

# Vittoria Assicurazioni

SOCIETÀ PER AZIONI  
REGISTERED OFFICES: VIA IGNAZIO GARDELLA, 2 - 20149 MILAN - ITALY  
SHARE CAPITAL: EURO 67,378,924 FULLY PAID-UP  
FISCAL CODE AND MILAN COMPANIES REGISTER  
NO. 01329510158 - REA NO. 54871  
COMPANY REGISTERED TO REGISTER OF INSURANCE AND REINSURANCE COMPANIES –  
SECTION I NO.1.00014  
PARENT COMPANY OF VITTORIA ASSICURAZIONI GROUP REGISTERED TO REGISTER OF  
INSURANCE GROUPS NO.008

93<sup>rd</sup> year of business

## 2014 Annual Report & Accounts



Please note that the original Report is in Italian. In case of doubt the Italian version prevails.



## General Shareholders' Meeting calling

The Shareholders of Vittoria Assicurazioni S.p.A. are called to attend the Ordinary Shareholders' Meeting at the registered office in Milan, Via Ignazio Gardella No. 2, on Friday 24th April 2015 at 10.30 a.m. on first call and, if necessary, on Monday 27th April 2015 at the same time and place, on second call, to discuss and resolve on the following

### AGENDA

#### Ordinary matters

1. Financial Statements as of 31<sup>st</sup> December 2014, report of the Board of Directors and the Board of Statutory Auditors; relative resolutions.
2. Remuneration Policies; Report of the Board of Directors; relative resolutions.

### RIGHT TO ATTEND THE SHAREHOLDERS' MEETING AND TO EXERCISE VOTING RIGHTS DURING THE SHAREHOLDERS' MEETING

Pursuant to article 83-sexies of Legislative Decree 58 of 24 February 1998, the persons who are entitled to attend the Meeting and to exercise their right to vote are those for whom the Company has received appropriate communication from an authorized intermediary based on evidence at the end of the accounting day of **Wednesday 15 April 2015 (record date)**, which is the seventh open market day preceding the date set for the Shareholders' Meeting on first call.

Credits and debits booked in the accounts after this date shall not be considered for the purpose of legitimising the exercise of voting rights at the Shareholders' Meeting: persons who become shareholders after this date will not therefore have a right to attend and vote at the Shareholders' Meeting.

Holders of Vittoria Assicurazioni S.p.A. shares that are not centralised by Monte Titoli S.p.A. are hereby reminded that they can only exercise their rights subject to such shares being deposited, within the record date (15<sup>th</sup> April 2015), with an intermediary for registration into the centralised management system of dematerialised shares.

### REPRESENTATION AT THE MEETING

#### - Ordinary Proxy

Those who have the right to vote can be represented at the Meeting as per applicable Law, with the possibility to use for such purpose the Proxy form that is available on the Company internet website at [www.vittoriaassicurazioni.com](http://www.vittoriaassicurazioni.com) (Investor Relations - Shareholders' Meetings).

The proxy must be notified to the company in any one of the following three ways:

- (i) by post, to the registered offices in Via Ignazio Gardella 2, 20149 Milan, to the attention of Servizio Societario – Assemblea degli Azionisti
- (ii) by e-mail to the following certified mail box: [assemblea.azionisti@pec.vittoriaassicurazioni.it](mailto:assemblea.azionisti@pec.vittoriaassicurazioni.it),
- (iii) by using the application for such purpose available in the same section of the above mentioned internet website.

The proxy holder attending the meeting must however attest the conformity of the copy notified to the original proxy.

#### - Proxy in favour of the company designated representative

In accordance with the applicable regulation, those Shareholders with voting rights may delegate, free of charge, Mr. Andrea De Costa as the representative designated by the Company, pursuant to article 135-undecies of the Italian Consolidated Finance Act (TUF), who may be substituted by the Mr. Matteo Sant'Ambrogio. The proxy must be granted by signing the applicable form, available on the internet website [www.vittoriaassicurazioni.com](http://www.vittoriaassicurazioni.com) (Investor Relations - Shareholders' Meetings).

The original form must reach the company-designated representative also by registered post in Via Agnello 18, 20121 Milan, by the second open market day preceding the date set for the Shareholders' Meeting on first call or, as applicable, on the second call (more precisely: in the case of the first call the proxy must be received by Friday 22<sup>th</sup> April 2015 and however, in the case of the second call the proxy

must be received by 23<sup>th</sup> April 2015). Proxies are not valid for matters for which voting instructions have not been given. The proxy and voting instructions can be revoked by the same date as set out above.

## RIGHT TO ASK QUESTIONS

Shareholders may ask questions on items on the agenda even before the Shareholders' Meeting by submitting them in one of the following two ways:

- (i) by post, to the registered offices in Via Ignazio Gardella 2, 20149 Milan, to the attention of Servizio Societario – Assemblea degli Azionisti
- (ii) by e-mail to the following certified mail box: [assemblea.azionisti@pec.vittoriaassicurazioni.it](mailto:assemblea.azionisti@pec.vittoriaassicurazioni.it),

Questions can be submitted up to five days before the Meeting. Answers to questions received within such deadline will be provided to the applicant Shareholder and published on the internet website [www.vittoriaassicurazioni.com](http://www.vittoriaassicurazioni.com) (Investor Relations - Shareholders' Meetings) on 28 April 2014, i.e. the first working day of the deadline required by current regulations.

In any case, answers shall not be provided at the Shareholders' Meeting if the information requested is already available in "question and answer" format in the aforementioned section of the Company's website in the two days preceding the Shareholders' Meeting.

It is considered provided at the Shareholders' Meeting, the answer on paper format available to each of the persons entitled to vote at the beginning of the meeting.

## ADDITIONS TO THE AGENDA

Shareholders who, individually or jointly, represent at least one fortieth of the share capital may request the addition of an item on the agenda within ten days of the publication of this convening notice, specifying in their request the additional topics proposed, or submit proposals for resolutions on matters that are already on the agenda.

Questions, together with the certifications issued by qualified intermediary attesting that the shareholder/s hold/s at least 2.5% of the share capital and indicating the corporate rights that may be exercised, shall be submitted in writing and delivered to the Company in any one of the following two ways:

- (i) by post, to the registered offices in Via Ignazio Gardella 2, 20149 Milan, to the attention of Servizio Societario – Assemblea degli Azionisti
- (ii) by e-mail to the following certified mail box: [assemblea.azionisti@pec.vittoriaassicurazioni.it](mailto:assemblea.azionisti@pec.vittoriaassicurazioni.it),

No additions to the agenda shall be allowed in relation to topics for which resolutions have been proposed for the Meeting by the Directors in compliance with the provisions of Law, or in relation to projects or reports recommended by them, other than as provided in the first Paragraph of Article 125-ter of the Italian Consolidated Finance Act (TUF).

By the same date and in the same manner, Shareholders requesting the addition of items on the agenda shall send a report to the Board of Directors with the reasons for adopting resolutions on the additional topics that they recommend for discussion, or the reasons for additional resolution proposals for matters that are already on the agenda.

Any additions to the agenda or additional resolution proposals on matters that are already on the agenda will be notified to Shareholders in the same manner as set forth by Law for convening notices, within the term set forth by the applicable regulations, i.e. by 9<sup>th</sup> April 2015. At the same time the reports of the Shareholders who requested the additions will be made available to the public together with any comments of the Board of Directors.

## DOCUMENTATION

The Directors reports and the proposed resolutions regarding the items on the agenda shall be made available to the public at the registered offices of the company in Milan in Via Ignazio Gardella No. 2, and on the company internet website [www.vittoriaassicurazioni.com](http://www.vittoriaassicurazioni.com) (Investor Relations - Shareholders' Meeting), as required by current legislation, as follows:

1. At the same time with the publication of this convening notice:
  - The Directors reports and the proposed resolutions regarding the Shareholders' Meeting regulations (item no. 1 on the agenda) shall be made available to the public within the period of publication of convening notice of Shareholders' Meeting, at the registered offices of the company in Milan in Via Ignazio Gardella No. 2, and on the company internet website [www.vittoriaassicurazioni.com](http://www.vittoriaassicurazioni.com) (Investor Relations - Shareholders' Meeting).
2. By 31 March 2015:
  - The 2014 annual Financial Report including the draft annual Financial Statement, the Consolidated Financial Statements, the Report on operations and certification pursuant to Article 154-bis, paragraph 5 of the Italian Consolidated Finance Act (TUF), together with the report of the Board of Statutory Auditors and the external auditors as well as the Report on Corporate Governance and Ownership Structure (item no. 2 on the agenda);
  - The Report on remuneration policies (item no. 3 of the agenda);

The summary document of the essential information from the most recent Financial Statements of the subsidiary and associate companies as provided under article 2429 of the Italian Civil Code will be available at the company's registered offices by the 9<sup>th</sup> April 2015.

## INFORMATION ON SHARE CAPITAL

The share capital currently stands at 67.378.924,00 euro divided into 67.378.924 shares of a nominal value of 1 euro each; each share gives the right to one vote. The company does not own any of its own shares.

For and on behalf of the Board of Directors

The Managing Director

Roberto Guarena



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**APPOINTMENTS AND REMUNERATION COMMITTEE**

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Lodovico PASSERIN d'ENTREVES	Independent non-executive president
Francesco BAGGI SISINI	Independent non-executive member
Luca PAVERI FONTANA	Non-executive member

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**CONTROL AND RISK COMMITTEE**

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Pietro Carlo MARSANI	Independent non-executive president
Luca PAVERI FONTANA	Non-executive member
Giuseppe SPADAFORA	Independent non-executive member
Anna STRAZZERA	Independent director

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**FINANCE COMMITTEE**

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Andrea ACUTIS	Executive president
Adriana ACUTIS BISCARETTI di RUFFIA	Non-executive member
Carlo ACUTIS	Executive member
Giorgio Roberto COSTA	Non-executive member
Roberto GUARENA	Executive member
Luca PAVERI FONTANA	Non-executive member

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**REAL ESTATE COMMITTEE**

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Andrea ACUTIS	Executive president
Adriana ACUTIS BISCARETTI di RUFFIA	Non-executive member
Carlo ACUTIS	Executive member
Francesco BAGGI SISINI	Independent non-executive member
Giorgio Roberto COSTA	Non-executive member
Roberto GUARENA	Executive member
Luca PAVERI FONTANA	Non-executive member

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**RELATED PARTIES COMMITTEE**

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Pietro Carlo MARSANI	Independent non-executive president
Marco BRIGNONE	Independent non-executive member
Giuseppe SPADAFORA	Independent non-executive member



# Directors' report

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€ /million

Main Key Performance Indicators			
	31/12/2014	31/12/2013	Δ
<b>Non Life business</b>			
Gross Premiums written - direct Non Life business	1,033.0	982.7	5.1%
(1) - Loss Ratio (retained)	65.5%	65.7%	(0.2)
(2) - Combined Ratio (retained)	90.7%	90.7%	-
(3) - Expense Ratio (retained)	24.9%	24.5%	0.4
Non Life business technical balance (before transferral of technical profits from investments)	98.8	94.3	4.7%
<b>Life business</b>			
Gross Premiums written - direct Life business	250.6	168.3	49.0%
(4) Annual Premium Equivalent (APE)	33.9	23.9	41.8%
Segregated fund performance: Rendimento Mensile	3.57%	3.91%	(0.34)
Segregated fund performance: Valore Crescente	4.00%	4.40%	(0.40)
Segregated funds assets	868.7	721.4	20.4%
Index/Unit - linked and Pension funds assets	61.8	65.1	(5.1)%
Life business technical balance	- 1.2	3.7	n.a.
Total Agencies	409	401	8
Average of employees	514	499	15
Investments with the risk borne by the Company	2,322.9	2,084.2	11.5%
Overhead costs as a % of GPW - direct business	7.8%	8.0%	(0.2)
Total net ordinary and extraordinary income from investments with risk borne by the Company	55.9	60.9	(8.1)%
Profit (loss) before taxation	121.6	119.2	2.0%
Net profit (loss)	74.9	62.5	20.0%
Shareholders' equity	485.8	423.0	14.8%
ROE	16.9%	15.9%	1.0
Dividend per share	0.19	0.18	5.6%
<b>RATIO SOLVENCY I</b>			
	31/12/2014	31/12/2013	Δ %
Non Life business	2.2	1.8	0.4
Life business	1.6	1.7	(0.1)
<b>Solvency Ratio</b>	<b>2.0</b>	<b>1.8</b>	<b>0.3</b>

## Legend

- 1) **Loss Ratio – retained business:** is the ratio of current year claims to current year earned premiums;
- 2) **Combined Ratio – retained business:** is the ratio of (current year claims + operating costs + intangible assets amortization + technical charges) to current year earned premiums;
- 3) **Expense Ratio – retained business:** is the ratio of (operating costs + intangible assets amortization + net technical charges) to current year gross premiums written;
- 4) **APE:** Annual Premium Equivalent, is a measure of the new business volume which includes 100% of sales of regular recurring premium business and 10% of sales of single premium business.

Shareholders,

The financial statements for our 93<sup>rd</sup> financial year submitted for your approval show a net profit of €74,935 thousand (+20.0% compared with the net profit of €62,467 thousand for the previous year).

Results are made up of the net contribution of non-life business for an amount of €73,863 thousand and life business for an amount of €1,072 thousand.

The main components of the technical operations contributing to the result of this accounting term were the following:

- premiums amounted to €1,283,786 thousand (€ 1,151,294 thousand in FY2013), up 11.5%, shown as follows:
  - overall increase of Non-Life direct premiums of 5.1%, thanks to the consolidation and development of the existing portfolio and to the products and guarantees on offer that are increasingly closer to the end customer;
  - YoY 49.0% increase in direct Life premiums. This result reflects the marketing effect over the last few years, the resumption of relations with credit institutes and the strengthening of the traditional sales network;
- growth of the technical balance of the Non-Life business of +4.7% (before transferral of profits from investments) that went from € 94,309 thousand on 31st December 2013 to €98,784 thousand on 31st December 2014 with a loss ratio and a combined ratio for retained business of 65.5% and 90.7% respectively (65.7% and 90.7% in the previous accounting term), which is the result of a prudent risk underwriting and special care and constant attention in rationalizing administrative and commercial costs;
- write-downs on equity investments amounting to € 11,605 thousand of which € 10,155 thousand relating to the investment in the subsidiary Vittoria Immobiliare SpA and € 1,026 thousand relating to the investment in associate Movincom Servizi S.p.A.;
- extraordinary income amounting to € 13,298 thousand following the extraordinary transaction of sale of investment bonds. This transaction took place in order to limit the risk associated with interest rates, in regard of the exceptional reduction of the rates of return of European government bonds to which we have witnessed during the year; steps were taken to realign the portfolio duration life and non-life, that resulted in the extraordinary transaction of sale of Italian government investment bonds amounted to € 107,476 thousand.

