285,250	33,668,180			11,782,556	36,146,641		
2. Other acquisition costs		0				0		
3. Formation and development costs		1,888,810				2,757,341		
4. Goodwill		950,281				1,187,851		
5. Other deferred costs		923,897		37,431,168		740,848		40,832,681
C. INVESTMENTS								
I – Land and buildings								
1. Buildings used for corporate business		42,830,748				43,581,850		
2. Buildings leased to third parties		290,146,861				363,125,729		
3. Other buildings		0				0		
4. Other real property rights		0				0		
5. Work in progress and advance payments		7,084,039	340,061,648			3,428,019	410,135,598	
II – Investments in affiliated undertakings and participating interests in:								
1. Shares and participating interests in:								
a) holding companies	0				0			
b) subsidiaries	1,228,688,144				1,212,198,548			
c) associated undertakings	1,675,277				1,185,277			
d) affiliated undertakings	82,497,723				101,615,609			
e) other undertakings	565,444,259	1,878,305,403			487,085,133	1,802,084,567		
2. Debt securities issued by:								
a) holding companies	0				0			
b) subsidiaries	0				0			
c) associated undertakings	0				0			
d) affiliated undertakings	0				0			
e) other undertakings	31,721,216	31,721,216			0	0		
3. Corporate financing to:								
a) holding companies	0				0			
b) subsidiaries	1,252,854				6,225,888			
c) associated undertakings	0				0			
d) affiliated undertakings	0				0			
e) other undertakings	0	1,252,854	1,911,279,473		0	6,225,888	1,808,310,455	
To carry forward				37,431,168				40,832,681
III- Other financial investments:								
1. Shares and participating interests								
a) listed shares	183,954,436				48,001,394			
b) unlisted shares	0				0			
c) participating interests	0	183,954,436			0	48,001,394		
2. Units and shares in investment trusts		111,076,126				121,463,531		
3. Debt securities and other fixed-income securities:								
a) listed securities	2,333,869,464				2,271,987,344			
b) unlisted securities	60,164,523				71,298,133			
c) convertible bonds	37,868,174	2,431,902,161			80,962,044	2,424,247,521		
4. Loans:								
a) loans secured by a lien on property	21,367,447				23,208,342			
b) loans on insurance policies	31,510,293				28,017,933			
c) other loans	2,689,388	55,567,128			1,312,371	52,538,646		
5. Participation in investment pools		0				0		
6. Deposits with credit institutions		0				0		
7. Sundry financial investments		502,685,297	3,285,185,148			473,833,517	3,120,084,609	
IV – Deposits with ceding undertakings			25,700,713	5,562,226,982			30,835,496	5,369,366,158
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			450,500,441				392,924,830	
II – Investments arising out of pension fund management			43,481,117	493,981,558			26,221,663	419,146,493
D. *bis* TECHNICAL PROVISIONS – REINSURERS' SHARE								
I – NON-LIFE INSURANCE BUSINESS								
1. Provision for unearned premiums		27,313,501				23,318,675		

Balance Sheets

ASSETS (***continued***)

	As at 31 December 2002				As at 31 December 2001			
	(Amounts in thousands of euro)							
2. Provision for outstanding claims		76,186,595				71,798,341		
3. Provision for bonuses and rebates		0				0		
4. Other technical provisions		0	103,500,096			0	95,117,016	
II – LIFE ASSURANCE BUSINESS								
1. Mathematical provisions		32,132,702				120,349,262		
2. Ancillary risks – Provision for unearned premiums		0				0		
3. Provision for amounts payable		693,942				644,231		
4. Provisions for bonuses and rebates		14,748				9,001		
5. Other technical provisions		0				0		
6. Technical provisions for life assurance policies where investment risk is borne by policyholders and arising out of pension fund management		0	32,841,392	136,341,488		0	121,002,494	216,119,510
to carry forward				6,229,981,196				6,045,464,842
E. DEBTORS								
I – Debtors arising out of direct insurance operations:								
1. Policyholders								
a) premiums for the year	155,122,459				152,190,769			
b) prior years' premiums	5,239,145	160,361,604			4,829,315	157,020,084		
2. Insurance intermediaries		62,081,156				95,153,592		
3. Insurance undertakings – accounts receivable		19,912,063				15,298,773		
4. Policyholders and third parties – amounts recoverable		20,638,203	262,993,026			20,224,830	287,697,279	
II – Debtors arising out of reinsurance operations:								
1. Insurance and reinsurance undertakings		38,572,558				104,088,910		
2. Reinsurance intermediaries		0	38,572,558			2	104,088,912	
III- Other debtors			84,681,360	386,246,944			20,945,713	412,731,904
F. OTHER ASSETS								
I –Tangible assets and stocks								
1. Furnishings, office equipment, internal vehicles		3,891,277				3,988,203		
2. Movables in public registers		156,908				225,259		
3. Fixtures, fittings and equipment		2,611,303				2,557,067		
4. Stocks and sundry goods		0	6,659,488			0	6,770,529	
II – Cash at bank and in hand								
1. Deposits with credit institutions and post office accounts		410,644,543				194,402,119		
2. Cheques and cash in hand		126,546	410,771,089			120,379	194,522,498	
III – Own shares			7,312,935				3,226,797	
IV – Other assets								
1. Deferred reinsurance accounts receivable		10,433,938				16,629,644		
2. Sundry assets		48,041,803	58,475,741	483,219,253		16,444,566	33,074,210	237,594,034
G. PREPAYMENTS AND ACCRUED INCOME								
1. Interest			41,396,606				42,194,460	
2. Rental income			94,223				108,430	
3. Other prepayments and accrued income			2,323,836	43,814,665			2,355,405	44,658,295
TOTAL ASSETS				**7,143,262,058**				**6,740,449,075**

ANNUAL AUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheets

LIABILITIES

	As at 31 December 2002			*As at 31 December 2001*		
	(Amounts in thousands of euro)					
A. CAPITAL AND RESERVES						
I – Subscribed share capital or equivalent funds		505,696,063			451,273,476	
II – Share premium reserve		487,900,683			337,152,880	
III – Revaluation reserves		20,700,874			20,700,874	
IV – Legal reserve		43,376,951			35,059,194	
V – Statutory reserves		0			0	
VI – Reserves for own shares and holding company's shares		7,312,935			3,226,797	
VII – Other reserves		219,646,551			240,334,130	
VIII – Profit (loss) brought forward		0			0	
IX – Profit (loss) for the financial year		103,075,041	1,387,709,098		83,177,568	1,170,942,919
B. SUBORDINATED LIABILITIES			300,000,000			300,000,000
C. TECHNICAL PROVISIONS						
I – NON-LIFE INSURANCE BUSINESS						
1. Provision for unearned premiums	458,321,767			429,914,380		
2. Provision for outstanding claims	1,421,729,054			1,362,293,222		
3. Provision for bonuses and rebates	1,600,000			1,643,882		
4. Other technical provisions	397,219			485,951		
5. Equalisation provision	667,686	1,882,715,726		564,785	1,794,902,220	
II – LIFE ASSURANCE BUSINESS						
1. Mathematical provisions	2,699,032,859			2,477,700,177		
2. Ancillary risks – provision for unearned premiums	0			0		
3. Provision for amounts payable	14,879,944			13,182,704		
4. Provision for bonuses and rebates	167,079			213,490		
5. Other technical provisions	31,258,937	2,745,338,819	4,628,054,545	30,302,538	2,521,398,909	4,316,301,129
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 to investment funds and market indices		450,500,441			392,924,830	
II – Pension fund management provision		43,481,117	493,981,558		26,221,663	419,146,493
Carried forward			6,809,745,201			6,206,372,541
E. PROVISIONS FOR OTHER RISKS AND CHARGES						
1. Provisions for pensions and similar obligations		0			0	
2. Provisions for taxation		7,984,594			6,863,896	
3. Other provisions		9,208,812	17,193,406		5,586,592	12,450,488
F. DEPOSITS RECEIVED FROM REINSURERS			68,842,030			64,938,380
G. CREDITORS AND OTHER LIABILITIES						
I – Creditors arising out of direct insurance operations:						
1. Insurance intermediaries	1,736,522			3,873,291		
2. Insurance undertakings – accounts payable	8,958,912			7,553,552		
3. Policyholders – deposits and premiums	1,164,537			1,305,816		
4. Policyholders – guarantee funds	3,107,006	14,966,977		2,599,755	15,332,414	
II – Creditors arising out of reinsurance operations:						
1. Insurance and reinsurance undertakings	15,120,461			12,227,171		
2. Reinsurance intermediaries	192,894	15,313,355		185,702	12,412,873	
III- Debenture loans		0			210,485,852	
IV- Amounts owed to credit institutions		0			0	
V – Debts secured by a lien on property		3,421,167			3,693,407	
VI- Sundry loans and other financial debts		8,358,317			7,275,543	
VII- Staff leaving indemnity		24,799,798			24,551,866	
VIII-Other creditors						
1. Policyholders' tax due	23,876,354			21,278,973		
2. Sundry taxes	7,602,659			10,430,871		
3. Social security contributions	4,268,769			4,311,497		
4. Sundry creditors	21,348,913	57,096,695		19,459,468	55,480,809	
IX- Other liabilities:						