Technical results, for line of business, are broken down as follows:

<b>Non Life Business - 2014 Results</b>				(€/000)
	<b>2014 Technical result</b>	<b>2013 Technical result</b>	<b>YoY change %</b>	
Non - Marine lines	48,008	34,843	37.8	
Specialty lines	-23,276	-7,187	n.s.	
Motor lines	74,052	66,653	11.1	
<b>Total Non - Life Business</b>	<b>98,784</b>	<b>94,309</b>	<b>4.7</b>	

As the table above shows, the Non-Life business improvement is mainly due to the following factors:

- The Motor lines benefited from a reduction in the loss ratio, due to a general reduction of the frequency of claims, a reduction in the number of vehicles in circulation as a result of the prolonged recession of the country, as well as a careful selection of the portfolio.
- Non-marine lines benefited from a reduction in the loss ratio, thanks to the significant premiums increase (+8.3%) and to the smaller effects of the meteorological phenomena;
- Specialty lines, above all in relation to credit, continue to show the effects of the current economic crisis.

Details of the composition of the premiums for direct Life business is given below:

Premiums for direct Life business: split between single premiums and annual premiums

	<b>Year 2014</b>	<b>Year 2013</b>	<b>YoY change %</b>	<b>% of total book</b>	
				2014	2013
Annual premiums	54,812	45,849	19.6	21.9	27.3
Single premiums	195,801	122,406	60.0	78.1	72.7
<b>Total Life business</b>	<b>250,613</b>	<b>168,255</b>	<b>49.0</b>	<b>100.0</b>	<b>100.0</b>

The other main components which contributed to the result of the accounting term can be analysed as follows:

Overheads as a percentage of premiums decreased from 8.0% to 7.8%; this is due to careful cost containment policy implemented by the Company and through the growth in premiums collected.

Investments, in more detail exhibited in the chapter "Investment assets", totalled € 2,384,733 thousand (+11.0%). Ordinary and extraordinary income from investments with risk borne by the company totalled € 55.946 thousand, down 8.1% compared with 31 December 2013.

In the year Vittoria Assicurazioni S.p.A. began the process of streamlining its shares in the Real Estate segment.

Under this program, the main operations performed on the subsidiaries and associates of the real estate sector are:

- acquired a 15% stake in Acacia 2000 S.r.l. by minority shareholders;
- acquisition by Vittoria Assicurazioni entire stake in Vaimm Sviluppo held by Vittoria Immobiliare Srl;
- acquisition by Vittoria Assicurazioni of the entire shareholding in VP Sviluppo 2015 S.r.l., previously held 40% by Vittoria Immobiliare and to 60% by minority shareholders;

- share capital increase of Vittoria Immobiliare, entirely subscribed by the sole shareholder Vittoria Assicurazioni, for a total amount of €65,000 thousand.

Group shareholders' equity totalled € 614,528 thousand, up 21.3% on the € 506,449 thousand recorded at 31 December 2013, also due to the changes in profits/(losses) on financial assets available for sale from +€ 53.383 thousand at 31 December 2013 to +€ 105.312 thousand at 31 December 2014.

Group's net profit totalled € 72,329 thousand (+35.1% compared with the net profit of € 53,530 thousand for the previous year).

## The Strategy

The Company is managed with a view to achieving underwriting profitability and to maintaining an adequate combined ratio, a measure showing the degree of coverage of claims, commercial costs and Non-life operating costs.

On the other hand, the Company is strengthening its existing portfolio, by focusing on so-called “affinity groups” (homogeneous customer groups) and the development of customer loyalty through integrated products and services. The Company’s strategic goal is to increase its market share in the non-life market, especially the non-auto segment, the acquisition of new policies in the Life business and risk diversification in light of the segmentation of the customer portfolio. In particular, even though great attention is paid to the risks affecting people and small/medium enterprises, activities are undertaken also in the large enterprise segment, for which adequate reinsurance coverage is in place.

The Company has developed a new commercial organization model, which has allowed human resources to work on the basis of well-defined, yet flexible and dynamic, roles and guidelines. To adapt the organizational structure to the Company’s growth plans, changes were made to expand the agent network and to improve local supervision. In this way, the Company was able to meet with resolve a period of significant market challenges, obtaining substantial results, both in terms of expansion of the sales network and improvement of customer service, especially in the claim management phase.

In keeping with the commercial development plan, the Agency Network has always been considered to be strategic by the company for the purpose of achieving the objectives set. With careful and selective underwriting and a constant and continuous search for common objectives it was possible to achieve significant results, thanks also to well established roots in the territory.

At year-end 2014, the Company had 409 agencies and 922 sub-agencies (compared with 401 and 758, respectively, in the previous year) throughout Italy.



# Insurance risk management

## Objectives

The Company manages its insurance business with the objective of diversifying the range of insurance coverage through accurate and adequate pricing of the policies that it underwrites.

Accordingly, risks are diversified depending on the segmentation of the customer portfolio: households, individuals, professionals, small business operators, small/medium and large enterprises. Within these customer categories, emphasis is placed on the net retention of premiums on risks of the personal line and small/medium enterprises; emphasis is placed also on larger enterprises, whose coverage is guaranteed by an adequate reinsurance policy.

Diversification of the sales channels (agents, sub-agents, brokers, bancassurance agreements) is based on an accurate geographical segmentation of markets, with the availability of professionals capable of responding in a timely and competent manner to changed customer requirements.

The development and strengthening of relationships with so-called affinity groups is followed by dedicated structures which, after identifying the relevant insurance requirements, take action to meet such requirements on the basis of adequate coverage and pricing.

All these activities are designed to increase Non-life market share, with special attention to the non-auto business, and to undertake new growth avenues in the Life business.

The above actions have been taken in view of our primary goal of improving underwriting results and the combined ratio, which measures the degree of coverage of claims, commercial costs and operating costs.

Lastly, another important objective is the constant upgrading of the information system called New Age, taking into consideration changes in the management and agency operating processes, so as to monitor constantly the portfolio, risk concentration and speed of claim settlement, with special emphasis on changes in the insurance market.

## Policies

The Company intends to pursue the above objective as illustrated before, that is by expanding the agent network throughout the country, thus achieving geographical risk diversification while paying close attention to areas with unusually high accident rates.

In addition, the Company, proceeding with its twenty-year-long agency training program, continues to train agents and their collaborators, in the shared belief that the insurance market shows significant potential in niches where adequate and constantly upgraded skills are necessary.

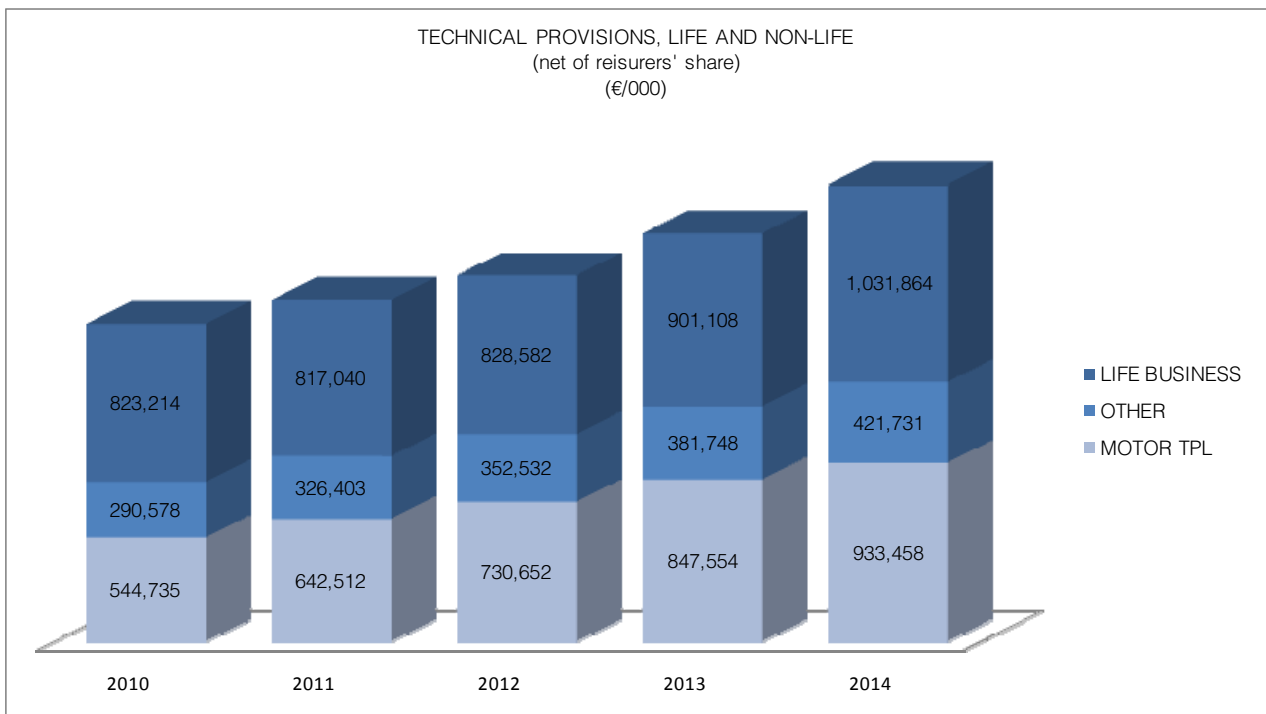
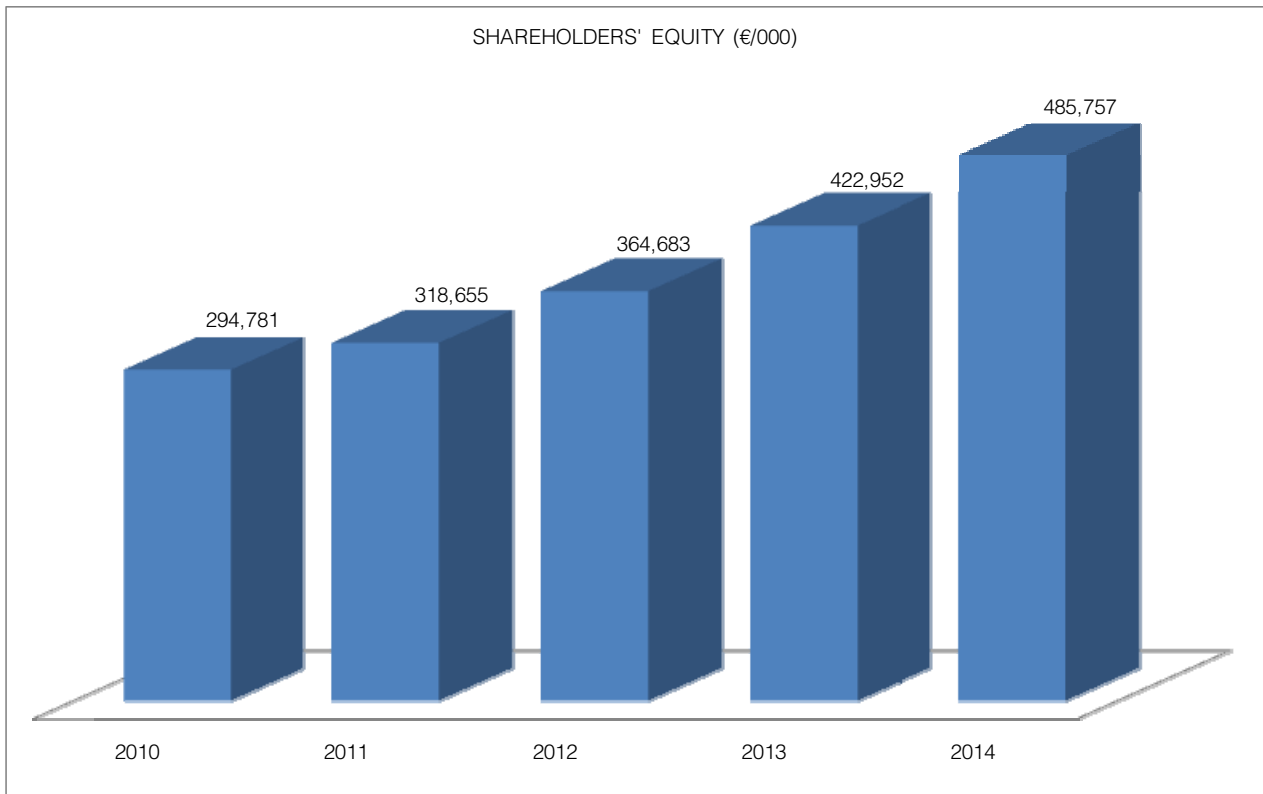
All of the above is accomplished with the creation of transparent products for insured customers, incentive campaigns that guarantee and disseminate the optimum mix of coverage provided as well as use of passive reinsurance by pursuing a policy of underwriting balance between mass risks and protection from serious incidents and catastrophes.

Lastly, attention is paid also to cost curbing, thanks most of all to the integrated Management/Agency operating system.

Furthermore, the presence of specialized Non-life actuaries makes it possible not only to price risk correctly (adaptation to expected losses) but also to customize rates with an innovative content. In particular, the greater degree of customization is reached in the motor liability business, with the Company's key product. The corporate segment, which includes large enterprises, has always been characterized by prices that take into account the insured party's reliability and the level of risk to be taken on.

In order to permit control of risks underwritten, agents work according to a level of independence that is constantly monitored and updated, defined by limits that vary depending on the type of cover and entity of risk. Beyond these limits, only headquarters personnel have the power to sign policies.

The following charts show local shareholders' equity trend and technical provisions amount in the last five FYs:



## Review of operating performance

The following table compares, for each line, premiums written in FYs 2014 and 2013 and their contribution to the total portfolio mix:

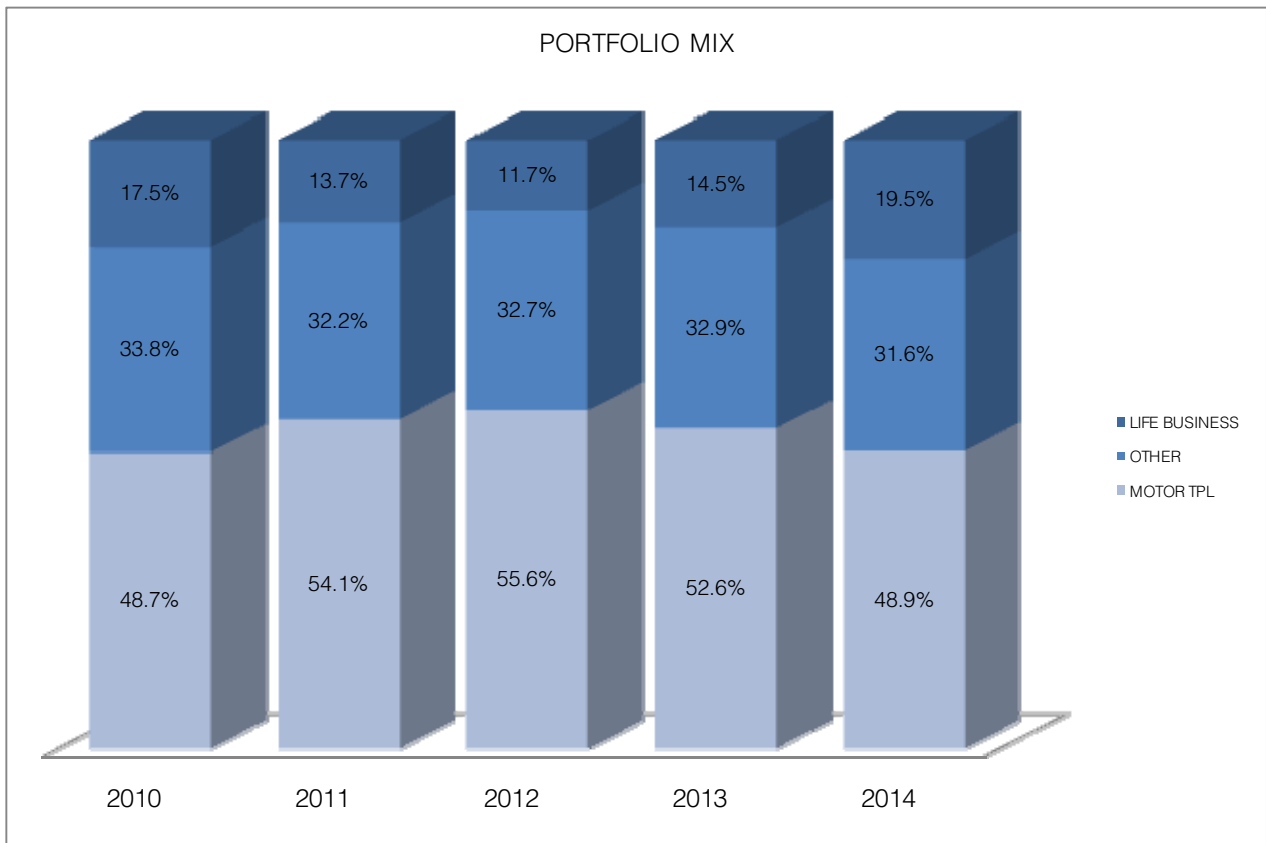
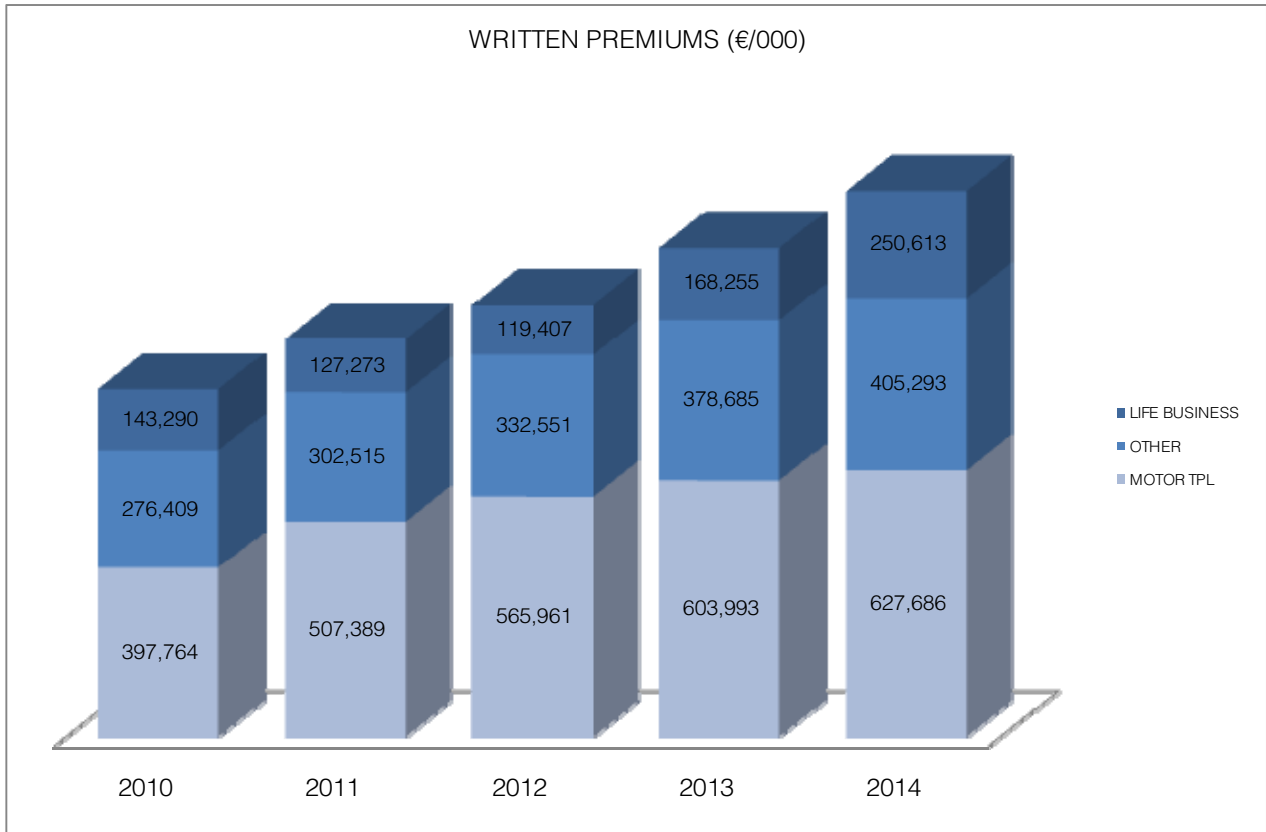
### COMPARISON BETWEEN GROSS PREMIUMS WRITTEN IN 2014 AND 2013 DIRECT AND INDIRECT BUSINESS

	(€/000)				
	Year 2014	Year 2013	YoY change %	% of total book	
				2014	2013
<b>Domestic direct business</b>					
<b>Life business</b>					
I Whole- and term life	228,784	152,481	50.0	17.8	13.2
III Unit-linked policies	174	26	n.s.	0.0	0.0
IV Health (long-term care)	581	538	8.0	0.0	0.0
V Capitalisation	19,958	14,081	41.7	1.6	1.2
VI Unit trust management	1,116	1,129	-1.2	0.1	0.1
<b>Total Life business</b>	<b>250,613</b>	<b>168,255</b>	<b>49.0</b>	<b>19.5</b>	<b>14.5</b>
<b>Non-Life business</b>					
Accident	76,094	71,139	7.0	5.9	6.3
Health	11,903	11,835	0.6	0.9	1.0
Fire and natural events	47,039	44,155	6.5	3.7	3.8
Miscellaneous damage	43,683	42,606	2.5	3.4	3.7
General TPL (third-party liability)	48,287	44,956	7.4	3.8	3.9
Pecuniary losses	45,334	36,935	22.7	3.5	3.2
Legal protection	4,303	3,861	11.5	0.3	0.3
<b>Total non-marine lines (exc. specialty and motor)</b>	<b>276,643</b>	<b>255,487</b>	<b>8.3</b>	<b>21.5</b>	<b>22.2</b>
Railway rolling stock	2	10	-80.0	0.0	0.0
Aircraft hulls	1	1	0.0	0.0	0.0
Marine hulls	1,227	1,073	14.4	0.1	0.1
Cargo insurance	1,275	1,215	4.9	0.1	0.1
Aviation TPL	2	2	0.0	0.0	0.0
Credit insurance	859	1,624	-47.1	0.1	0.1
Bond insurance	11,152	11,436	-2.5	0.9	1.0
<b>Total specialty lines</b>	<b>14,518</b>	<b>15,361</b>	<b>-5.5</b>	<b>1.2</b>	<b>1.3</b>
Third-party motor liability	627,686	603,993	3.9	48.9	52.6
Third-party marine liability	831	800	3.9	0.1	0.1
Motor vehicle hulls	96,350	92,628	4.0	7.5	8.0
Support and assistance	16,951	14,409	17.6	1.3	1.3
<b>Total motor lines</b>	<b>741,818</b>	<b>711,830</b>	<b>4.2</b>	<b>57.8</b>	<b>62.0</b>
<b>Total Non-Life business</b>	<b>1,032,979</b>	<b>982,678</b>	<b>5.1</b>	<b>80.5</b>	<b>85.5</b>
<b>Total direct business</b>	<b>1,283,592</b>	<b>1,150,933</b>	<b>11.5</b>	<b>100.0</b>	<b>100.0</b>
<b>Domestic indirect business</b>					
Life business	82	240	-65.8	0.0	0.0
Non-Life business	112	121	-7.4	0.0	0.0
<b>Total indirect business</b>	<b>194</b>	<b>361</b>	<b>-46.3</b>	<b>0.0</b>	<b>0.0</b>
<b>Grand Total</b>	<b>1,283,786</b>	<b>1,151,294</b>	<b>11.5</b>	<b>100.0</b>	<b>100.0</b>

The Company operates in France on the basis of the free-provision-of-services regime, where during the year there hasn't been a significant premiums collected.

The following charts highlight premium volume and portfolio breakdown in the last five FYs.

### Italian Direct Business



## Life business

The products currently marketed by the company cover all insurance business lines, from savings (“revaluable” policies relating to segregated accounts), protection (policies covering risks of death, disability, and non-self-sufficiency (i.e. long-term care) and supplementary pension plans (individual pension schemes and open-ended pension fund). The product range also includes unit-linked financial policies. The lines marketed include policies that envisage the possibility of converting the benefit accrued into an annuity. Conversion takes place at the conditions in force when the option is exercised. The types of tariffs used are those for endowment, whole-life and term-life policies, on both an annual and single-premium basis, and fixed term policies, plus group tariffs for whole/term life and/or disability policies. Contractual terms are updated constantly and are in line with those commonly offered by the market.

The key features of FY2014 are summarised in the following table, where they are compared with data for the previous FY:

<b>LIFE Business - 2014 Results - Net of reinsurance</b>								(€/000)	
	2014 Results			2013 Results			Change	%	
	Non - linked	Linked	Total	Non - linked	Linked	Total			
Premium Income	248,170	1,290	249,460	166,115	1,155	167,270	82,190	49.1	
Other technical Income/(Costs)	589	481	1,070	-51	342	291	779	268.1	
Change in Technical Provisions	-126,959	3,129	-123,830	-59,494	-5,030	-64,524	-59,305	n.s.	
Claims paid	-131,530	-8,114	-139,644	-113,212	-1,446	-114,658	-24,986	21.8	
Overheads	-16,122	-339	-16,461	-14,552	-875	-15,427	-1,034	6.7	
Ordinary and Extraordinary Investment net income	28,325	3,672	31,997	26,897	5,161	32,058	-61	-0.2	
<b>Operating Profit before Tax</b>	<b>2,473</b>	<b>119</b>	<b>2,592</b>	<b>5,703</b>	<b>-693</b>	<b>5,010</b>	<b>-2,417</b>	<b>-48.3</b>	

In FY2014 the funds relating to segregated funds achieved the following returns. The rate of return allocated to policyholders complies with the specific contractual terms stipulated.

	(€/000)			
	Rate of return 2014	Total Assets 2014	Rate of return 2013	Total Assets 2013
Vittoria Rendimento Mensile	3.57%	644,169	3.91%	485,546
Vittoria Valore Crescente	4.00%	188,084	4.40%	212,487
Vittoria Liquinvest*	3.98%	2,393	2.72%	2,741
Vittoria Previdenza*	4.58%	34,023	5.27%	20,632

\* Observation period: 01/10/2013 - 30/09/2014

\* For non-Italian readers: with the Italian “revaluable” policy, which is of the endowment type, the insurance company, at the end of each year, grants a bonus that is credited to mathematical reserves and depends on the performance of an investment portfolio. This bonus is determined in such a way that total interest credited to the insured is equal to a given percentage of the annual return of the reference portfolio and in any case does not fall below the minimum interest rate guaranteed. The “revaluable” policy is therefore of the participating type.

## Claims, accrued capital sums & annuities, and surrenders

The following table summarises, for direct business, claims, accrued capital sums & annuities, plus surrenders as at 31 December 2014, compared with the previous FY's figures, for Classes I (whole/term life), IV (long-term care), and V (capital redemption).

	(€/000)		
	31/12/2014	31/12/2013	YoY change %
Claims	26,256	23,896	9.9
Accrued capital sums & annuities	63,054	45,014	40.1
Surrenders	42,428	44,641	(5.0)
<b>Total</b>	<b>131,738</b>	<b>113,551</b>	<b>16.0</b>

Surrenders and claims relating to investments for which policyholders bear the risk (Classes III (unit- and index-linked policies) and VI (open-ended pension fund) totalled € 8,102 thousand vs. € 1,446 thousand in FY2013.

## Reinsurance

### Outward reinsurance

In the Life business, the main treaties in place, which relate to Class 1 (whole/term life), are as follows:

- Excess of claims;
- Pure office premiums – treaties set up in 1996 and 1997.

Ceded premiums in the FY2014 amounted to € 1,234 thousand vs. € 1,225 thousand in FY2013.

### Inward reinsurance

With respect to the life business, there is a traditional pure-premium treaty no longer fed with new business, which merely records changes occurring in the related portfolio and a commercial premium treaty that refers to a portfolio of policies that have revaluable annual premiums.

## Non-Life business

### Technical result

The following table shows – in total and by line of business – the technical results of direct and indirect business, net of related outward reinsurance, equalisation (i.e. smoothing) reserves – compared with the same data for the previous FY. The result shown does not take allocation of investment income earned during the FY into account.

<b>Non Life Business - 2014 Results</b> (€/000)				
Line of business				
Code	Description	2014 Technical result	2013 Technical result	YoY Change %
01	Accident	18,282	19,526	-6.4
02	Health	294	221	33.0
03	Land motor vehicle hulls	4,750	7,142	-33.5
04	Railway rolling stock	3	7	-57.1
05	Aircraft hulls	27	-25	n.s.
06	Marine hulls	-85	201	n.s.
07	Cargo insurance	222	65	n.s.
08	Fire and natural events	6,084	6,560	-7.3
09	Miscellaneous damage	-5,734	-4,888	17.3
10	Motor TPL	63,440	53,863	17.8
11	Aviation TPL	4	1	n.s.
12	Marine TPL	170	347	-51.0
13	General TPL	-791	-2,578	-69.3
14	Credit insurance	-12,063	-4,091	n.s.
15	Bond insurance	-11,384	-3,344	n.s.
16	Pecuniary losses	28,319	14,835	90.9
17	Legal protection	1,553	1,167	33.1
18	Support and assistance	5,692	5,301	7.4
<b>Total Non-Life businesses</b>		<b>98,784</b>	<b>94,309</b>	<b>4.7</b>

Technical results were positive, and were better than the previous year's thanks to a careful review of risks in portfolio and a prudent risk underwriting policy.