Balance Sheets

LIABILITIES (*continued*)

	As at 31 December 2002			As at 31 December 2001		
	(Amounts in thousands of euro)					
1. Deferred reinsurance accounts payable	16,515,903			30,610,823		
2. Commissions on pending premiums	21,381,453			21,305,571		
3. Sundry liabilities	63,714,188	101,611,544	225,567,853	50,214,752	102,131,146	431,363,910
To carry forward			7,121,348,490			6,715,125,319
H. ACCRUALS AND DEFERRED INCOME						
1. Interest		21,771,866			25,032,203	
2. Rental income		141,679			291,553	
3. Other accruals and deferred income		23	21,913,568		0	25,323,756
TOTAL LIABILITIES			**7,143,262,058**			**6,740,449,075**

ANNUAL AUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheets

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

	As at 31 December 2002	*As at 31 December 2001*
	(Amounts in thousands of euro)	
I – Guarantees issued by the Company		
1. Surety bonds	2,277,790	2,277,790
2. Endorsements	0	0
3. Other unsecured guarantees	8,169	8,169
4. Guarantees secured by a lien on property	8,993,607	0
II – Guarantees received from third parties		
1. Surety bonds	52,609,529	17,352,617
2. Endorsements	0	0
3. Other unsecured guarantees	60,000	0
4. Guarantees secured by a lien on property	7,068,444	5,922,617
III – Guarantees issued by third parties in favour of the Company	11,674,714	11,072,387
IV – Commitments	2,460,360,469	1,777,247,086
V – Third parties' assets held in deposit	2,022,148	31,971
VI – Pension fund assets managed on behalf of third parties	179,524,695	118,809,030
VII – Securities deposited with third parties	5,399,189,341	5,053,528,107
VIII – Other memorandum accounts	7,238,144	5,137,982

ANNUAL AUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS

Profit and Loss Accounts

(Amounts in thousands of euro)

	For the year ended 31 December 2002			*For the year ended 31 December 2001*		
I. TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS						
1. EARNED PREMIUMS, NET OF REINSURANCE						
a) Gross premiums written		1,279,184,595			1,177,841,920	
b) (-) Outward reinsurance premiums		110,418,448			105,423,406	
c) Change in the provision for unearned gross premiums		32,772,411			34,696,038	
d) Change in the provision for unearned premiums, reinsurers' share		5,086,762	1,141,080,498		4,011,833	1,041,734,309
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)			47,508,950			21,590,829
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE			886,439			1,433,593
4. CLAIMS INCURRED, NET OF SUMS RECOVERABLE AND REINSURANCE:						
a) Claims paid						
aa) Gross amount	839,623,227			789,765,539		
bb) (-) reinsurers' share	60,646,614	778,976,613		61,190,827	728,574,712	
b) Change in the sums recoverable, net of reinsurers' share						
aa) Gross amount	21,925,191			26,001,757		
bb) (-) reinsurers' share	1,083,298	20,841,893		109,454	25,892,303	
c) Change in the provision for outstanding claims						
aa) Gross amount	65,545,176			86,204,635		
bb) (-) reinsurers' share	3,245,931	62,299,245	840,433,965	6,939,058	79,265,577	781,947,986
5. CHANGES IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			-88,732			-1,490
6. BONUSES AND REBATES, NET OF REINSURANCE			1,464,370			1,488,900
7. OPERATING EXPENSES:						
a) Acquisition commissions		180,725,362			165,300,656	
b) Other acquisition costs		19,902,528			18,560,904	
c) Change in deferred acquisition commissions and costs		1,502,694			777,716	
d) Renewal commissions		28,131,608			25,982,076	
e) Administrative expenses		43,932,200			45,046,835	
f) (-) Reinsurance commissions and profit sharing		39,722,745	231,466,259		38,250,356	215,862,399
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			1,677,437			1,644,127
9. CHANGE IN THE EQUALIZATION PROVISIONS			102,902			85,505
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)			134,419,686			63,731,304
II. TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS						
1. WRITTEN PREMIUMS, NET OF REINSURANCE						
a) Gross premiums written		622,466,533			542,432,733	
b) (-) Outward reinsurance premiums		5,999,122	616,467,411		5,949,271	536,483,462
2. INVESTMENT INCOME						
a) Income from shares and participating interests		18,267,353			15,032,899	
(of which from Group undertakings)		15,385,123			14,245,559	
b) Income from other investments						
aa) income from land and buildings	0			0		
bb) income from other investments	135,915,997	135,915,997		138,360,703	138,360,703	
(of which from Group undertakings)		1,942,207			2,212,083	
c) Value re-adjustments on investments		1,998,314			577,051	
d) Realized gains on investments		23,575,770			21,792,711	
(of which from Group undertakings)		0	179,757,434		1,539	175,763,364
3. INVESTMENT INCOME AND UNREALISED GAINS ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING OUT OF PENSION FUND MANAGEMENT			12,665,302			7,222,024

Profit and Loss Accounts

	For the year ended 31 December 2002			For the year ended 31 December 2001		
	(Amounts in thousands of euro)					
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE			5,997,820			6,105,596
5. CLAIMS INCURRED, NET OF REINSURANCE						
a) Claims paid						
aa) Gross amount	360,291,438			314,225,703		
bb) (-) Reinsurers' share	10,664,831	349,626,607		27,168,506	287,057,197	
b) Change in the provision for claims						
aa) Gross amount	1,649,642			1,245,274		
bb) (-) Reinsurers' share	73,193	1,576,449	351,203,056	30,042	1,215,232	288,272,429
6. CHANGE IN THE MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE						
a) Mathematical provisions, net of reinsurance						
aa) Gross amount	226,348,321			106,502,596		
bb) (-) Reinsurers' share	-4,554,758	230,903,079		-11,248,139	117,750,735	
b) Ancillary risks – provision for unearned premiums						
aa) Gross amount	0			0		
bb) (-) Reinsurers' share	0	0		0	0	
c) Other technical provisions						
aa) Gross amount	909,988			841,868		
bb) (-) Reinsurers' share	14,748	895,240		0	841,868	
d) Technical provisions for life assurance policies where investment risk is borne by policyholders and arising out of pension fund management						
aa) Gross amount	74,957,603			161,606,957		
bb) (-) Reinsurers' share	0	74,957,603	306,755,922	0	161,606,957	280,199,560
7. BONUSES AND REBATES, NET OF REINSURANCE			1,934,495			857,360
8. OPERATING EXPENSES						
a) Acquisition commissions		11,666,137			12,144,583	
b) Other acquisition costs		6,470,720			7,061,302	
c) Change in deferred acquisition commissions and costs		-3,981,155			-4,695,398	
d) Renewal commissions		7,345,529			7,020,513	
e) Administrative expenses		12,317,575			11,292,619	
f) (-) Reinsurance commissions and profit participation		894,557			609,356	41,605,059
TOTAL		40,886,559				
9. INVESTMENT CHARGES:						
a) Investment management charges, including interest payable		24,515,073			22,931,208	
b) Value adjustments on investments		36,580,879			34,195,363	
c) Realised losses on investments		7,438,178	68,534,130		3,180,230	60,306,801
10. INVESTMENT CHARGES AND UNREALISED LOSSES ON INVESTMENTS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING OUT OF PENSION FUND MANAGEMENT			33,229,961			27,707,109
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			7,568,764			6,006,725
12. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (Item III.4)			0			286,673
13. BALANCE ON THE TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS (Item III.2)			4,775,080			20,242,730
III. NON-TECHNICAL ACCOUNT						
1. BALANCE ON THE TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS (Item I.10)						
2. BALANCE ON THE TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS (Item II.13)			134,419,686			63,731,304
3. INVESTMENT INCOME – NON-LIFE INSURANCE BUSINESS:			4,775,080			20,242,730
a) Income from shares and participating interests:		66,538,657			19,406,193	
(of which from Group undertakings)		59,943,616			17,228,005	