Below a description is provided of the main Line of business:

### NON-MARINE BUSINESSES

The Non-Marine Business saw a considerable increase in premiums due to the the acquisition of new customers and the consolidation and development of the monoline motor customer portfolio in the Non-Marine Business.

The overall technical result showed tangible improvement over the last year, also due to the fact that there were less damage caused by weather conditions.

More specifically, individual lines of business featured the following technical results:

**Accident:** The business shows 7.0% growth in terms of premium compared to the previous year, thanks to the development of the sale of the collateral injuries of the driver in combination with the motor policies. The technical result remained positive, slightly down on the previous year (-6.4%), due to a higher incidence of serious claims.

**Health:** The line registered a increase in premiums, an improvement on the increase of the previous year (33.3%), with a positive technical result also thanks to the continuing alignment of contracts in the portfolio.

**Fire and natural events:** This line of business shows an increase in premiums (6.5%) and a slight decrease (-7.3%) in the technical result.

**Miscellaneous damages:** premiums, including the risk of theft, hail and damage to electronic and technological equipment , recorded an increase of 2.5% over the previous year. The technical result, even negative, decreased compared to the previous year (-17.3%), due to a higher loss ratio for which were initiated the necessary actions for revising tariff and risks in the portfolio.

**General TPL:** premiums increased by 7.4%. The technical result was an improvement on the previous year (69.3%), thanks to the effects of reform actions in progress, but still remains negative due to the incidence of major claims, mostly related to the segment of the TP of professional, in which there continues to be a punitive orientation of case law.

**Various pecuniary losses:** premiums increased by 22.7%, with a positive technical result, a significant improvement compared to the previous year (90.9%), thanks to an increase in premiums related to new ancillary Motor products with low loss ratio.

**Legal protection:** Premiums in this business line registered a good increase (11.5%) with a positive technical result in further improvement on the previous year.

## SPECIALTY BUSINESSES

The businesses showed a decrease in premiums of 5.5% (+6.9% in the previous year) with a negative technical balance, worse than that recorded in the previous year. In particular:

**Credit:** the branch includes only the risks related to the Salary-Backed Loans for which it has retained the right of recourse against the borrowers, in compliance with the provisions of Regulation No. 29/2009 IVASS.

Even in 2014 there is a decrease in premiums written, amounting to 47.1% compared to 2013, due to the continuing process of run-off of the branch.

This reduced activity resulted in the presence of a negative technical balance, also for 2014.

**Bond insurance:** premiums written decreased by 2.5% (+ 17.4% in the previous year).

It also notes an increase in the number of claims compared to 2013 (+ 38.5%), resulting in negative performance of the result of the branch.

The reasons for this result are mainly attributable to the continuing deterioration the real estate industry that, even in 2014, led to significant enforcement actions on customers for which the company issued sureties under Law 210/04 (advances on properties to realize) and bonds to ensure the realization of works of urbanization, as well as the review of the amounts to be recovered from policyholders positions, which become, during 2014, difficult to recover because of the admission of Customers/Policyholders to various forms of Legal Proceedings.

**Watercraft (sea, lake and river) hulls and railway rolling stock:** there was an increase in the premiums recorded (14.4%), due to the development of the watercraft segment.

The technical result was slightly negative mainly for the partial definition of a major fire claim of a shipyard.

**Goods in transit:** premiums advanced by 4.9%, with a positive technical result with a positive technical result, a significant improvement over the previous year.



## MOTOR BUSINESSES

The business saw a 4.2% rise in the premiums recorded, with an overall positive technical result of € 74,052 thousand (€66,653 thousand as at 31 December 2013: +11.1%).

The portfolio consolidation policy continued.

In particular:

**Third-party liability for land motor vehicles and for watercraft (sea, lake, and river):** Constant portfolio selection, tariff policies and careful claims management enabled the business to maintain a positive technical result, an improvement on the previous year (17.3%).

**Land motor vehicle hulls:** Premiums rose saw a similar increase to the previous year. The technical result remains positive.

**Assistance:** premiums grew by 17.6% with a positive technical result amounted to €5,692 thousand, an increase compared to the previous year (7.4%).

## Claims

### Reported claims

The following chart, concerning reported claims, has been prepared using data from positions opened during the year:

	(€/000)					
	31/12/2014		31/12/2013		Change %	
	number	total cost	number	total cost	number	total cost
Accident insurance	9,772	33,276	9,502	30,086	2.8	10.6
Health insurance	4,285	7,382	4,553	7,339	-5.9	0.6
Fire and natural events	6,920	28,837	5,908	24,775	17.1	16.4
Miscellaneous damages	18,302	34,655	16,472	33,034	11.1	4.9
Third-party general liability	7,871	37,702	7,480	30,116	5.2	25.2
Pecuniary losses	1,470	7,091	1,707	5,782	-13.9	22.6
Legal protection	342	254	334	194	2.4	30.9
<b>Total non-marine businesses</b>	<b>48,962</b>	<b>149,197</b>	<b>45,956</b>	<b>131,326</b>	<b>6.5</b>	<b>13.6</b>
Third-party aviation liability	-	-	1	2	n.s.	-100.0
Third-party marine liability	82	590	74	272	10.8	n.s.
Cargo insurance	225	393	506	568	-55.5	-30.8
Credit insurance	1,186	5,619	1,005	3,632	18.0	54.7
Bond insurance	144	9,192	104	5,008	38.5	83.5
<b>Total Special businesses</b>	<b>1,637</b>	<b>15,794</b>	<b>1,690</b>	<b>9,482</b>	<b>-3.1</b>	<b>66.6</b>
Third-party motor liability	119,181	455,061	106,819	413,453	11.6	10.1
Third-party marine liability	70	523	76	399	-7.9	31.1
Motor vehicle hulls	43,811	67,995	44,711	76,596	-2.0	-11.2
Support and assistance	29,343	5,447	22,302	3,801	31.6	43.3
<b>Total motor businesses</b>	<b>192,405</b>	<b>529,026</b>	<b>173,908</b>	<b>494,249</b>	<b>10.6</b>	<b>7.0</b>
<b>Total Non-Life businesses</b>	<b>243,004</b>	<b>694,017</b>	<b>221,554</b>	<b>635,057</b>	<b>9.7</b>	<b>9.3</b>

The following table shows claims settlement speed based on the number of reported claims, net of claims eliminated without payout, split by present and aged claims for the main lines of insurance business:

	(percentages)			
	current generation		previous generations	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Accident insurance	55.06	56.33	72.35	74.52
Health insurance	80.88	82.78	84.13	63.39
Motor vehicle hulls	84.61	82.63	86.27	86.67
Fire and natural events	78.45	76.45	79.23	80.08
Miscellaneous damages - theft	86.27	84.23	89.15	91.26
Third-party motor liability	75.49	75.27	64.11	65.20
Third-party general liability	67.87	66.65	37.55	35.99

As regards Motor TPL reported claims, the following table shows data by claim handling type:

(€/000)

Branch	Claim handling Type	31/12/2014		31/12/2013	
		Number	Total cost	Number	Total cost
Motor TPL - land	K-for-K - liable	80,593	164,152	71,500	151,251
Motor TPL - land	K-for-K - originator	90,978	235,859	82,155	213,214
Motor TPL - land	Non K-for-K claims	38,588	221,113	35,319	204,553
Motor TPL - watercraft	Non K-for-K claims	70	523	76	399
<b>Total Motor T.P.L. claims handled</b>		<b>210,229</b>	<b>621,647</b>	<b>189,050</b>	<b>569,417</b>

The company received 122,464 reports of claim events to be managed as originator (111,372 reports of claim in 2013), against which it will complete recoveries from other insurers for a total of € 166,063 thousand (€ 155,564 thousand in 2013: +6.75%), based on the forfeitary amounts established by the Ministry Technical Committee as per Article 13 of Italian Presidential Decree no. 254/2006.

## Claims paid

The gross cost of all generations of claims, which comprises the cost of the claims handling organisation, is shown in Appendix 19 to the Explanatory Notes.

The following table shows the amount of claims paid for direct business, net of recoveries, and the amount charged to reinsurers:

(€/000)

	Claims paid 31/12/2014			Claims recovered from reinsurers	Claims paid 31/12/2013			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reinsurers
	Current year	Previous years	Total		Current year	Previous years	Total			
Accident insurance	6,715	15,206	21,921	823	6,489	12,188	18,677	794	17.4	3.7
Health insurance	3,912	3,485	7,397	33	4,175	2,847	7,021	37	5.4	-10.8
Fire and natural events	10,991	10,515	21,506	4,283	9,583	13,829	23,412	4,493	-8.1	-4.7
Miscellaneous damages	26,081	7,223	33,304	6,301	27,622	6,135	33,757	9,087	-1.2	-30.7
Third-party general liability	4,748	16,369	21,117	1,052	4,752	13,768	18,520	723	14.0	45.5
Pecuniary losses	385	5,660	6,045	83	301	5,088	5,389	28	12.2	n.s.
Legal protection	17	150	167	143	5	229	234	198	-28.6	-27.8
<b>Total non-marine businesses</b>	<b>52,849</b>	<b>58,608</b>	<b>111,457</b>	<b>12,718</b>	<b>52,927</b>	<b>54,084</b>	<b>107,011</b>	<b>15,360</b>	<b>4.2</b>	<b>-17.2</b>
Third-party aviation liability	-	2	2	2	2	-	2	-	n.s.	n.s.
Third-party marine liability	221	10,613	10,834	10,253	96	172	268	22	n.s.	n.s.
Cargo insurance	77	321	398	30	43	481	525	40	-24.2	-25.2
Credit insurance	377	4,804	5,181	-	258	2,876	3,134	-	65.3	n.s.
Bond insurance	1,792	14,248	16,040	9,366	2,003	2,280	4,283	2,524	n.s.	n.s.
<b>Total Special businesses</b>	<b>2,467</b>	<b>29,984</b>	<b>32,451</b>	<b>19,647</b>	<b>2,402</b>	<b>5,809</b>	<b>8,211</b>	<b>2,586</b>	<b>n.s.</b>	<b>n.s.</b>
Third-party motor liability	163,060	201,221	364,281	1,784	143,620	176,542	320,162	324	13.8	n.s.
Third-party marine liability	125	170	295	-	127	77	204	-	44.6	n.s.
Motor vehicle hulls	43,169	16,523	59,692	2,970	44,636	14,532	59,168	1,887	0.9	57.4
Support and assistance	3,513	1,969	5,482	4,779	2,463	986	3,449	2,974	58.9	60.7
<b>Total motor businesses</b>	<b>209,867</b>	<b>219,883</b>	<b>429,750</b>	<b>9,533</b>	<b>190,846</b>	<b>192,137</b>	<b>382,983</b>	<b>5,185</b>	<b>12.2</b>	<b>83.9</b>
<b>Total non-life businesses</b>	<b>265,183</b>	<b>308,475</b>	<b>573,658</b>	<b>41,898</b>	<b>246,175</b>	<b>252,030</b>	<b>498,205</b>	<b>23,131</b>	<b>15.1</b>	<b>81.1</b>

The additional cost borne in 2014 for the road-accident victim guarantee fund was €14,885 thousand vs. € 14,225 thousand in the previous year.

## Anti-fraud activities

Claims which are presumed to be possible cases of fraud are handled by the company's special Anti-fraud Unit.

The savings for the year in relation to the Motor lines, quantified in accordance with Law 27/2012 implemented by IVASS regulation No. 44 amounted to 4.0 million euro.

As a result of the deepening in relation to fraud risk, have achieved savings of € 3.4 million for claims that have been defined without payout and € 0.6 million claims settled at a value less than the value of the damage ascertained and recorded under reserve.

## Claims reserve run-off – Retained risks

The claims reserve existing at the beginning of FY2014, compared with costs borne in the year for previous years' claim events - consisting of payments made and year-end reserving for claims yet to be paid – showed, for the only direct business, a loss of 3,914 thousand, i.e. 0.4% of opening reserves, as highlighted in the following table:

Retained Risks	(€/000)		
	2014	2013	YoY change %
Claims reserve brought forward	874,948	747,294	17.1
Amounts paid in the year related to claims occurred in previous years	(286,868)	(250,795)	14.4
Balance of claims recovered or to be recovered by policyholders	6,078	(1,872)	n.s.
Claims reserve carried forward	(598,160)	(506,448)	18.1
Balance of portfolio transfers	88	13	n.s.
<b>Aggregate profit (loss) development table</b>	<b>(3,914)</b>	<b>(11,809)</b>	<b>(66.9)</b>
<b>% of incidence on claims reserve brought forward</b>	<b>(0.4)</b>	<b>(1.6)</b>	<b>1.1</b>

## Reinsurance

### Outward reinsurance

Corporate policies concerning outward reinsurance are based on the same selection criteria as those applied for direct underwriting. They aim for development and size of the insurance book in relation to the entity of risks covered and for achievement of balanced net retention. Transactions are undertaken internationally with highly rated reinsurers.

The main existing treaties relate to:

<i>Non-life business</i>	<i>Type of treaty</i>
Accident	Excess Claims
Motor vehicle hulls	Excess Claims
Marine hulls	Excess Claims
Cargo (goods in transit)	Excess Claims
Fire and natural events	Excess Claims
Miscellaneous damage	Pure premium for hail, single-multi-risk
	Pure premium for engineering risks
	Pure premium for ten year guarantees
Motor TPL	Excess Claims
General TPL	Excess Claims
Suretyship	Pure premium
Legal protection	Pure premium
Assistance	Pure premium

Premiums ceded in the FY2014 totalled € 36,018 thousand (€ 36,653 thousand as at 31 December 2013).

### Inward reinsurance

Acceptance of risks relating to the indirect business mainly arises from participation in syndicates and from acceptance of shares in Italian businesses, which are entered into voluntarily.

## Insurance risk analysis

In this section we describe the insurance risks to which the company is exposed. These risks are classified in three main categories, i.e. credit risk, concentration risks, and catastrophe cover (earthquakes, hail, space risks, and floods).

### Credit risk

As regards credit risk, we highlight the fact that the company makes use of premier reinsurers. Rating companies of reference are Standard & Poor's, Moody's, Fitch and A.M. Best; the following table shows the balance sheet transactions in place as at reporting date, by rating:

(€/000)

S&P Rating	Current and Deposit accounts	Reinsurers' share of technical reserves	Total net balance sheet items	% of breakdown
AA+	-52	-	-52	-0.1
AA	120	641	761	1.9
AA-	-8,017	25,244	17,227	42.2
A+	-7,037	17,431	10,394	25.5
A*	-3,518	7,631	4,113	10.1
A-	-223	1,161	938	2.3
BAA1**	56	3,921	3,977	9.8
BBB+	185	-186	-1	0.0
Not rated	-200	3,586	3,386	8.3
<b>Total</b>	<b>-18,686</b>	<b>59,429</b>	<b>40,743</b>	<b>100.0</b>

\* of which provided by A.M. Best for €615 thousand

\*\* provided by Moody's

### Concentration risk

In order to neutralise concentration risk, the company distributes its non-life and life products throughout Italy using a multi-channel sales approach.

Based on the analysis of premiums as at 31 December 2014, non-life business accounts for approximately 80.0% of total company premiums, with 49.0% of this percentage referring to motor lines.

This concentration of premiums in these lines means that group profitability is largely dependent on the frequency and average cost of claims and on efficient tariff management.

This concentration may make the company more vulnerable to changes in the regulatory framework. These may occasionally translate into increases in indemnities payable to policyholders. This risk is mitigated by enhancing the loyalty of policyholders featuring more "virtuous" behaviour through accentuated tariff customisation. This aims to normalise the entity of claims whilst also reducing portfolio volatility.

### Risk coverage of catastrophic exposure

#### Earthquake exposure

Reinsurance covers put in place to mitigate exposure to earthquake risks have been calculated using the main tools available on the market. Calculation is based on evidence of the maximum probable loss on the fire and miscellaneous asset damage lines (technological risk sector), in turn calculated over a 250-year return period, which is the one most widely used in the Italian market. The protection purchased is widely greater than the requirement shown for the worst-case scenario.

## Hail exposure

Once again, in the case of this risk, cover acquired for exposure to the risks present in the land vehicle motor property line is widely greater than the amount of the worst claim that has ever occurred in this line.

## Flood exposure

Exposure to this catastrophic risk has again been calculated based on an assessment model used by other market operators. The capacity purchased, as in the case of the earthquake risk, far exceeds the worst-case requirement assumed in the model.

## Reserving risk and pricing risk

### Non-life business

Reserving risk measures the risk that the claims reserves in the balance sheet are not enough to cover obligations towards policyholders and injured parties.

The claims reserve represents the final cost sustained by the company to settle all obligations deriving from claims that have already been made or that have been estimated (IBNR claims) and is determined on the basis of documentation and actuarial valuations that are available at accounting term closure.

Reserving risk is constantly monitored through actuarial analysis, which is equivalent to that used to determine reserves, by observing the development of the final cost and varying the reserves accordingly.

Pricing risk measures the risk that premiums may not be enough to cover claims and future expenses.

The underwriting risk is monitored through specific periodic analyzes of handling and technical performance of the risks in the portfolio, in order to highlight any areas of intervention tariff and validate the models used.

### Life business

The Company's Life business includes covers against pure risk (life insurance, Long Term Care, invalidity, accident), covers with a saving component and covers offering life annuity.

There are many types of insurance risks inherent in such portfolio including financial risks for contracts that guarantee a minimum interest rate, risks deriving from biological phenomena such as death, longevity, invalidity or lack of self-sufficiency, risks deriving from the variation of contractual or company costs and redemption risks in relation to non standard termination of contracts.

Such risks are prudentially valued at the product pricing phase that ends with the adoption of certain assumptions (first-order technical bases) which are considered best to cover the risks that are to be undertaken, taking into account their financial, demographic as well as regulatory constraints (e.g., maximum limits for financial cover), the latest information on demographic trends (e.g., mortality and/or longevity) and portfolio trends (e.g. cancellations and surrenders, etc.).

The pricing phase, which is implemented by means of profit testing techniques, also requires the definition of further assumptions (second order assumptions) obtained from the Company's own experience or from the market, if not available, are integrated with macro-economic assumptions: trends in market interest rates, inflation, cash flow discount rates and assets' rate of return, mortality and expected portfolio trends and business assumptions: levels of commercial and administrative costs and expenses.

As part of such valuations, sensitivity analyses are performed of how the result varies according to changes in the above assumptions.

A similar procedure is applied when moving from the ex ante valuation to the ex post valuation carried out on the entire portfolio in order to check the valuations made when designing the product.

Particular attention is given to mitigating elements of demographic risk which can be observed at any moment.

In the portfolio pricing phase for the case of death, the mortality tables used are marked up by a security margin.

Policy conditions include the conditions for excluding the insurance cover.

Underwriting risk provides for limits on the sum assured, on age and state of health of the insured individual. From a medical point of view, there are health requirements below which risk is examined directly by management with the help of a doctor; a questionnaire covering health, profession and sports, gives management the opportunity to apply a premium surcharge.

Requests for exclusions also have to be submitted for approval by management in order to maintain exposure to risk within acceptable limits.

Lastly, for the pricing of pure risk (death, lack of self-sufficiency, Long Term Care) recourse to reinsurance is of fundamental importance. In particular, activities that are jointly carried out with the re insurer regard the collective pricing of contracts, the pricing of Long Term Care products and risk assessment for covering death with a sum assured that is above a set threshold.

The reserve funds are calculated according to formulae included in the notes and technical reports kept by the company as first order technical bases. The pricing structure with a greater impact on the Company portfolio and those related to new products are checked on the basis of the same method of calculation.

Moreover, periodic monitoring is carried out on portfolio movement by ministerial category, through an analysis of cash inflows and outflows that determine a variation of the technical reserves from the beginning of the accounting term up to the setting up of the reserve funds.

Inflows, which are taken into account, are payments in settlement, issue of contracts, reactivations, portfolio cash inflows, revaluations of pre-existing policies, that all translate into an increment in services and an increment in reserve funds.

The outflows, that result in diminished services and reserve funds, are surrenders, claims, policy expiries, payment of annuities, policy transformations, missed contract closures, cancellations, service reduction due to non payment of premium and portfolio cash outflows.

A further check is carried out by the Appointed Actuary when the Financial Statements are compiled, by drawing a predetermined number of contracts at random to check if a calculation of the technical reserves corresponds with the system.

Lastly, during the compilation of the Financial Statements, an assessment is made in relation to whether it is appropriate to create additional reserve funds, as provided by the regulations of the Supervisory Authority: for the longevity risk in favour of prices paid in instalments or as a lump sum that will be converted into an annuity, for the risk of underpricing associated with mortality, for the risk associated with interest rates, for the risk associated with time lag, and for the risk associated with expenses.

## Commercial organisation

Development activity took the concrete form of the inauguration of 13 new Agencies and reorganisation of another 41, while 5 Agencies have been closed. As at 31 December 2014 the Company was nationally present with 409 General Agencies (401 as at 31 December 2013) and 922 professional Sub-Agencies (758 as at 31 December 2013).

The training activities are going on for the primary sales network (General Agencies) and for “second level” operators as sales clerk (producers and sub-agents). In addition, new training sessions were launched for agency employees.

In addition to the courses directly provided by in-house trainers, in 2014 as expected, has been provided to the fourth edition of the training course called “Master Rami Elementari” exclusively dedicated to General Agencies and started the first edition of 2<sup>nd</sup> level (called Master RE II LIV.), dedicated to the deepening of the content of non-marine lines very technical.

In 2014, was launched the second edition (the first three-year period ended in 2013) of the Project “Accademia Vittoria”, which offers courses in managerial growth for agents, sub-agents and administrative workers.

## Products – Research and development

During the year work continued on revamping products of the Non-Life and Life Business for technical operations and regulatory compliance in the sector (IVASS, COVIP, CONSOB).

As part of the Non-Marine business were introduced two territorial tariffs of accident policy and Daily allowance for hospitalization and was developed a new accident product called “Assicurazione Infortuni Vittoria Protezione Unica”.

In the Life business, has began the sale of a new product at mixed tariff Line I, called “Vittoria Doppio Obiettivo” and two new Line I products, called “Vittoria InvestiMeglio Evolu7ione” e “Vittoria InvestiMeglio Evolu7ioneCoupon”.



## Overhead costs – direct business

The total amount of personnel costs, other costs, and depreciation & amortisation charges, before allocation to specific functions, i.e. claims handling, business production organisation, and asset administration, amounted to € 100,523 thousand vs. € 92,461 thousand in 2013, with an increase of 8,7% YoY.

Besides current operating expenses, these costs also include amortisation of investments in IT structures and processes aimed at reining in, in future, overheads burdening the HQ and the agency network, whilst also improving services for policyholders as regards insurance cover and claims settlement.

The following table shows the breakdown of these costs, with “Other costs” consisting primarily of office operating costs, IT costs, legal and legal-entity costs, mandatory contributions, and association membership fees.

	(€/000)		
	31/12/2014	31/12/2013	Change %
Personnel expenses	51,405	45,670	12.6
Other costs	37,962	35,213	7.8
Depreciations	11,156	11,578	-3.6
<b>Gross Operating Costs</b>	<b>100,523</b>	<b>92,461</b>	<b>8.7</b>
<b>Percentage of Premiums Written</b>	<b>7.8%</b>	<b>8.0%</b>	<b>-0.2</b>

Overheads as a percentage of direct business premiums recorded was 7.8% (8.0% as at 31 December 2013). This decrease was thanks to the effort made to contain costs and to the growth in direct business premiums recorded (+11.5%).

The item depreciation and amortisation does not include the depreciation of operating buildings, such as the registered office in the Portello area of Milan. This depreciation is classified under the item “Capital and financial charges”, as indicated in the explanatory notes to these financial statements.

## Operating costs – direct business

The following table shows the breakdown of operating costs for direct business, calculated gross of commissions and reinsurer profit-sharing.

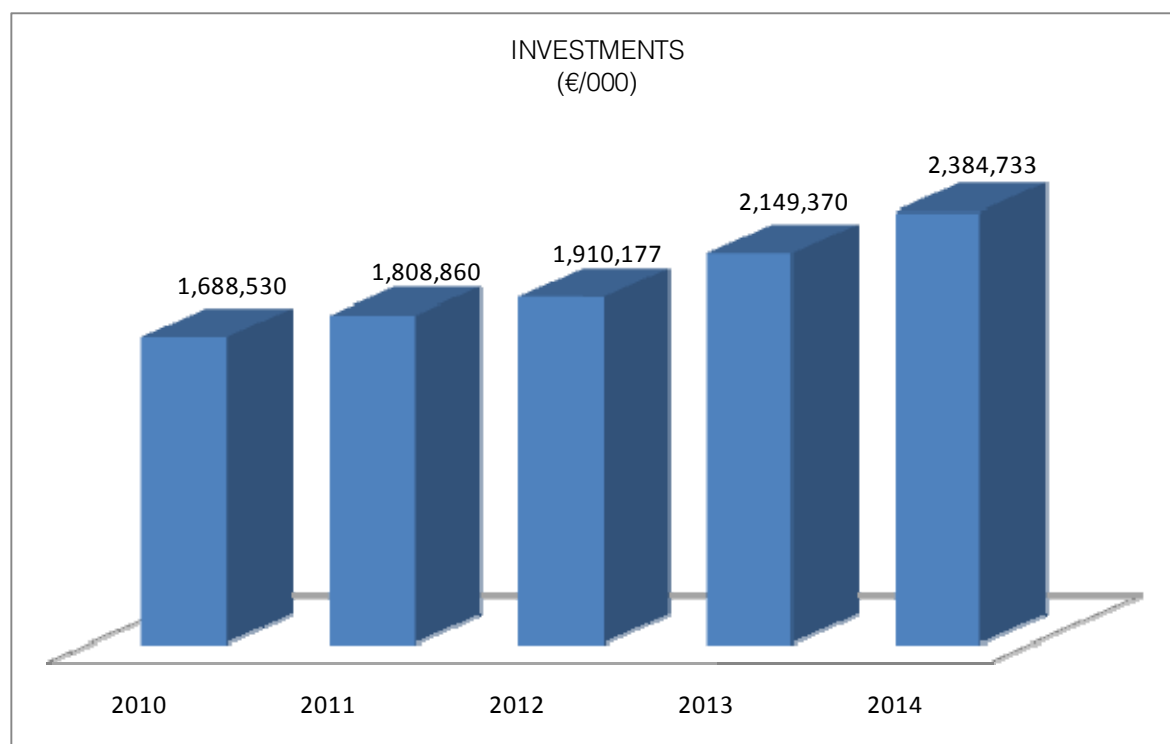
	(€/000)		
	31/12/2014	31/12/2013	Change %
Operating Costs, net of expenses transferred to acquisition, claims handling and investment management expenses (A)	66,493	59,340	12.1
- Acquisition and collection costs	165,433	155,462	6.4
- Other acquisition costs	19,641	15,391	27.6
Total Acquisition Costs (B)	185,074	170,853	8.3
<b>Total Overheads (A+B)</b>	<b>251,567</b>	<b>230,193</b>	<b>9.3</b>
<b>Percentage of Premiums Written</b>	<b>19.6%</b>	<b>20.0%</b>	<b>-0.4</b>

## Investments

Investments reached a value of € 2,384,733 thousand with an increase of 11.0% YoY.

Their breakdown is shown in the table below:

	(€/000)		
Investments	31/12/2014	31/12/2013	Change %
Land and buildings	196,510	204,205	-3.8
Investments in group and other companies			
- Equity investments	321,127	192,173	67.1
- Loans	6,000	6,285	-4.5
Other financial investments:			
- Unit trust units	28,404	31,908	-11.0
- Bonds and other fixed-interest securities	1,763,827	1,637,096	7.7
- Loans	6,867	7,956	-13.7
Deposits with ceding companies	175	4,620	n.s.
<b>Total investments where the company bears the risk</b>	<b>2,322,910</b>	<b>2,084,243</b>	<b>11.5</b>
Investments benefiting life policyholders bearing the risk	61,823	65,127	-5.1
<b>Total investments</b>	<b>2,384,733</b>	<b>2,149,370</b>	<b>11.0</b>
Bank accounts and cash-in-hand	174,593	145,691	19.8



The following table shows net income from investments by splitting them in ordinary and extraordinary part.

	(€/000)		
	31/12/2014	31/12/2013	
<b>Ordinary and extraordinary Income on investments</b> (net of related costs)	<b>Amount</b>	Amount	Change %
<b>Income on equity investments</b>	(172)	1,014	n.s.
<b>Income (cost) on other investments:</b>			
- land and buildings	282	(1,262)	n.s.
- bonds and other fixed-interest securities	64,051	61,374	4.4
- income on unit trust units	25	(30)	n.s.
- interest on loans	498	544	(8.5)
- interest on deposits with ceding companies	(238)	(263)	(9.5)
<b>Total net income</b>	<b>64,446</b>	61,377	5.0
<b>Adjustments to investment values:</b>			
- land and buildings	(9,752)	(5,577)	74.9
- equity investments	(11,605)	(4,810)	n.s.
- bonds and other fixed-interest securities	(461)	-	n.a.
- other financial investments	-	150	n.a.
<b>Total net adjustments to investment values:</b>	<b>(21,818)</b>	(10,537)	n.s.
<b>Ordinary profit (loss) on sale of investments:</b>			
- bonds and other fixed-interest securities	(380)	1,422	n.s.
<b>Total net profit on sale of investments</b>	<b>(380)</b>	1,422	n.s.
<b>Total net ordinary income on investments where the company bears the risk</b>	<b>42,248</b>	52,262	(19.2)
<b>Extraordinary profit (loss) on sale of investments:</b>			
- equity investments	423	8,519	(95.0)
- bonds and other fixed-interest securities	13,298	107	n.s.
<b>Total net extraordinary profit on sale of investments</b>	<b>13,721</b>	8,626	59.1
<b>Total net ordinary and extraordinary income on investments where the company bears the risk</b>	<b>55,969</b>	60,888	(8.1)
<b>Net income on investments benefiting life policyholders bearing the risk</b>	<b>3,763</b>	5,292	(28.9)
<b>Grand Total</b>	<b>59,732</b>	66,180	(9.7)

The weight average ordinary return of bonds and other fixed-income securities was 4.7% (4.2% in FY2013).