Profit and Loss Accounts

	For the year ended 31 December 2002			For the year ended 31 December 2001		
	(Amounts in thousands of euro)					
b) Income from other investments:						
aa) income from land and buildings	16,670,144			17,314,694		
bb) income from other investments	25,639,867	42,310,011		27,866,106	45,180,800	
(of which from group undertakings)		3,707,803			3,045,664	
c) Value re-adjustments on investments		546,349			30,886	
d) Capital gains on investments		9,003,911			22,500,081	
(of which from group undertakings)		0	118,398,928		0	87,117,960
4. (+) ALLOCATED INVESTMENT RETURNS TRANSFERRED FROM LIFE ASSURANCE TECHNICAL ACCOUNT (Item II.12)			0			286,673
5. INVESTMENT CHARGES – NON-LIFE INSURANCE BUSINESS:						
a) Investment management charges, including interest payable		13,555,712			14,319,000	
b) Value adjustments on investments		30,415,099			40,285,842	
c) Capital losses on investments		2,072,113	46,042,924		1,420,132	56,024,974
6. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO NON-LIFE INSURANCE TECHNICAL ACCOUNT (Item I.2)			47,508,950			21,590,829
7. OTHER INCOME			42,143,213			28,255,434
8. OTHER CHARGES			51,510,180			31,349,119
9. BALANCE ON ORDINARY ACTIVITIES			154,674,853			90,669,179
10. EXTRAORDINARY INCOME			28,438,963			81,442,966
11. EXTRAORDINARY CHARGES			8,103,638			37,166,309
12. BALANCE ON EXTRAORDINARY ACTIVITIES			20,335,325			44,276,657
13. PROFIT BEFORE TAXATION			175,010,178			134,945,836
14. TAX ON PROFIT			71,935,137			51,768,268
15. PROFIT (OR LOSS) FOR THE FINANCIAL YEAR			103,075,041			83,177,568

Unaudited Consolidated Financial Statements for the Three Months Ended 31 March 2003

The Unipol Group's financial statements for the three months ended 31 March 2003 were prepared in accordance with Italian applicable laws and regulations in relation to Italian listed companies. The information provided shows the operating results from ordinary activities, including value recoveries and adjustments on investments derived from market trends.

During the first quarter of 2003, the Group's structure was not significantly different from that as at 31 December 2002. On 14 March 2003 Unipol, with the aim of rationalizing its shareholdings, sold its 98 per cent. shareholding in Unieuropa S.p.A. and its 47.40 per cent. shareholding in Assicoop Ferrara S.p.A. to its subsidiary Smallpart S.p.A., at book value.

An overview of the main highlights for the first quarter of 2003, compared to the same period in 2002, is indicated in the table below:

ORDINARY ACTIVITIES – SUMMARY

	31 March 2003			*31 March 2002*		
	Life	*Non-Life*	*Total*	*Life*	*Non-Life*	*Total*
	(Amounts in millions of euro) UNAUDITED			*(Amounts in millions of euro) UNAUDITED*		
TECHNICAL ACCOUNT						
Net of reinsurance cessions						
Life written premiums and Non-life earned premiums	1,549.6	506.0	2,055.6	723.4	485.5	1,209.0
Charges for claims and benefits paid, variations in life technical provisions and Non-life provision for outstanding claims	(1,619.6)	(365.4)	(1,985.1)	(736.3)	(355.0)	(1,091.3)
Operating expenses	(39.5)	(104.7)	(144.2)	(25.3)	(98.7)	(124.0)
Other technical income and charges	4.2	(1.9)	2.3	4.0	(0.7)	3.4
Net income (charges) from Class D investments[(1)]	33.2		33.2	(9.7)		(9.7)
Net investment income allocated to the technical account of life business	86.2		86.2	50.8		50.8
Balance on the technical/ account	**14.0**	**34.0[(2)]**	**48.0**	**7.1**	**31.1[(2)]**	**38.2[(2)]**
NON TECHNICAL ACCOUNT						
Net investment income[(3)]			60.7			65.7
Balance on other income/charges			(9.5)			(11.8)
Operating result			**99.1**			**92.1**
Net value adjustments			(50.6)			(51.0)
Balance on ordinary activities			**48.5**			**41.1**
Extraordinary income			8.4			8.3
Extraordinary charges			(1.0)			(0.6)
Profit before taxation			**55.9**			**48.8**
Tax on profit			(27.9)			(23.1)
Profit (loss) – minority interests			4.1			3.6
PROFIT (LOSS)-GROUP			**23.8**			**22.1**

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(1) Income from investments the risk of which is borne by policyholders. This is matched by a corresponding variation in technical provisions and therefore does not affect the profit for the financial year.
(2) The layout of consolidated accounts does not require the transfer of income from the non-technical account for Non-life business.
(3) Net of the share transferred to the technical account of life business.

The most significant aspects of the interim results as at 31 March 2003 are as follows:

– the Group's premium income, gross of reinsurance assignments, amounted to euro 2,162 million (an increase of 67 per cent. compared with 31 March 2002) and to euro 2,055.6 million net of reinsurance assignments and of the balance on provisions for unearned premiums for the period (that amounted to euro 1,209 million as at 31 March 2002); growth in the life business was particularly high and unlikely to be repeated;

– the improvement in the results of the core insurance business (amounting to euro 48 million compared with euro 38.2 million as at 31 March 2002), as a result of the positive trend in both life and non-life business, continued;

– the total amount of net technical provisions was euro 17,920 million, an increase of euro 1,328 million compared with 31 December 2002 (an 8 per cent. increase);

- investments and liquid assets amounted to euro 19,224 million, an increase of euro 1,538 million compared with 31 December 2002 (an 8.7 per cent. increase);
- net investment income and capital gains and net trading profits for the period amounted to euro 157.5 million (euro 124.3 million for the three months ended 31 March 2002), whereas net value adjustments amounted to euro 50.6 million (euro 51 million for the three months ended 31 March 2002);
- investments relating to benefits linked to investment funds and market indices and pension funds resulted in net income of euro 33.2 million (against a net loss of euro 9.7 million for the three months ended 31 March 2002);
- net operating expenses, a total of euro 144.2 million, represented 7 per cent. of earned premiums (compared with 10.3 per cent. for the three months ended 31 March 2002) as a result of the extraordinary growth in life business;
- the consolidated result of ordinary business, after account is taken of the relevant potential value adjustments to investments (euro 50.6 million) and the depreciation relating to consolidation differences (euro 7.1 million), was euro 48.5 million (euro 41.1 million for the three months ended 31 March 2002), an increase of 18 per cent. compared with the first quarter of 2002; and
- the total gross result amounted to euro 55.9 million (euro 48.8 million as at 31 March 2002). At the end of March net profits pertaining to the Group were euro 23.8 million (a 7.7 per cent. increase compared with the corresponding figure for the three months ended 31 March 2002).

Interim results should be seen in the light of seasonal factors that affect insurance business, underwriting policies and tariff adjustments adopted, the launch of new products and the trends in the financial markets and the overall economic picture. These results may also be influenced in various ways by extraordinary non-recurrent events.

TAXATION

The following is a general guide only, based upon the tax laws of the Republic of Italy as in effect on the date of this Offering Circular and should be treated with appropriate caution. The information below is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Notes. It relates to the position of persons who are the absolute beneficial owners of the Notes and of the interest, premiums and other proceeds payable on the Notes. Prospective purchasers of the Notes should consult their tax advisers as to the consequences under the tax laws of the country in which they are resident for tax purposes and the tax laws of Italy of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law or practice as in effect on the date of this Offering Circular and is subject to any change in law or practice that may take effect after such date. Prospective noteholders who may be unsure as to their tax position should seek their own professional advice.

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Law No. 80 of 7 April 2003 for the reform of the Italian tax system gives power to the Italian Government inter alia to introduce, by way of legislative decree, a general reform of the tax treatment of financial income within two years of the law coming into force. The proposed reform may impact on the current tax regime of the Notes, as summarised below. The proposed reform may come into force from 2004 and in any case is currently expected to come into force by 2006.