The 8.1% decrease in ordinary and extraordinary net income from investments with risk borne by the company, is primarily due to the write-downs on equity investments amounting to € 11,605 thousand of which € 10,155 thousand relating to the investment in the subsidiary Vittoria Immobiliare SpA and € 1,026 thousand relating to the investment in associate Movincom Servizi S.p.A..

The increase in net extraordinary profit (58.8%) is due to the transaction of sale of Italian government bonds classified as long-term portfolio amounted to € 107,476 thousand.

The increase in adjustments to investment values on land and buildings is mainly due to write-downs of € 2,293 thousand on properties loaned to agencies and amortization on buildings completed.

## Real estate

As at 31 December 2014 real estate assets totalled € 196,510 thousand (-3.8% compared to € 204,205 thousand as at 31 December 2013).

The largest items which make up the balance are:

- € 94,508 thousand relating to the company's registered office building;
- € 88,504 thousand relating to the buildings in the Portello area of Milan, rented to third parties;
- € 7,374 thousand relating to the buildings loaned free of charge to agencies;
- € 5,233 thousand used by third parties.

The change from 31 December 2013 is chiefly due to the write-down of the buildings loaned to agencies amounting to € 2,293 thousand, to the completion of buildings under construction of € 2,207 thousand, and to the depreciation of € 7,459 thousand.

Further details are provided in the explanatory notes.

## Fixed-income securities, equity investments, and mutual investment funds

### Bond Portfolio

Regarding the bond portfolio, new investments were concentrated in Italian Government Bonds for an amount of € 576,722 thousand, of which € 383,915 thousand in the non-current sector.

The redemption of bonds generated a cash flow for an amount of € 341,519 thousand generating a capital losses of € 380 thousand.

In regard of the exceptional reduction of the rates of return of European government bonds to which we have witnessed during the year, in order to limit the risk associated with interest rates, steps were taken to a realignment of the portfolio duration life and non-life, that resulted in the extraordinary transaction of sale of Italian government bonds classified as long-term portfolio amounted to € 107,476 thousand, generating a capital gain of € 13,298 thousand.

As provided in the Company's investment policy, during the accounting term fixed interest securities for an amount of € 224,935 thousand with a residual maturity of less than two years were transferred from the non-current to the current sector.

Moreover, the Bond Portfolio increased by € 86 thousand due to acquisitions coming from surrenders of policies pursuant to Article 41, Paragraph 2 D of Article 41 of Italian Legislative Decree No. 209 of 7<sup>th</sup> September 2005.

During the financial year the changes relating to collective investment funds, for long-term use were as follows:

- € 3,780 thousand were paid for fund recall and credits for the amount of € 13,273 thousand were received as partial refund of units, with respect to Italian closed-end investment funds managed by Yarpa Investimenti SGR S.p.A., a 100% subsidiary of associate Yarpa S.p.A.;
- € 6,418 thousand were paid for the subscription of closed-end investment funds and received reimbursements for € 1,358 thousand with detection of € 22 thousand of capital gains;
- subscribe for € 1,000 thousand of a speculative investment fund;
- collected € 71 thousand as a partial refund of capital on a closed real estate fund.

## Equity Portfolio

The following were the changes during the financial year with respect to the Equity Portfolio for long-term use, excluding controlled companies, associate Companies and Subsidiaries:

- Medinvest International S.C.A.: the value of the investment in this company was brought to zero based on the last balance sheet received, registering a loss of € 424 thousand, bringing the carrying value at € 1 thousand;
- Porta Romana 4 S.r.l.: acquired a 6.45% of the company of private equity investment vehicle, for an amount of € 1,490 thousand, which was followed by a partial refund for 26 thousand euro;
- Recognized a gain of € 466 thousand relating to the decision of the TAR of Lazio to recognize a rise in the price of Opa Camfin, which occurred in the course of last year, from 0.80 to 0.83;
- Bcc Apuana S.c. in liquidation: received € 20 thousand arising from the liquidation process in progress;
- Sold its stake in the company Mediorischi Srl, earning €5 thousand.

The following were the operations related to Controlled Companies, Associate Companies and Subsidiaries:

- Vittoria Immobiliare S.p.A.: paid € 65,000 thousand for share capital increase; recorded a write-down of the investment by € 10,155 thousand to cover losses due to the continuing crisis in the real estate sector;
- Acacia 2000 S.r.l.: acquired a 15% stake for an amount of € 13,750 thousand to bring the investment up to 85%;
- Immobiliare Bilancia Prima S.r.l.: payment to the future capital increase account for € 16,253 thousand;
- Immobiliare Bilancia Terza S.r.l. in liquidation: received € 58 thousand arising from the liquidation of the company;
- Interbilancia S.r.l.: payment to the future capital increase account for € 1,300 thousand and € 260 thousand by acquiring a further 20% of the shares of the subsidiary Vittoria Immobiliare S.p.A; further to this agreement Vittoria Assicurazioni S.p.A. now holds the entire share capital;
- VAIMM Sviluppo S.r.l.: acquired the entire share capital of the company from the subsidiary Vittoria Immobiliare SpA for € 12,886 thousand; also led an interest bearing loan amounting to € 6,000 thousand to increase the participation;
- VP Sviluppo 2015 S.r.l.: acquired the entire share capital paying € 2,113 thousand to the subsidiary Vittoria Immobiliare S.p.A. and € 3,169 thousand to third parties; bearing loan receivables acquired for shareholders for € 14,086 thousand, converted to payment of capital for € 10,086 thousand and the remaining € 4,000 thousand for future capital increase;
- Yarpa S.p.A.: partially released shares held, by paying € 2,200 thousand as a result of the call of capital;
- Movincom Servizi S.p.a.: € 1.206 thousand were paid to cover losses, leaving the carrying value unchanged;
- Touring Vacanze S.r.l.: acquired a 6% stake for an amount of € 1,200 thousand to bring the investment up to 37%;
- Vittoria Service S.r.l.: the value of the investment in this company was brought to zero, registering a loss of € 65 thousand, for the conclusion of the liquidation process.

Pursuant to the article 2428, paragraphs 3 and 4, it is certified that Vittoria Assicurazioni S.p.A. did not carry out any transaction, directly or indirectly, involving its own shares and shares of the Parent Company.

## Investments benefiting Life policyholders who bear related risk and relating to pension fund management

As at 31 December 2014 these investments amounted to € 61,823 thousand (€ 65,127 thousand as 31 December 2013).

Of the total € 8,169 thousand related to unit-linked policies linked to funds outside the company, € 37,982 thousand to unit-linked policies linked to the company's internal funds, and € 15,572 thousand to the Vittoria Formula Lavoro open-ended pension fund. The index-linked policies were fully reimbursed.

Overall net return was positive and totalled € 3,763 thousand thanks to the positive trend in financial markets (€ 5,292 thousand in 2013).

## Investment and financial risk management & analysis policies

### Financial risk management

The financial risk management system is designed to assure the company's capital soundness via monitoring of the risks inherent in asset portfolios due to adverse market conditions. In this perspective, specific investment policies have been designed and special procedures adopted.

#### Investment policies: objectives

##### A) Life and Non-Life investments with risk borne by the company

Investments are managed according to the following objectives:

- assure the company's capital soundness;
- for the Life segment, assure a stable return higher than the technical rate envisaged by contracts in force;
- for the Non-Life segment, assure a stable return in line with the forecasts factored into product tariffs and positive cash flows;
- distribute the securities portfolio's duration taking liabilities' duration into account;
- give preference to continuity of returns rather than to achievement of high returns in limited periods of time.

As regards Life segregated accounts, the fixed-investment securities portfolio takes treasury cash flows into account, consistently with what is envisaged in the company's plans, also considering the law of lapse of the portfolio due to natural and voluntary causes. As instead regards the Non-Life business, the investment choices made by the company, in terms of fixed-investment securities, are more than supported by the expectations of surplus liquidity generated by current operations, as factored into the company's development plans, and as in fact achieved in previous FYs. These expected flows are also able to address scenarios featuring any increase in claims settlement speed.

In order to protect investments' value from exchange-rate fluctuations, the company can use financial derivatives.

The company can purchase and retain warrants received as part of capital operations undertaken by the issuers of equities held in the portfolio.

## B) Life investments with risks borne by policyholders

Investments benefiting policyholders who bear related risk (index- and unit-linked policies) and those relating to pension-fund management are managed according to the objectives envisaged by relevant policies and by pension funds' regulations, with the constraint of total transparency vis-à-vis policy holders and in compliance with specific legal regulations. In order to protect investments' value from exchange-rate fluctuations, the company can use financial derivatives.

Warrants in the internal funds linked to unit-linked policies can be bought and sold, if this is expressly envisaged by the fund's regulation.

## Procedures

In order to keep its exposure to financial risks under control, the company has equipped itself with a structured system of procedures and activities. These assure regular reporting able to monitor:

- the market value of assets and their consequent potential losses vs. carrying value;
- macroeconomic and market-variable trends;
- for bond portfolios, issuers' rating of the issuers and analysis of sensitivity to interest-rate risk;
- compliance with the investment limits defined by the Board of Directors;
- overall exposure to the same issuer.

The company also performs ALM (asset-liability management) analyses the main objective of which, in a medium-term perspective, is to:

- provide joint dynamic projections of cash flows and of other asset and liability features in order to show any income-statement and/or financial mismatching;
- provide an indication – for asset portfolios backing life insurance contracts - of the expected trends in asset portfolios' rates of returns compared with contractual minimum returns;
- identify the variables (financial, actuarial and commercial) that may have a greater negative impact on results by performing specific stress tests and scenario analyses.

The results of the above activities and reports are regularly reviewed by the Finance Committee. This committee has been set up within the Board of Directors and has been delegated to supervise the securities portfolio's performance and to define investment strategies within the limits established by the Board in investment policies.

## Financial risk analysis

In this chapter we describe the risks to which the company is exposed in relation to financial markets' movements. These risks are grouped in the three main categories, i.e. market risk, liquidity risk, and credit risk.

The chapter does not discuss investments benefiting policyholders who bear the risk of such investments and investments relating to pension-fund management, because these are strictly connected with related liabilities.

## Securities portfolio breakdown

The following table shows the carrying value of the securities portfolio with risk borne by the company, broken down by investment type (debt securities, equity securities and CIU units). It also provides indicators concerning financial risk exposure and uncertainties of flows.

	(€/000)			
Investment nature	Amount 31/12/2014	% of breakdown	Amount 31/12/2013	% of breakdown
<b>DEBT SECURITIES</b>	<b>1,763,827</b>	<b>96.8%</b>	<b>1,637,096</b>	<b>96.4%</b>
<b>Listed treasury bonds:</b>	<b>1,736,295</b>	<b>95.3%</b>	<b>1,606,052</b>	<b>94.7%</b>
Fixed-interest rate	1,665,433	91.4%	1,528,256	90.1%
Variable interest rate	70,862	3.9%	77,796	4.6%
<b>Unlisted treasury bonds:</b>	<b>1,374</b>	<b>0.1%</b>	<b>1,573</b>	<b>0.1%</b>
Variable interest rate	1,374	0.1%	1,573	0.1%
<b>Listed corporate bonds:</b>	<b>21,074</b>	<b>1.2%</b>	<b>20,534</b>	<b>1.2%</b>
Fixed-interest rate	13,076	0.7%	12,536	0.7%
Variable interest rate	7,998	0.4%	7,998	0.5%
<b>Unlisted corporate bonds:</b>	<b>85</b>	<b>0.0%</b>	<b>3,377</b>	<b>0.2%</b>
Fixed-interest rate	85	0.0%	3,377	0.2%
<b>Bonds of supranational issuers:</b>	<b>4,999</b>	<b>0.3%</b>	<b>5,560</b>	<b>0.3%</b>
Fixed-interest rate	4,999	0.3%	5,560	0.3%
of which				
Total fixed-interest securities	1,683,593	95.5%	1,549,729	94.7%
Total variable-interest securities	80,234	4.5%	87,367	5.3%
<b>Total debt securities</b>	<b>1,763,827</b>	<b>100.0%</b>	<b>1,637,096</b>	<b>100.0%</b>
of which				
Total listed securities	1,762,368	99.9%	1,632,146	99.7%
Total unlisted securities	1,459	0.1%	4,950	0.3%
<b>Total debt securities</b>	<b>1,763,827</b>	<b>100.0%</b>	<b>1,637,096</b>	<b>100.0%</b>
<b>EQUITY INSTRUMENTS (*)</b>	<b>29,615</b>	<b>1.6%</b>	<b>28,600</b>	<b>1.6%</b>
listed shares	19,261	1.1%	10,354	0.6%
unlisted equity instruments	10,354	0.6%	18,246	1.1%
<b>OEIC UNITS</b>	<b>28,404</b>	<b>1.6%</b>	<b>31,908</b>	<b>2.0%</b>
<b>TOTAL</b>	<b>1,821,846</b>	<b>100.0%</b>	<b>1,697,604</b>	<b>100.0%</b>

(\*) excluding investments in participating interests

The fixed-income securities portfolio has a duration of 4.7 years.



The following table summarises investment breakdown based on utilisation (investment and trading):

Investment nature	(€/000)			
	Amount 31/12/2014	% of breakdown	Amount 31/12/2013	% of breakdown
<b>DEBT SECURITIES</b>	<b>1,763,827</b>	<b>96.8%</b>	<b>1,637,096</b>	<b>96.4%</b>
<b>FIXED INTEREST RATE SECURITIES</b>	<b>1,683,593</b>		<b>1,549,729</b>	
of which Investment portfolio	1,353,775		1,287,184	
of which Trading portfolio	329,818		262,545	
<b>VARIABLE INTEREST RATE SECURITIES</b>	<b>80,234</b>		<b>87,367</b>	
of which Investment portfolio	48,528		76,579	
of which Trading portfolio	31,706		10,788	
<b>EQUITY INSTRUMENTS (*)</b>	<b>29,615</b>	<b>1.6%</b>	<b>28,600</b>	<b>1.7%</b>
<b>OEIC UNITS</b>	<b>28,404</b>	<b>1.6%</b>	<b>31,908</b>	<b>1.9%</b>
of which Investment portfolio	28,404		31,908	
<b>TOTAL</b>	<b>1,821,846</b>	<b>100.0%</b>	<b>1,697,604</b>	<b>100.0%</b>

(\*) excluding investments in participating interests

### Market risk

Market risk consists of interest rate risk, price risk and exchange rate risk.

Debt securities are exposed to **interest-rate risk**.

The interest-rate risk on fair value is the risk of a financial instrument's value varying due to changes in market interest rates.

A decrease in interest rates would cause an increase in the fair value of such securities, whereas an increase in rates would decrease their fair value.

The interest-rate risk on cash flows relates to possible changes in the coupons of floating-rate securities.

The carrying value of fixed-interest debt securities exposed to interest-rate risk on fair value totalled € 1,683,593 thousand (95.5% of the bond portfolio with investment risk borne by the company), of which € 1,353,775 thousand classified among investment securities (i.e. for long-lasting utilisation) and € 329,818 thousand among trading securities (for temporary utilisation).

The carrying value of floating-rate debt securities exposed to interest-rate risk on cash flows totalled € 1,683,593 thousand (95.5% of the bond portfolio with investment risk borne by the company), of which € 1,353,775 thousand classified among investment securities and € 329,818 thousand among trading securities.

Life insurance contracts envisage a guaranteed minimum rate of interest and feature a direct link between investments and benefits to be paid to policyholders.

This direct link between obligations to policyholders and investments of assets associated with benefits is governed by means of the integrated asset-liability management (ALM) model mentioned earlier.

More specifically, the company manages interest-rate risk by matching asset and liability cash flows and by maintaining a balance between liabilities' duration and that of the securities portfolio directly related to such liabilities.

Duration is an indicator of the sensitivity of asset and liability fair value to changes in interest rates.

To complete disclosure, the following tables show the carrying value of fixed-rate securities by maturity and the carrying value of floating-rate securities by type of interest rate.

<b>Fixed - interest securities</b>			(€/000)
<b>Maturity</b>	<b>Amount</b>	<b>% of breakdown</b>	
< 1 year	316,174	18.8%	
1<X<2	142,335	8.5%	
2<X<3	128,216	7.6%	
3<X<4	98,274	5.8%	
4<X<5	137,384	8.2%	
5<X<10	675,300	40.1%	
more	185,910	11.0%	
<b>Total</b>	<b>1,683,593</b>	<b>100.0%</b>	

<b>Variable - interest securities</b>				(€/000)
<b>Type of rate</b>	<b>Indexation</b>	<b>Amount</b>	<b>% of breakdown</b>	
Constant mat. Swap	Euroswap 10Y	24,997	31.2%	
Constant mat. Swap	Euroswap 30Y	7,997	10.0%	
variable	3 months treasury bonds	1,374	1.7%	
Variable	6 months treasury bonds	40,866	50.9%	
Variable	other	5,000	6.2%	
<b>Total</b>		<b>80,234</b>	<b>100.0%</b>	

The contractual rate refixing date for most of these securities is in the first half of the year.

Equity securities are exposed to **price risk**, i.e., the possibility of their fair value varying as a result of changes arising both from factors specific to the individual instrument or issuer and from those affecting all instruments traded on the market.

As at 31 December 2014, investments in equity securities (excluding equity interests in subsidiaries, affiliates, and associates) amounted to € 29,615 thousand, of which € 10,354 thousand relating to listed stocks and € 19,261 thousand to unlisted stocks.

The company is not exposed to foreign **exchange risk** since, as at 31/12/2014, all investments for which it bears the risk are expressed in euro, observing the principle of consistency with technical reserves.

#### Liquidity risk

The company is daily required to execute payments arising from insurance and investment contracts stipulated.

The liquidity risk is the risk that available funds may not be sufficient to meet obligations. It is constantly monitored by means of the ALM procedure.

This risk may also arise as a result of inability to sell a financial asset fast at an amount close to its fair value.

The greater the weight is of financial assets listed in active and regulated markets, the less likely it is that this will happen.

As at 31 December 2014, as shown in the previous section "Securities portfolio breakdown", financial assets listed in a regulated market accounted for over 96% of financial assets owned.

#### Credit risk

In implementing its investment policy, the company limits its exposure to credit risk by investing in highly-rated issuers.

As can be seen in the table below, as at 31/12/2014 nearly all corporate bonds held by the group were rated as investment grade.

(€/000)

<b>Rating (Standard &amp; Poor's)</b>	<b>Amounts</b>	<b>% of breakdown</b>
AAA	4,999	0.3%
AA+ / AA-	13,002	0.7%
A+ / A-	5,351	0.3%
BBB+ / BBB-	1,740,474	98.7%
Total investment grade	1,763,826	100.0%
Non investment grade	1	0.0%
<b>Totale</b>	<b>1,763,827</b>	<b>100.0%</b>

## Other risks

The company has identified other significant risks in addition to those previously exposed:

### Operational risk

Operational risk measures the probability of loss resulting from inadequate or failed internal processes, personnel or systems, or from external events. Operational risks are related to internal factors and external events (such as the inefficiency of people, inadequate processes, inadequate systems, internal and external fraud, the activity of the outsourcer).

The management and monitoring of this risk is being implemented first where the risk itself originates. In this sense, the company functions are required to the application of appropriate control mechanisms to mitigate risks associated with specific operations, which would assure to all levels a structured and regular course of business, compliance with internal and external regulations and the principles of sound and prudent management.

The company, Vittoria Assicurazioni SpA, also reinforces the culture on operational risk management through training initiatives organized by the human resources department.

The goal of the company in the definition of the process of managing and monitoring operational risk is embodied in their evaluation with a view to current and foreseeable, identifying quantitative evaluations and in undertaking actions aimed at preventing risks or timely mitigation of the same.

### Risk of non-compliance

Within the system of risk management, the Compliance function is the group division that oversees the risk of non-compliance, in order to prevent the risk of incurring in legal or administrative sanctions, financial losses or damage to reputation, for having violated laws, regulations or decisions of the supervisory authority or self-regulatory rules.

The Compliance also provides support to top management and to organizational structures through action, in coordination with other functions involved, targeted to correct and implement new organizational strategies and operational behaviors.

### Reputational risk

Reputational risk is defined as the risk of a decline in profits or capital due to a negative perception of the Group by its main stakeholders (customers, shareholders, investors, lenders, supervisory authorities, employees, contractors, distribution network, suppliers, general public, etc.). The judgment of appreciation is usually linked to the quality of the organization, the characteristics and behaviors that derive from experience, from hearsay or from observation of past actions of the organization.

### Risks related to the Group or the risk of "contagion"

The Risks related to the Group or the risk of "contagion", represents the risk of the propagation of difficult situation that arise in an entity of the same group, with negative effects on the solvency of the parent company itself, as a result of the relationship between the parent company and other Group entities. In the present case is included the risk of conflict of interest which is managed by the Related Parties Procedure adopted by the parent company, which defines the rules, procedures and principles necessary to ensure

the transparency and substantive and procedural fairness of transactions carried out with parties Parent Company's related.

## Human resources

As is spelt out in the Company's Code of Business Ethics, the Vittoria Assicurazioni safeguards and enhances the value of its human resources, while assuring respect individuals' moral and professional dignity.

We pursue this objective via:

- assessment of candidacies based on the match between requirements and the professional profiles to acquired. The priority for identification of resources is internal recruitment, to aid professional growth. When in-house candidacies consistent with the profile sought cannot be identified, external market recruitment processes are activated to hire particularly qualified people in terms of their academic background and/or professional experience acquired in the sector;
- commitment to providing training appropriate to the role covered by each person, consistently with the Company's objectives and strategies. The Vittoria Assicurazioni Group in fact believes that human resources play a key role in the value creation process and, because of this, it pays special attention to planning training and development activities;
- preference for forms of flexibility in organising work, respecting individual/family and company needs;
- prevention of all forms of discrimination;
- adoption of a reward system based on assignment of personal or group targets to specific professional figures;
- constant commitment to achieving workplaces and units that not only comply with legal safety standards, to protect the health of those using them, but are also pleasant places in which to be.

## Management and coordination

Vittoria Assicurazioni SpA is not subject to management and co-ordination activity pursuant to article 2497 *et seq.* of the Civil Code, insofar as the companies that directly and indirectly own a controlling stake in it (i.e. Vittoria Capital NV and its parent companies Yafa Holding BV and Yafa SpA) are equity holding companies and do not take part in defining Company strategy.

Vittoria Assicurazioni SpA – in the insurance group regulated by Articles 82 *et seq.* of Italian Legislative Decree, no. 209 of 7 September 2005 and by IVASS (Italian insurance regulator) Regulation no. 15 of 20 February 2008 – holds the role of Group Company and performs activities of direction and co-ordination of the following companies:

### Real estate companies

Vittoria Immobiliare SpA – Milan  
Acacia 2000 Srl – Milan  
Immobiliare Bilancia Srl – Milan  
Immobiliare Bilancia Prima Srl - Milan  
V.R.G. Domus Srl – Turin  
Vittoria Properties Srl – Milan  
Valsalaria Srl – Rome  
Vaimm Sviluppo Srl – Milan  
Interimmobili Srl - Rome  
Gestimmobili Srl – Milan  
VP Sviluppo 2015 S.r.l. - Milan

### Service companies

Interbilancia Srl - Milan  
Aspevi Milano Srl - Milan  
Aspevi Roma Srl - Milan  
Plurico Srl - Milan

## Infragroup and related-party transactions

The company has introduced a procedure for related-party transactions pursuant to Consob Resolution 17221 of 12 March 2010 and IVASS Regulation 25. The procedure is illustrated briefly in the report on corporate governance and proprietary assets which is available in its entirety in the Governance section of the Company internet web site [www.vittoriaassicurazioni.com](http://www.vittoriaassicurazioni.com).

There were no financial or commercial transactions with the direct controlling company - Vittoria Capital N.V., - Netherlands – or the indirect controlling shareholders, Yafa Holding B.V. – Netherlands - and Yafa S.p.A.. Vittoria Capital N.V. and Yafa Holding B.V. have their administrative headquarters in Italy.

The table below shows the balances resulting from the transactions carried out during the year with Group companies, involving mainly administration and management of the property portfolio, administrative and IT services, loans, guarantees and project management activities for the Company's new headquarters.

	(€/000)			
	Subsidiaries	Associated	Total as at 31/12/2014	Total as at 31/12/13
<i>Assets</i>				
Investments	271,541	19,971	291,512	163,573
Loans	-	6,000	6,000	6,285
Receivables and other assets	15,831	5	15,836	11,125
<b>Total Assets</b>	<b>287,372</b>	<b>25,976</b>	<b>313,348</b>	<b>180,983</b>
<i>Liabilities</i>				
Payables and other liabilities	4,751	283	5,034	2,130
<b>Total Liabilities</b>	<b>4,751</b>	<b>283</b>	<b>5,034</b>	<b>2,130</b>
Commitments	20,500	-	20,500	23,807
Dividends	-	-	-	1,054
Adjustments values	10,155	1,026	11,181	4,810
Revenues for service business	665	-	665	722
Costs for service business	1,689	2,515	4,204	2,959
Commissions	7,377	-	7,377	6,974
Net income on investments	125	45	170	74

Loans receivable from associates refer to the Company S.IN.T S.p.A. and Spefin S.p.A..

Receivables and other assets refer mainly to premiums for the period, to the subsidiaries Aspevi Milano S.r.l. and Aspevi Roma S.r.l., received in the first days of 2015.

Payables and other liabilities refer mainly to Group's VAT payables, and IRES stemming from tax consolidation.

Revenues from services relate to the chargeback of administrative expenses incurred by Vittoria Assicurazioni S.p.A. on behalf of Group companies.

Costs for services rendered to subsidiaries refer to the property portfolio management services provided by the companies of the Vittoria Immobiliare Group. Costs for services provided by associated companies include € 2,428 thousand for services rendered by Sint S.p.A..

Commissions were paid to subsidiaries Aspevi Milano S.r.l. and Aspevi Roma S.r.l..

Adjustments values refer to subsidiaries Vittoria Immobiliare S.p.A. and to associated Movincom Servizi S.p.A..

As recommended by the CONSOB in its memorandum no. 98015375 of 27 February 1998 and its subsequent memorandum no. 6064293 of 28/07/2006, we certify that the transactions carried out with Group companies referred to the normal course of business with use of specific professional services at market rates and did not include any unusual transactions.

A description of the Companies and additional disclosures are shown in the Notes, part C – other information and in the Consolidated Financial Statements.

## Report on remuneration

(pursuant to Article 123-ter of Italian Legislative Decree, No. 58/1998 and IVASS Regulation no. 39)

Information concerning remuneration policy of members of the administrative body and board of control, general director and strategically accountable managers are shown in the Report on remuneration published pursuant to Art. 123-ter of Italian Legislative Decree, No. 58/1998.

## Report on corporate governance and ownership structures

(pursuant to Article 123/2 of T.U.F.)

The annual report on corporate governance and ownership structures established by article 123/2 of T.U.F. can be consulted on the company's website in the section "Governance" at the following address: [www.vittoriaassicurazioni.com](http://www.vittoriaassicurazioni.com).

## Solvency II – Additional information required by Consob pursuant to article. 114, section 5 of Italian Legislative Decree No. 58/1998

Progress of the implementation of the guidelines issued by EIOPA October 31, 2013 and subsequent Ivass regulations for the preparatory phase to the introduction of Solvency II, with particular reference to the system of governance, the prospective assessment of risks, reporting and pre-application of internal models for the calculation of the new capital requirements.

The company has identified and planned a series of activities to ensure compliance with the new rules of Solvency, both in the preparatory phase (until 31 December 2015), both at the time of effective entry into force of Solvency II (January 1, 2016). These activities have been divided into specific projects, related to the three pillars required by law.

In particular, with reference to Pillar II (Governance and Risk Management):

- new policies have been adopted: after examination and approval by the Audit and Risk Committee and, in some cases, by the Finance Committee, the Board of Directors approved 13 new policies, some of which have integrated, replacing, previous guidelines issued by the Board;
- as part of the system of risk management, the Company set up the Actuarial Function, which will carry out tasks of coordination and control in the area of Solvency II technical provisions and evaluation of underwriting policies of reinsurance arrangements. This function, in addition to performing a control on the technical items, will help to implement effectively the system of risk management adopted by the Group;
- a system of governance of risks was formalized: the basic guidelines of the new system of governance of the risks have been outlined in the "Risk Management Policy", the principles of which were declined in more specific policies listed. Governance outlined by the new guidelines, inter alia, redefined, integrating them, the tasks of the Board Committees, which have assumed a key role in support of the Board of Directors, with preliminary activities and control;
- Framework ORSA (Own Risk and Solvency Assessment) was adopted, represented by the Risk Appetite Framework (framework that defines risk appetite, tolerance thresholds, risk limits, policies risk governance, processes of reference needed to define and implement them), by the policy of risk assessment and the ORSA process;
- Also as part of the second pillar, in October 2014, the Board of Directors approved the FLAOR assessment (Forward Looking Assessment of Own Risks), which required the forecast, among other things, of the overall solvency requirement and the relative backing by own funds in a three-year prospective.