Income tax on interest, premiums and other proceeds payable on the Notes

Italian resident Noteholders

Pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended ("Decree 239") a substitute tax (*imposta sostitutiva*) levied at the rate of 12.5 per cent. is currently applicable to interest, premiums and any other proceeds in respect of the Notes (the "Interest") if derived by Italian resident beneficial owners of the Notes which are (i) individuals holding the Notes not in connection with entrepreneurial activities, (ii) non commercial partnerships, (iii) non profit organisations, (iv) real estate investment funds already existing at the date of 26 September 2001, pursuant to Italian Law No. 86 of 25 January 1994, unless the managing company of the funds has opted for the application of the new regime provided for by Italian Legislative Decree No. 351 of 25 September 2001, converted with amendments into Italian Law No. 410 of 23 November 2001 (the "Decree 351/01") or (v) Noteholders which are exempt from corporate income tax. The *imposta sostitutiva* is a final tax and discharges any Italian income tax liabilities in respect of the Interest.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("SIMs"), *società di gestione del risparmio* ("SGR"), fiduciary companies, exchange agents (*agenti di cambio*) and other qualified entities identified by the relevant decrees of the Ministry of Finance resident in Italy (each an "Intermediary").

The Intermediaries must: (i) be (a) resident in Italy or (b) permanent establishments in Italy of Intermediaries resident outside Italy, or (c) organisations and companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which include Euroclear and Clearstream, Luxembourg) having appointed an Italian representative for the purposes of Decree 239; and (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

In order to apply *imposta sostitutiva*, an Intermediary opens an account (the "single account") to which it credits *imposta sostitutiva* in proportion to Interest accrued. In the event that more than one Intermediary participates in an investment transaction, *imposta sostitutiva* in respect of the transaction is credited to or debited from the single account of the Intermediary having the deposit or investment management relationship with the investor.

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

No *imposta sostitutiva* is applicable where an Italian resident individual Noteholder holds the Notes in a discretionary investment portfolio managed by an Italian authorised financial intermediary and opts to be taxed at the flat rate of 12.5 per cent. on the appreciation of the investment portfolio accrued, even if not realised, at year-end (which appreciation includes any Interest accrued on the Notes) pursuant to the so-called Asset Management Option ("*Risparmio Gestito*" regime) set forth by Article 7 of the Decree 461/97.

The *imposta sostitutiva* is currently applicable also on any Interest derived by an Italian resident beneficial owner of the Notes which is an individual holding the Notes in connection with entrepreneurial activities. The

Interest on the Notes must be included, on an accrual basis, in the aggregate taxable income of such Noteholder and the *imposta sostitutiva* levied on the Interest is creditable against the personal income tax (IRPEF) due by such Noteholder.

No *imposta sostitutiva* is applicable on Interest payable to Italian resident corporate entities or to permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, provided that the Notes are timely deposited with an intermediary. Interest on the Notes must be included, on an accrual basis, in the aggregate taxable income of the Noteholders for corporation tax purposes (IRPEG). For certain categories of corporate Noteholders, Interest accrued on the Notes must also be included in the net value of production subject to regional tax on productive activities (IRAP).

No *imposta sostitutiva* is applicable on Interest payable to Italian pension funds (subject to the regime provided by Articles 14, 14-ter and 14-quater, paragraph 1, of Legislative Decree No. 124 of 21 April 1993) and to Italian collective investment funds, provided that the Notes are timely deposited with an authorised financial intermediary. Interest on the Notes must be included in the calculation of the management result of the fund accrued at year-end, which is subject to a substitute tax at the rate of 11 per cent. (12.5 per cent. in case of Italian collective investment funds).

No *imposta sostitutiva* is applicable on Interest payable to Italian real estate investment funds which are established starting from 26 September 2001, pursuant to Article 37 of Legislative Decree No 58. of 24 February 1998 and Article 14-bis of Law No. 86 of 25 January 1994, and which have timely deposited the Notes with an authorised financial intermediary. Such Italian resident real estate investment funds are subject to an annual 1 per cent. substitute tax on the accounting net value of the fund. Furthermore, according to the Decree 351/01 no *imposta sostitutiva* is applicable on Interest payable to Italian real estate investment funds already existing at the date of 26 September 2001, to the extent that the managing company of the funds has opted for the application of the new regime provided for by the Decree 351/01.

Non-Italian resident Noteholders

An exemption from *imposta sostitutiva* has been introduced with respect to certain beneficial owners of the Notes resident outside of Italy. In particular, pursuant to Decree 239, as amended, the aforesaid exemption will apply to any beneficial owner of a payment of any Interest in favour of a Noteholder relating to the Notes who (i) is resident, for tax purposes, in a country which allows for a satisfactory exchange of information and which is not a tax haven, (ii) is an international body or entity set up in accordance with international agreements which have entered into force in Italy, (iii) is the Central Bank or an entity also authorised to manage the official reserves of a State, or (iv) is a foreign institutional investor which is established in a country which allows for a satisfactory exchange of information and which is not a Tax Heaven, even if it does not possess the status of taxpayer in its own country of establishment.

For the above purposes, the countries deemed to be Tax Havens are those listed in Ministerial Decree of 23 January 2002, as amended from time to time.

In addition, in the absence of a more recent list of countries which recognise the Italian tax authorities right to an adequate exchange of information, the provisions of Ministerial Decree of 4 September 1996 (as subsequently amended) shall continue to apply. Such decree includes, *inter alia*, all members of the European Union, Australia, Brazil, Canada, Japan and the United States of America, but excludes, *inter alia*, Switzerland and Cyprus.

The exemption procedure for Noteholders who are non-resident in Italy and are resident in qualifying countries identifies two categories of intermediaries:

(i) an Italian bank or financial institution or a permanent establishment in Italy of a non-resident bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "First Level Bank"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); and

(ii) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via electronic link, with the Italian tax authorities (the "Second Level Bank"). Organizations and companies non-resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which include Euroclear and Clearstream, Luxembourg) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM) for the purposes of the application of Decree 239.

In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption of Noteholders who are non-resident in Italy from the *imposta sostitutiva* is conditional upon:

(i) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(ii) the submission to the First Level Bank or the Second Level Bank of a statement of the relevant Noteholder, valid until revocation, required by Decree 239 and in which it declares that it is eligible to benefit from the exemption from *imposta sostitutiva*. Such statement must comply with the requirements set forth in a Ministerial Decree dated 12 December 2001.

In any other case, the *imposta sostitutiva* levied at the rate of 12.5 per cent. is applicable on Interest payable to non-Italian resident persons. The rate of the *imposta sostitutiva* may be decreased pursuant to the provisions of the applicable double tax treaty (if any).

Capital gains tax on disposal or redemption of the Notes

Capital gains on the sale or redemption of the Notes realised by Italian resident individuals holding the Notes not in connection with entrepreneurial activities are subject to an *imposta sostitutiva* levied at the rate of 12.5 per cent. in the annual tax return unless *(a)* the Notes are held in a discretionary investment portfolio managed by an Italian authorised financial intermediary (according to the rules of the "*Risparmio Gestito*" regime) or *(b)* the Notes are deposited with banks, SIMs or certain other authorised financial intermediaries (according to the rules of the "*Risparmio Amministrato*" regime). According to the rules of the *Risparmio Gestito* regime, the appreciation of the investment portfolio accrued, even if not realised, at year-end (which appreciation includes any capital gains on the Notes) is subject to an *imposta sostitutiva* levied at the rate of 12.5 per cent. which is applied on behalf of the individual Noteholder by the managing professional intermediary. According to the rules of the *Risparmio Amministrato* regime, an *imposta sostitutiva* at the rate of 12.5 per cent. is levied, on behalf of the individual Noteholder by the professional intermediary with which the Notes are deposited, on capital gains realised on each sale for consideration or redemption of the Notes.

Capital gains on the sale or redemption of the Notes realised by Italian corporations or by Italian permanent establishments of non-Italian resident entities to which the Notes are effectively connected, are not subject to any *imposta sostitutiva* or withholding tax when realised and must be included in the aggregate taxable income of the Noteholders for corporation tax purposes (IRPEG). For certain categories of corporate Noteholders, capital gains realised on the Notes must also be included in the net value of production subject to regional tax on productive activities (IRAP).

Capital gains on the sale or redemption of the Notes realised by Italian pension funds (subject to the regime provided by Articles 14, 14-ter and 14-quater, paragraph 1, of Legislative Decree No. 124 of 21 April 1993) and by Italian collective investment funds, are not subject to any *imposta sostitutiva* or withholding tax when realised and must be included in the calculation of the management result of the fund accrued at year-end, which is subject to a substitute tax at the rate of 11 per cent. (12.5 per cent. in case of Italian collective investment funds).

Capital gains on sale or redemption of the Notes realised by non resident persons are not subject in Italy to any *imposta sostitutiva* or withholding tax in accordance with the provisions of (1) Article 20(1)(f) of the Decree 917/86, as amended and supplemented, and/or (2) Article 5(5) of the Decree 461/97 as amended and supplemented and/or (3) in accordance with the provisions of the relevant Double Tax Treaty if applicable.

Early redemption of the Notes

Without prejudice to the above provisions, in the event that the Notes, having an original maturity of eighteen months or more, are subject to an early redemption within eighteen months from the date of issue, the Issuer will be subject to an additional tax levied at the rate of 20 per cent. in respect of interest and premium (if any) accrued between the date of issue and the date on which the Notes are repaid pursuant to Article 26, 1st paragraph of Presidential Decree No. 600 of 29 September 1973, as amended.

Transfer tax on the sale of the Notes

The sale of the Notes triggers the application of Italian transfer tax (*Tassa sui contratti di Borsa*) at the rate of euro 0.0083 for each euro 51.65 of the purchase price (or fraction thereof), or euro 0.00465 for each euro 51.65 of the purchase price (or fraction thereof), depending on the identity of the contracting party. In certain cases, the amount of the transfer tax may not exceed euro 929.62.

Sales of Notes listed on regulated markets are exempt from transfer tax if: (i) they are executed in regulated markets; or (ii) they are executed between banks and/or entities authorised to carry on investment services in accordance with Italian law; or (iii) they are executed between banks or entities authorised to carry on investment services in accordance with Italian laws and non-resident persons or entities; (iv) they are executed between collective investment schemes and banks and other entities, whether or not resident in the Republic of Italy, authorised to carry on investment services in accordance with Italian law.

Inheritance and gift tax

According to Law 18 October 2001, No. 383, the Italian inheritance and gift tax (*Imposta sulle successioni e donazioni*) has been abolished. However, gifts made to: (i) persons other than the spouse, the direct descendants and the relatives within the 4th degree and (ii) for a value higher than euro 180,759.91 in respect of each beneficiary, shall be subject, on the value exceeding such threshold, to the transfer taxes that would be applicable should such transfer be made for a consideration.

EU Savings Tax Directive

On 3 June 2003 the Council of the European Union adopted a Directive on the taxation of savings income under which Member States will generally be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. Exceptionally (and for a transitional period only, which will end after agreement on exchange of information is reached between the European Union and certain non-European Union states) Belgium, Luxembourg and Austria will instead be required to withhold tax from such payments unless the noteholder authorises the person making the payment to report the payment or presents a certificate from the relevant tax authority establishing exemption therefrom. The Directive should, subject to certain conditions being satisfied, apply from 1 January 2005.

SUBSCRIPTION AND SALE

The Joint Lead Managers have, in a subscription agreement dated 25 July 2003 (the "Subscription Agreement") and made between the Issuer and the Joint Lead Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe and pay for the Notes at their issue price at par of their principal amount less an overall combined management and underwriting commission of 0.50 per cent. of their principal amount. The Issuer has also agreed to reimburse the Joint Lead Managers for certain expenses incurred in connection with the issue and listing of the Notes and for printing costs. The Subscription Agreement is subject to a number of conditions and may be terminated by the Joint Lead Managers in certain circumstances prior to payment for the Notes to the Issuer.

Set out below is a summary of the principal restrictions on the offer and sale of the Notes and the distribution of documents relating to the Notes.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

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

Each Joint Lead Manager has represented and agreed that it has not offered and sold the Notes and will not offer or sell Notes, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the date of commencement of the offering of the Notes and the Issue Date (the "Distribution Compliance Period"), within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of Notes within the United States or to, or for the account or benefit, of U.S. persons.

In addition, until the end of the Distribution Compliance Period, an offer or sale of the Notes within the United States by any dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

Italy

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

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

(a) to "Professional investors", as defined in Article 31.2 of CONSOB Regulation No. 11522 of 1 July 1998 ("Regulation No. 11522"), as recently amended, pursuant to Article 30.2 and 100 of Legislative Decree No. 58 of 24 February 1998 ("Decree No. 58"), or in any other circumstances where an express exemption from compliance with the solicitation restrictions provided by Decree No. 58 or CONSOB Regulation No. 11971 of 14 May 1999 applies, provided however, that any such offer, sale or delivery of Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy must be:

    (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended ("Decree No. 385"), Decree No. 58, Regulation No. 11522 and any other applicable laws and regulations;

    (ii) in compliance with Article 129 of Decree No. 385 and the implementing instructions of the Bank of Italy, pursuant to which the issue, trading or placement of securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending, *inter alia*, on the amount of the issue and the characteristics of the securities, applies; and

(iii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy; or

(b) to Italian residents who submit unsolicited offers to any of the Joint Lead Managers to purchase the Notes.

United Kingdom

Each Joint Lead Manager has further represented and agreed that:

(a) it has not offered or sold and, prior to the expiry of the period of six months from the Issue Date, will not offer or sell any Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted in and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

General

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

GENERAL INFORMATION

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 21 June 2003.

2. Save as disclosed in this Offering Circular, there are no litigation or arbitration proceedings against or affecting the Issuer, any of its subsidiaries or any of their respective assets, nor is the Issuer aware of any pending or threatened proceedings, which are or might be material in the context of the issue of the Notes.

3. Save as disclosed in this Offering Circular, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of the Issuer or any of the Issuer's subsidiaries since 31 December 2002 that is material in the context of the issue of the Notes.

4. For so long as any of the Notes are outstanding, copies of the following documents may be inspected during normal business hours at the Specified Office of each Paying Agent:

   (a) the Agency Agreement; and

   (b) the Deed of Covenant.

5. For so long as any of the Notes are outstanding, copies of the following documents (together with English translations thereof) may be obtained free of charge during normal business hours at the Specified Office of each Paying Agent:

   (a) the audited consolidated and non-consolidated financial statements of the Issuer for the years ended 31 December 2001 and 31 December 2002;

   (b) the unaudited consolidated quarterly report of the Issuer for the three months ended 31 March 2002 and 2003; and

   (c) the latest published unaudited quarterly and semi-annual interim consolidated financial statements and the latest published audited year-end consolidated and non-consolidated financial statements of the Issuer.

   The Issuer does not publish non-consolidated quarterly or semi-annual financial statements.

6. In connection with the application for the Notes to be listed on the Luxembourg Stock Exchange, copies of the Deed of Incorporation and By-laws of the Issuer (together with English translations thereof) and a legal notice relating to the issue of the Notes will be deposited prior to listing with the Luxembourg companies and commerce register (*Registre de Commerce et des Sociétés à Luxembourg*), where they may be inspected and copies obtained upon request.

7. The Notes and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code". The sections referred to in such legend provide that a United States person who holds a Note or Coupon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0173649798 and the common code is 17364979.

ANNEX A
PRO FORMA DATA IN RELATION TO THE WINTERTHUR ACQUISITION

The following is a translation into English of an extract from the pro forma data and explanatory notes contained in the Information Memorandum (***Documento Informativo***) produced by the Issuer in relation to the Winterthur Acquisition and deposited with CONSOB in July 2003 pursuant to Article 114, sub-section 1, of Decree No. 58 and by virtue of Article 71 of Regulation No. 11971.

TRANSLATION

PRO FORMA AGGREGATED PROFIT AND LOSS ACCOUNTS AND BALANCE SHEETS FOR THE UNIPOL GROUP AND THE COMPANIES BEING ACQUIRED

Explanatory notes

The pro forma data, drawn up on the basis of the consolidated financial statements of the Unipol Group and the Winterthur Assicurazioni Group and the non-consolidated financial statements of Winterthur Italia Holding, aim to illustrate the effects on the profit and loss account and balance sheet of the Unipol Group from the prospective acquisition of the above-named companies, together with the capital increase and a notes issue, as if these had occurred on 31 December 2002 with reference to the balance sheet and on 1 January 2002 with reference to the profit and loss account.

Since this is an accounting simulation it is stressed that if the transactions in question had actually taken place on the aforesaid reference dates, the results obtained would not necessarily have been the same as those in the attached schedules.

The pro forma data were produced by combining the data from the consolidated financial statements of the Unipol Group with those of the Winterthur Assicurazioni Group and with the non-consolidated financial statements of Winterthur Italia Holding, all as at 31 December 2002, considering the effects on the balance sheets and profit and loss accounts arising from the aforesaid prospective acquisitions, as well as the effects on Unipol's own funds and indebtedness on the basis of the planned transactions to raise the necessary funding. In addition, some pro forma adjustments were made in order to eliminate the profit and loss and balance sheet effects arising from cross relationships and to standardise the valuation criteria.

Specifically, it has been assumed that these operations would be financed by means of the capital increase and the issue of subordinated notes as approved by the Unipol Board of Directors on 21 June 2003.

More precisely, taking into account that the terms applicable to the shares to be issued will be fully defined close to the launch date of the rights issue, for the purposes of this pro forma simulation it is assumed that the transaction will take place by means of the issue of 251,192,175 ordinary shares at a price equal to €3.40, at a premium of €2.40 per share, and 144,214,278 preference shares at a price of €1.35, at a premium of €0.35 per share.

Regarding the inclusion in Unipol's assets of the shareholdings being purchased, this has been done on the basis of the cost corresponding to the price agreed with the vendors, as shown in the table on the following page, plus associated expenses.

In order to allocate the differential between the cost value of the participating interests and the relevant shareholders' equity, consideration has been given to changes which have occurred in the shareholders' equity of the companies being purchased, up until the date on which this document was drawn up and adjustments have been made to standardise the valuation criteria relating to life business deferred acquisition commissions on the basis of information available. Part of the aforesaid differential has been allocated to the land and buildings of the companies being purchased, based on valuations as at 31 December 2002 obtainable from each of the financial statements. On the other hand no amount has been allocated to the securities portfolios of the companies being acquired, entirely composed of trading securities, in that such changes to the pro forma would arise from valuations on a portfolio which is by nature changing continually and subject to constant market fluctuations. Such adjustments to the securities are, taken as a whole, considered immaterial (+€14.7m after tax and bonuses to life policyholders).

The residual difference between the shareholders' equity deemed to have been purchased, adjusted as indicated above, and the price paid, has been shown in the line item "Other immaterial assets" (goodwill), as this reflects the potential value of future revenues.

Given that these are insurance companies, consideration has been given to the size of the sales network and of the portfolios concerned, the goodwill has been depreciated over the period in which it is estimated to be able to produce profits, assessed at an average period of 20 years.

With regard to transactions during 2003 which are considered relevant for the purposes of determining the value of the shareholders' equity being purchased, these relate to the conversion of a subordinated loan for €30m into share capital and the payment of €35.1m in dividends distributed to the vendor. The double entry in respect of the latter transaction has, in accordance with the specific circumstances of the insurance sector, been posted as a reduction on the line item "Other assets".

For the purposes of the simulation, the rate of interest applied to the subordinate loan is 5.5% gross which, after tax, is equivalent to 3.52% and because of the greater liquidity of €28.9m, a rate of interest equal to 3.2% gross has been assumed, equivalent to 2.05% after tax.

Please note that the criteria adopted to determine the relevant shareholders' equity for the pro forma purchase are not identical with those used to determine the adjusted shareholders' equity for the purposes of quantifying the price paid because of the differing aims to which the aforesaid determinations relate.

Please note that these pro forma data cannot in any way represent a forecast of future results for the new Group.

Company	**Type of business**	**% acquired**	**Price (Euro)**	**Seller**
Winterthur Assicurazioni S.p.A.	Insurance	89.99	1,064,300,338	Winterthur Swiss Insurance Company
Winterthur Vita S.p.A.	Insurance	19.14	52,654,723	Winterthur Swiss Insurance Company
Winterthur Vita S.p.A.	Insurance	41.08	113,020,007	Winterthur Life
Winterthur Vita S.p.A.	Insurance	29.78	*(1)*	
Winterthur Italia Holding S.p.A.	Holding company	96.15	85,805,690	Winterthur Life
Winterthur Italia Holding S.p.A.	Holding company	3.85	3,432,228	Winterthur Swiss Insurance Company
NewWin Assicurazioni S.p.A.	Insurance	100.00	*(2)*	
Centro Servizi Missori S.r.l.	Real Estate	100.00	*(2)*	
Winterthur Sim S.p.A.	Management of investment funds	100.00	*(2)*	
Immobiliare San Vigilio S.p.A.	Real Estate	100.00	*(2)*	
Advenia S.r.l.	Insurance agency	75.00	*(2)*	
Wintervesa S.r.l.	Insurance agency	100.00	*(3)*	
Webinsurance Partners Italy S.r.l.	Insurance agency	51.00	*(3)*	
			1,319,212,986	

(1) The price is not mentioned as this shareholding was owned by Winterthur Italia Holding S.p.A.

(1) The price is not mentioned as this shareholding was owned by Winterthur Assicurazioni S.p.A.

(1) The price is not mentioned as this shareholding was owned by NewWin Assicurazioni S.p.A.

Pro forma balance sheet and profit and loss account as at 31/12/2002

CONSOLIDATED PRO FORMA BALANCE SHEET (in € thousand)

Total written premiums	UNIPOL	PLANNED CAPITAL INCREASE AND BOND	ACQUISITION PARTICIPATING INTERESTS	PARTICIPATIN INTEREST IN PROGRES (*)
ASSETS				
Total earned premiums	479,366			65,5
Investments				
- Land and buildings	520,991			122,0
- Investments in Group undertakings and other participating interests	953,866		1,319,853 (3)	128,2
- Other financial investments	10,204,480			4,838,0
- Deposits with ceding undertakings	27,431			7
Investments for Life assurance policyholders who bear the investment risk thereof and arising out of pension fund management	5,161,723			323,3
Technical provisions - reinsurers' share				
- Non-Life business	451,570			72,3
- Life business	309,818			104,8
Creditors	900,098			524,3
Total net technical provisions	882,746			146,8
Prepayments and accrued income	120,910			63,3
TOTAL ASSETS	20,012,999		1,319,853	6,389,9
LIABILITIES				
Capital and reserves				
- Group capital and reserves	1,236,430	1,048,743 (7)		592,6
- Group profit	102,116			94,2
- Capital and reserves - minority interests	144,360			1
- Profit - minority interests	18,922			(8
Subordinated liabilities	337,000	300,000 (11)		30,0
Technical provisions				
- Non-Life business	3,855,867			2,266,4
- Life business	8,337,420			2,743,6
Technical provisions for Life assurance policies where investment risk is				

borne by policyholders and provisions i.r.o. pension fund management	5,159,784		322,9
Provisions for other risks and charges	41,964		9,2
Deposits received from reinsurers	342,451		81,6
Creditors and other liabilities	400,062		248,8
Accruals and deferred income	36,623		1
TOTAL LIABILITIES	20,012,999	1,348,743	6,389,9
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
-Guarantees given and commitments	3,593,342		81,9
-Guarantees received	96,071		41,3
-Other memorandum accounts	16,994,496		4,905,5

(*) See the following page for details of the companies being acquired.

PRO FORMA CONSOLIDATED PROFIT AND LOSS ACCOUNT (in € thousand)

	UNIPOL	SHAREHOLDINGS BEING ACQUIRED (*)
TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS		
Gross premiums written	2,323,953	1,320,205
Outward reinsurance premiums	(248,842)	(50,573)
Total written premiums	(52,579)	(55,787)
Change in the provision for unearned premiums, reinsurers' share	15,293	495
Earned premiums, net of reinsurance	2,037,825	1,214,340
Total earned premiums	3,876	11,222
Claims incurred, net of sums recoverable and reinsurance	(1,542,111)	(853,275)
Changes in other technical provisions, net of reinsurance	86	(221)
Bonuses and rebates, net of reinsurance	(1,464)	0
Operating expenses	(406,986)	(316,722)
Other technical charges, net of reinsurance	(6,969)	(31,231)
Change in the equalization provisions	(430)	(166)
BALANCE ON THE TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS	**83,827**	**23,947**
TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS		
Gross premiums written	3,721,799	721,784
Outward reinsurance premiums	(43,248)	(7,889)
Written premiums, net of reinsurance	3,678,551	713,895
Total net technical provisions	269,038	135,513
Investment income and unrealized gains on investments for the benefit of policyholders who bear the investment risk thereof and arising out of pension fund management	184,823	9,358
Other technical income, net of reinsurance	49,411	2,767
Claims incurred, net of reinsurance	(1,250,526)	(199,796)
Changes in the mathematical provisions and other technical provisions, net of reinsurance	(2,471,491)	(600,801)
Bonuses and rebates, net of reinsurance	(2,054)	450
Operating expenses	(135,136)	(30,112)
Investment charges and unrealized losses on investments for the benefit of policyholders who bear the investment risk thereof and arising out of pension fund management	(258,593)	(19,582)
Other technical charges, net of reinsurance	(27,254)	(3,875)
BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS	**36,769**	**7,817**

NON-TECHNICAL ACCOUNT

Investment income net of investment charges	386,320	232,905
Allocated investment returns transferred to the Life assurance technical account	(269,038)	(135,513)
Other income and charges	(45,461)	(17,605)
BALANCE ON ORDINARY ACTIVITIES	**192,417**	**111,551**
Extraordinary income and charges	36,192	8,224
PROFIT BEFORE TAXATION	228,609	119,775
Tax on profit for the financial year	(107,571)	(25,628)
CONSOLIDATED PROFIT	121,038	94,147
Profit for the financial year - minority interests	(18,922)	82
GROUP PROFIT	**102,116**	**94,229**

(*) See the following page for details of the companies being acquired.

DETAIL OF AGGREGATED BALANCE SHEET OF THE COMPANIES BEING ACQUIRED (in € thousand)

	CONSOLIDATED WINTERTHUR	WINTERTHUR HOLDING	TOTAL
ASSETS			
Total written premiums			
Intangible assets	65,567	4	65,571
Investments			
Total earned premiums	122,092		122,092
- Investments in Group undertakings and other participating interests	1,995	126,297	128,292
- Other financial investments	4,838,000		4,838,000
- Deposits with ceding undertakings	789		789
Investments for Life assurance policyholders who bear the investment risk thereof and arising out of pension fund management	323,352		323,352
Technical provisions - reinsurers' share			
- Non-Life business	72,370		72,370
- Life business	104,894		104,894
Creditors	524,289	45	524,334
Other assets	139,458	7,426	146,884
Prepayments and accrued income	63,329		63,329
Total net technical provisions	6,256,135	133,772	6,389,907
LIABILITIES			
Capital and reserves			
- Group capital and reserves	458,725	133,889	592,614
- Group profit	94,475	(246)	94,229
- Capital and reserves - minority interests	189		189
- Profit - minority interests	(82)		(82)
Subordinated liabilities	30,000		30,000
Technical provisions			
- Non-Life business	2,266,443		2,266,443
- Life business	2,743,670		2,743,670
Technical provisions for Life assurance policies where investment risk is borne by policyholders and provisions i.r.o. pension fund management	322,921		322,921
Provisions for other risks and charges	9,156	81	9,237
Deposits received from reinsurers	81,616		81,616
Creditors and other liabilities	248,823	48	248,871
Accruals and deferred income	199		199
TOTAL LIABILITIES	6,256,135	133,772	6,389,907
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
-Guarantees given and commitments	81,995		81,995
-Guarantees received	41,352		41,352
-Other memorandum accounts	4,905,500		4,905,500

DETAIL OF AGGREGATED PROFIT AND LOSS ACCOUNT OF THE COMPANIES BEING ACQUIRED
(in € thousand)

	CONSOLIDATED WINTERTHUR	WINTERTHUR HOLDING	TOTAL
TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS			
Gross premiums written	1,320,205		1,320,205
Outward reinsurance premiums	(50,573)		(50,573)
Total written premiums	(55,787)		(55,787)
Change in the provision for unearned premiums, reinsurers' share	495		495
Earned premiums, net of reinsurance	1,214,340		1,214,340
Total earned premiums	11,222		11,222
Claims incurred, net of sums recoverable and reinsurance	(853,275)		(853,275)
Changes in other technical provisions, net of reinsurance	(221)		(221)
Bonuses and rebates, net of reinsurance			
Operating expenses	(316,722)		(316,722)
Other technical charges, net of reinsurance	(31,231)		(31,231)
Change in the equalization provisions	(166)		(166)
BALANCE ON THE TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS	23,947		23,947
TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS			
Gross premiums written	721,784		721,784
Outward reinsurance premiums	(7,889)		(7,889)
Written premiums, net of reinsurance	713,895		713,895
Total net technical provisions	135,513		135,513
Investment income and unrealized gains on investments for the benefit of policyholders who bear the investment risk thereof and arising out of pension fund management	9,358		9,358
Other technical income, net of reinsurance	2,767		2,767
Claims incurred, net of reinsurance	(199,796)		(199,796)
Changes in the mathematical provisions and other technical provisions, net of reinsurance	(600,801)		(600,801)
Bonuses and rebates, net of reinsurance	450		450
Operating expenses	(29,637)	(475)	(30,112)
Investment charges and unrealized losses on investments for the benefit of policyholders who bear the investment risk thereof and arising out of pension fund management	(19,582)		(19,582)
Other technical charges, net of reinsurance	(3,875)		(3,875)
BALANCE ON THE TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS	8,292	(475)	7,817
NON-TECHNICAL ACCOUNT			
Investment income net of investment charges	232,633	272	232,905
Allocated investment returns transferred to the Life assurance technical account	(135,513)		(135,513)
Other income and charges	(17,605)		(17,605)
BALANCE ON ORDINARY ACTIVITIES	111,754	(203)	111,551
Extraordinary income and charges	8,267	(43)	8,224
PROFIT BEFORE TAXATION	120,021	(246)	119,775
Tax on profit for the financial year	(25,628)		(25,628)
CONSOLIDATED PROFIT	94,393	(246)	94,147
Profit for the financial year - minority interests	82		82
GROUP PROFIT	94,475	(246)	94,229

Notes to the pro forma tables above (figures in € thousand)

(1)	Goodwill attributable to purchase price in respect of the shareholdings	766,888
	and value adjustments made to harmonise the accounting criteria, net of taxation	8,705
	Total	**775,593**
(2)	Unrealized capital gains in respect of real estate, net of taxation	**44,553**
	Acquisition cost of shareholdings	1,319,213
	and ancillary charges	640
	Total	**1,319,853**
	Consolidation value adjustment to eliminate the book value of shareholdings	**(1,446,150)**
(5)	Elimination of cross relationships with the companies being acquired	**230**
(6)	Change to the item '*Other assets*' due to:	
	Residual cash-flow after acquisition of the shareholdings	28,890
	Reduced liquid assets after dividend payment	(35,124)
	Total	**(6,234)**
(7)	Share capital increase and share premium reserve to finance	
	the acquisition of shareholdings	**1,048,743**
(8)	Neutralization of capital and reserves as at 31/12/2002 for the pro forma consolidated balance sheet	**(592,614)**
(9)	Neutralization of profit as at 31/12/2002 for the pro forma consolidated balance sheet	**(94,229)**
(10)	Value adjustment to non-Group capital and reserves	**55,715**
(11)	The amount of the subordinated callable notes to be issued to finance	
	the acquisition of shareholdings	**300,000**
(12)	Elimination of subordinated liabilities and concomitant capital increase of Winterthur Vita	**(30,000)**
(13)	Value adjustment on life assurance deferred acquisition commissions	**(1,354)**
(14)	Value adjustments on pro forma profit and loss account arising from:	
	Gross interest payable on the subordinated loan for the 2002 financial year	(16,500)
	Gross interest receivable on increased liquid assets	924
	Amortisation quota of unrealized capital gains on buildings used for corporate business	(439)
	Amortisation quota of goodwill	(38,344)
	Total	**(54,359)**
(15)	Value adjustment on tax on profit deriving from:	
	-deductibility of interest payable on callable notes issued to finance the acquisition of shareholdings	5,940
	-higher tax on increased amounts of interest receivable	(333)
	-tax on deferred acquisition commissions	518
	Total	**6,125**
(16)	Minority interests	**(9,364)**

RECONCILIATION BETWEEN

THE HOLDING COMPANY'S CAPITAL, RESERVES AND PROFIT FOR THE FINANCIAL YEAR

AND PRO FORMA CAPITAL, RESERVES AND PROFIT FOR THE FINANCIAL YEAR

(amounts in € thousand)

	Capital and reserves	**Profit**
Balances on unconsolidated financial statements of Unipol Assicurazioni as at 31 December 2002	**1,387,709**	**103,075**
Total written premiums	(465,667)	46,371
Differences arising from consolidation	393,367	(26,307)
Difference posted to other asset items (buildings)	27,653	(13,127)
Total earned premiums	2,811	6,732
Elimination of inter-group dividends		(11,362)
Inter-group transactions	(6,552)	(2,048)
Application of Group accounting criteria	(775)	(1,218)
Balances on consolidated annual accounts - Group	**1,338,546**	**102,116**
Planned share capital increase	1,048,743	
Consolidated profit of the Winterthur Group		94,229
Value adjustment to harmonise the accounting criteria		(836)
Amortization quota of goodwill		(38,344)
Net value adjustment on interest payable on subordinated loan		(10,560)
Other net value adjustments		152
Minority interests		(9,364)
Total net technical provisions	**2,387,289**	**137,393**

Actual and pro forma ratios per share as at 31/12/2002 (in € thousand)

	UNIPOL GROUP		ACQUISITIONS & VALUE ADJUST.	TOTAL
Gross written premiums - Non-Life business	2,323,953		1,320,205	3,644,158
Gross written premiums - Life business	3,721,799		721,784	4,443,583
Total written premiums	**6,045,752**		**2,041,989**	**8,087,741**
Earned premiums - Non-Life business	2,271,374		1,264,418	3,535,792
Earned premiums - Life business	3,721,799		721,784	4,443,583
Total earned premiums	**5,993,173**		**1,986,202**	**7,979,375**
Balance on the technical account - Non-Life business (1)	83,827		23,947	107,774
Balance on the technical account - Life business	36,769		6,463	43,232
Balance on the technical accounts (1)	**120,596**		**30,410**	**151,006**
Balance on ordinary activities	**192,417**		**55,838**	**248,255**
Balance on extraordinary activities	**36,192**		**8,224**	**44,416**
Tax on profit for the financial year	**(107,571)**		**(19,503)**	**(127,074)**
Profit - minority interests	**(18,922)**		**(9,282)**	**(28,204)**
Profit - Group	**102,116**		**35,277**	**137,393**
Total assets	**20,012,999**		**7,077,292**	**27,090,291**
Net technical provisions - Non-Life business	3,404,297		2,194,073	5,598,370
Net technical provisions - Life business	13,187,386		2,961,697	16,149,083
Total net technical provisions	**16,591,683**		**5,155,770**	**21,747,453**
Operating cash flow	**3,068,842**		**871,720**	**3,940,562**
Capital and reserves	**1,338,546**		**1,048,743**	**2,387,289**
		(conversion of Warrants) (4)	*(cash capital increase) (5)*	*(post-increase)*
Number of ordinary shares (2)	321,260,314	2,641,504	251,192,175	575,093,993
Number of preference shares (2)	184,435,749	454,372	144,214,278	329,104,399
Total number of shares (ordinary + preference) (2)	505,696,063	3,095,876	395,406,453	904,198,392
Group profit per share (€) (3)	0.202			0.152
Dividend per ordinary share (€)	0.1104			n/a *(6)*
Dividend per preference share (€)	0.1156			n/a *(6)*
Operating cash flow per share (3)	6.069			4.358
Capital and reserves per share (€) (3)	2.647			2.640

(1) The balance on the technical account of non-life business does not include the investment income transferred from the non-technical account, because data are based on aggregated pro forma accounts drafted as prescribed for the consolidated financial statements, which do not allow for such transfers.

(2) The number of shares is for the end of the period.

(3) Data calculated on the total number of shares (ordinary and preference) at the end of the period.

(4) Increase in the number of shares, due to conversion of outstanding Warrants, from 31 December 2002 to 31 May 2003.

(5) Assuming, as indicated in the explanatory note to the pro forma data covered in Chapter 5, a ratio of 39 new shares for every 50 old shares held.

(6) Not reported owing to the impossibility of determining an objective figure, which depends on the dividend policy of shareholders.

ANNEX B
AUDITORS' LETTER IN RELATION TO THE PRO FORMA DATA

The following is a translation into English of the letter issued by Unipol's auditors contained in the *Documento Informativo*.

TRANSLATION

KPMG

Revisione e organizzazione contabile

KPMG S.p.A.
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Telefono (051) 4392511
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(Translation from the original Italian which remains the definitive version)

Report on examination of pro forma consolidated balance sheet and pro forma consolidated profit and loss account of Unipol Group as at and for the year ended 31 December 2002

To the board of directors of
Compagnia Assicuratrice Unipol S.p.A.

1 We have examined the pro forma consolidated balance sheet and pro forma consolidated profit and loss account, accompanied by the notes thereto, of the Unipol Group as at and for the year ended 31 December 2002, reflecting the prospective acquisition of Winterthur Assicurazioni S.p.A., Winterthur Vita S.p.A. and Winterthur Italia Holding S.p.A..

The pro forma consolidated balance sheet and pro forma consolidated profit and loss account are derived from the historical consolidated financial statements of Unipol Group and the combined financial statements of Winterthur Assicurazioni S.p.A. Group (including the statutory financial statements of Winterthur Assicurazioni S.p.A., Winterthur Vita S.p.A. and related subsidiaries) as at and for the year ended 31 December 2002, the statutory financial statements of Winterthur Italia Holding S.p.A. as at and for the year ended 31 December 2002 and pro forma adjustment entries made thereto, which we have also examined.

We have audited the consolidated financial statements of Unipol Group as at and for the year ended 31 December 2002 and issued an audit report dated 11 April 2003. We have audited the combined financial statements of Winterthur Assicurazioni Group as at and for the year ended 31 December 2002 and issued an audit report dated 11 April 2003. We have reviewed the financial statements of Winterthur Italia Holding S.p.A. at 31 December 2002 to the extent necessary for us to issue this report.

The pro forma consolidated balance sheet and pro forma consolidated profit and loss account are based upon management's assumptions described in the notes thereto. Their purpose is to retroactively reflect the effects of the prospective acquisition of Winterthur Assicurazioni S.p.A., Winterthur Vita S.p.A. and Winterthur Italia Holding S.p.A.

2 The pro forma consolidated balance sheet and pro forma consolidated profit and loss account, accompanied by the notes thereto, as at and for the year ended 31 December 2002 have been prepared to meet the requirements of article 71 of the regulation implementing Legislative decree no. 58 of 24 February 1998, adopted by Consob, the Italian Commission for Listed Companies and the Stock Exchange, with resolution no. 11971 of 14 May 1999 and subsequent modifications and integrations.

The objective of the pro forma consolidated balance sheet and pro forma consolidated profit and loss account is to show what might have been the effects on Unipol Group's financial position and results had the acquisition occurred on 31 December 2002, and, for the purposes of the pro forma consolidated profit and loss account, at the beginning of 2002, in accordance with accounting policies consistent with the historic figures and compliant with the relevant legislation. However, the pro forma consolidated balance sheet and pro forma consolidated profit and loss account are not necessarily indicative of the results of operations or related effects on financial position that would have been attained had the above-mentioned acquisition actually occurred earlier.

The pro forma consolidated balance sheet and pro forma consolidated profit and loss account are the responsibility of the management of Compagnia Assicuratrice Unipol S.p.A.. Our responsibility is to express an opinion on the pro forma consolidated balance sheet and pro forma consolidated profit and loss account and the correctness of the accounting policies adopted and methods used to prepare them based on our examination.

3 Our examination was conducted in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange in communication no. DEM/1061609 of 9 August 2001 and, accordingly, included such procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

4 In our opinion, Compagnia Assicuratrice Unipol S.p.A. management's assumptions provide a reasonable basis of presenting the significant effects directly attributable to the above-mentioned acquisition described in Note 1, the related pro forma adjustments give appropriate effect to those assumptions and the accounting policies adopted are correct in the pro forma consolidated balance sheet and pro forma consolidated profit and loss account schedules as at and for the year ended 31 December 2002, accompanied by the notes thereto.

Bologna, 4 July 2003

KPMG S.p.A.

(signed on the original)

Massimo Tamburini
Director of Audit

THE ISSUER

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