With reference to Pillar I (Quantitative requirements) and III (Disclosure to stakeholders and Regulatory Reporting):

- the project for the adoption of the system of calculating and reporting quantitative Solvency II was launched, with the acquisition of specific software that will be used for the production of calculations and reporting 31.12.2014;
- the plan of implementation of the Framework of Data Governance has been prepared, aimed at achieving a system of data quality required by art. 12a of Ivass Regulation No. 20/2008.

Currently it is not expected the adoption of full or partial internal models.

In December 2014, the Parent Company communicated to the supervisory authority its intention to open the procedure for requesting authorization to use the USP in some significant Lob (Lines of Business), to be able to use parameters that reflect more accurately the real volatility of the portfolio of the parent company, with respect to the elements of the calculation of the Solvency Capital Requirement provided by the standard formula.

The formal request to the Supervisory Board may be submitted once performed quantitative and qualitative insights required by regulations.

**Any actions taken or planned as a result of the outcomes of the EIOPA Stress Test exercises, issued on November 30, 2014, considering any requests made by IVASS in line with the recommendations issued by EIOPA November 27, 2014.**

In light of the results of the stress test exercises, the parent company has not deemed necessary to start actions in addition to those already in progress.

## Performance in early months of FY2015 and business outlook

No significant events occurred after the reporting period.

Business trend of first months of 2015 is in line with targets announced to market.



## Allocation of earnings

Shareholders,

At the end of the Directors' Report, and considering the contents of the year-end financial statements and accounts, we submit the following allocation of the year's earnings pursuant to the article no. 20 of Social Statute as follows:

Net profit of Non-Life Business	€	73,863,550
Net profit of Life Business	€	1,071,783
Total (equal to € 0.9271 per share)	€	74,935,333
Allocation to Life Business Legal Reserve	€	53,589
Total available net profit	€	74,881,744
of which:		
Available net profit of Non-Life Business	€	73,863,550
Available net profit of Life Business	€	1,018,194

Shareholders,

the operating plans that have been prepared lead us to make the following motion for allocation of net profit:

to each of the 67,378,924 shares comprising the entire share capital, € 0.19 for a total of € 12,801,996. Remaining, € 62,079,748 which we propose to allocate the amount of € 61,061,555 to increase the Available Reserve for Non-Life Business and the amount of € 1,018,194 to increase the Available Reserve for Life Business.

The operating plans formulated for achieving the strategic objectives make it possible to adjust the dividend service every year.

If you agree with and approve our proposal, the dividend will be paid as from 6 May 2015 c/o custodian intermediaries with detachment of coupon no. 33 on 4 May 2015. Those who hold shares at the end of the record date of 5 May 2015, selected by the company in accordance with the Italian Stock Exchange's calendar, will be entitled to collect the dividend.

In concluding this report, we wish to thank shareholders and policyholders for the trust placed in the company, as well as employees, agents and their staff for their hard work and effort.

The Board of Directors

Milan, 10<sup>th</sup> March 2015



Financial statements  
as at and for the year ended  
31 December 2014

## BALANCE SHEET

### ASSETS

Current year

<p><b>A. SHARE CAPITAL PROCEEDS TO BE RECEIVED</b></p> <p style="padding-left: 20px;">of which: called-up</p>	2	0		1	0			
<p><b>B. INTANGIBLE ASSETS</b></p> <p style="padding-left: 20px;">1. Acquisition commissions to be amortised</p> <p style="padding-left: 40px;">a) life businesses</p> <p style="padding-left: 40px;">b) non-life businesses</p> <p style="padding-left: 20px;">2. Other acquisition costs</p> <p style="padding-left: 20px;">3. Start-up and capital costs</p> <p style="padding-left: 20px;">4. Goodwill</p> <p style="padding-left: 20px;">5. Other deferred costs</p>	3	5,675,012	4	1,812,332	5	7,487,344		
	6	0			7	0		
	8	625,411			9	28,132,028		
					10	36,244,783		
<p><b>C. INVESTMENTS</b></p> <p style="padding-left: 20px;">I - Land and buildings</p> <p style="padding-left: 40px;">1. Operating buildings</p> <p style="padding-left: 40px;">2. Buildings used by third parties</p> <p style="padding-left: 40px;">3. Other buildings</p> <p style="padding-left: 40px;">4. Other property rights</p> <p style="padding-left: 40px;">5. Assets under construction and payments on account</p> <p style="padding-left: 20px;">II - Investments in group and other companies:</p> <p style="padding-left: 40px;">1. Equity investments in:</p> <p style="padding-left: 80px;">a) parent companies</p> <p style="padding-left: 80px;">b) subsidiaries</p> <p style="padding-left: 80px;">c) related companies</p> <p style="padding-left: 80px;">d) associated companies</p> <p style="padding-left: 80px;">e) other companies</p> <p style="padding-left: 40px;">2. Bonds issued by:</p> <p style="padding-left: 80px;">a) parent companies</p> <p style="padding-left: 80px;">b) subsidiaries</p> <p style="padding-left: 80px;">c) related companies</p> <p style="padding-left: 80px;">d) associated companies</p> <p style="padding-left: 80px;">e) other companies</p> <p style="padding-left: 40px;">3. Loans to:</p> <p style="padding-left: 80px;">a) parent companies</p> <p style="padding-left: 80px;">b) subsidiaries</p> <p style="padding-left: 80px;">c) related companies</p> <p style="padding-left: 80px;">d) associated companies</p> <p style="padding-left: 80px;">e) other companies</p>	11	95,399,515	12	101,110,533	13	0		
	14	0			15	0		
					16	196,510,048		
	17	0			18	271,540,895		
	19	0			20	19,970,845		
	21	29,615,004	22		23	0		
	24	0			25	0		
	26	0			27	0		
	28	0			29	0		
	30	0			31	0		
	32	6,000,000			33	0		
	34	6,000,000	35		36	327,126,744		
to carry forward						37	36,244,783	
							38	36,244,783

Previous year

			181	0
	182	0		
183	5,238,784			
184	3,070,971	185	8,309,755	
		186	0	
		187	0	
		188	1,079,522	
		189	30,738,052	190
				40,127,329
		191	99,312,876	
		192	100,049,435	
		193	0	
		194	0	
		195	4,842,750	196
				204,205,061
197	0			
198	147,002,195			
199	0			
200	16,570,666			
201	28,600,269	202	192,173,130	
203	0			
204	0			
205	0			
206	0			
207	0	208	0	
209	0			
210	285,000			
211	0			
212	6,000,000			
213	0	214	6,285,000	215
				198,458,130
	to carry forward			40,127,329

# BALANCE SHEET

## ASSETS

Current year

		brought forward		
				36,244,783
<b>C. INVESTMENTS (continues)</b>				
<b>III - Other financial investments:</b>				
<b>1. Equity investments</b>				
a) Listed shares	36	0		
b) Unlisted shares	37	0		
c) Quotas	38	0	39	0
<b>2. Unit trust units</b>		40	28,403,850	
<b>3. Bonds and other fixed-interest securities</b>				
a) listed	41	1,762,367,868		
b) unlisted	42	1,459,120		
c) convertible bonds	43	0	44	1,763,826,988
<b>4. Loans</b>				
a) secured loans	45	2,800,110		
b) loans on policies	46	2,444,710		
c) other loans	47	1,622,315	48	6,867,135
<b>5. Shares in investment pools</b>			49	0
<b>6. Deposits with banks</b>			50	0
<b>7. Other financial investments</b>			51	0
<b>IV - Deposits with ceding companies</b>			52	1,799,097,973
			53	174,519
				54
				2,322,909,284
<b>D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT</b>				
<b>I - Investments relating to index-linked policies</b>			55	46,250,976
<b>II - Investments relating to pension fund management</b>			56	15,572,379
				57
				61,823,355
<b>D bis. REINSURERS' SHARE OF TECHNICAL RESERVES</b>				
<b>I - NON-LIFE BUSINESSES</b>				
1. Premium reserve		58	16,007,357	
2. Claims reserve		59	37,846,041	
3. Profit participation and reimbursement reserve		60	0	
4. Other technical reserves		61	0	62
				53,853,398
<b>II - LIFE BUSINESSES</b>				
1. Mathematical reserves		63	6,609,272	
2. Complementary insurance premium reserve		64	0	
3. Reserve for payable amounts		65	0	
4. Profit participation and reimbursement reserve		66	0	
5. Other technical reserves		67	38,500	
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management		68	0	69
				70
				6,647,772
				60,501,170
		to carry forward		2,481,478,592

Previous year

	brought forward		40,127,329
216	0		
217	0		
218	0	219	0
		220	31,908,289
221	1,632,145,815		
222	4,950,121		
223	0	224	1,637,095,936
225	3,834,076		
226	2,784,113		
227	1,338,002	228	7,956,190
		229	0
		230	0
		231	0
		232	1,676,960,416
		233	4,620,374
		234	2,084,243,981
		235	51,192,766
		236	13,934,382
		237	65,127,148
		238	15,901,828
		239	51,097,298
		240	0
		241	0
		242	66,999,126
		243	6,136,135
		244	0
		245	0
		246	0
		247	27,737
		248	0
		249	6,163,872
		250	73,162,998
	to carry forward		2,262,661,456

## BALANCE SHEET

### ASSETS

Current year

	brought forward			
				2,481,478,592
<b>E. RECEIVABLES</b>				
I - Receivables relating to direct insurance due from:				
1. Policyholders				
a) premiums for the year	71	54,073,160		
b) premiums for previous years	72	1,891,116	73	55,964,277
2. Insurance brokers and agents			74	103,886,334
3. Current account companies			75	6,541,238
4. Amounts to be recovered from policyholders and third parties		76	35,545,479	77
II - Receivables relating to reinsurance due from:				
1. Insurance and reinsurance companies		78	4,250,958	
2. Reinsurance brokers and agents		79	0	80
III. - Other receivables			81	51,859,719
				82
<b>F. OTHER ASSETS</b>				
I - Tangible assets and inventory:				
1. Office furniture and machines and internal transport systems		83	7,626,828	
2. Registered chattel property		84	128,198	
3. Plant and machinery		85	411,585	
4. Inventory and other assets		86	0	87
II - Liquid funds				
1. Bank and postal accounts		88	174,580,310	
2. Cheques on hand and cash-in-hand		89	12,891	90
III - Own shares or quotas				91
IV - Other assets				
1. Suspense reinsurance accounts		92	0	
2. Sundry assets		93	114,390,408	94
				95
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>				
1. Interest			96	21,798,360
2. Rent instalments			97	795,763
3. Other prepayments and accrued income			98	2,593,399
				99
<b>TOTAL ASSETS</b>				100
				3,061,864,338



Previous year

	brought forward		2,262,661,456
251	63,422,722		
252	830,197	253	64,252,920
		254	90,697,372
		255	5,190,430
		256	39,771,886
		257	199,912,607
		258	3,835,929
	0	260	3,835,929
		261	43,869,745
		262	247,618,281
		263	6,668,659
		264	146,865
		265	524,570
	0	267	7,340,094
		268	145,503,355
	187,688	270	145,691,043
		271	0
	0	272	0
	80,444,555	274	80,444,555
		275	233,475,692
		276	20,465,629
		277	895,431
		278	3,319,554
		279	24,680,614
		280	2,768,436,043

**BALANCE SHEET**  
LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

A. SHAREHOLDERS' EQUITY			
I - Subscribed share capital or equivalent fund	101	67,378,924	
II - Share premium reserve	102	33,355,418	
III - Revaluation reserves	103	18,192,709	
IV - Legal reserve	104	12,565,438	
V - Statutory reserves	105	0	
VI - Reserves for purchase of own shares and shares of parent company	106	0	
VII - Other reserves	107	279,328,843	
VIII - Retained earnings or losses carried forward	108	0	
IX - Net profit (loss) for the year	109	74,935,333	110 485,756,665
B. SUBORDINATED LIABILITIES			111 0
C. TECHNICAL RESERVES			
I - NON-LIFE BUSINESSES			
1. Premium reserve	112	378,278,461	
2. Claims reserve	113	1,025,148,253	
3. Profit participation and reimbursement reserve	114	0	
4. Other technical reserves	115	408,603	
5. Equalisation reserves	116	5,207,098	117 1,409,042,415
II - LIFE BUSINESSES			
1. Mathematical reserves	118	939,383,200	
2. Complementary insurance premium reserve	119	111,398	
3. Reserve for payable amounts	120	28,764,030	
4. Profit participation and reimbursement reserve	121	1,631	
5. Other technical reserves	122	8,429,197	123 976,689,456 124 2,385,731,871
D. TECHNICAL RESERVES WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND RESERVES ARISING FROM PENSION FUND MANAGEMENT			
I - Reserves arising from index-linked policies	125	46,250,976	
II - Reserves arising from pension fund management	126	15,572,379	127 61,823,355
to carry forward			2,933,311,891

Previous year

	281	67,378,924	
	282	33,355,418	
	283	18,195,268	
	284	12,323,023	
	285	0	
	286	0	
	287	229,232,276	
	288	0	
	289	62,467,189	290 422,952,098
			291 0
292	365,136,579		
293	926,042,295		
294	0		
295	408,603		
296	4,713,196	297 1,296,300,673	
298	809,688,129		
299	133,633		
300	22,369,726		
301	29,122		
302	9,924,007	303 842,144,617	304 2,138,445,290
		305 51,192,766	
		306 13,934,382	307 65,127,148
to carry forward			2,626,524,536

**BALANCE SHEET**  
LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

	brought forward			
				2,933,311,891
<b>E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES</b>				
1 Pension and similar provisions		128	0	
2 Provision for taxation		129	753,663	
3 Other provisions		130	4,015,878	131 4,769,541
<b>F. DEPOSITS FROM REINSURERS</b>				132 15,855,832
<b>G. PAYABLES AND OTHER LIABILITIES</b>				
<b>I - Payables arising from direct insurance business due to:</b>				
1. Insurance brokers and agents	133	6,982,767		
2. Current account companies	134	2,760,407		
3. Guarantee deposits and premiums paid by policyholders	135	68,451		
4. Guarantee funds in favour of policyholders	136	1,632,307	137	11,443,932
<b>II - Payables arising from reinsurance business due to:</b>				
1. Insurance and reinsurance companies	138	7,253,793		
2. Reinsurance brokers and agents	139	0	140	7,253,793
<b>III. - Bond issues</b>			141	0
<b>IV - Due to banks and other financial institutions</b>			142	0
<b>V - Secured debts</b>			143	0
<b>VI - Sundry loans and other financial payables</b>			144	0
<b>VII - Employees' leaving entitlement</b>			145	3,237,457
<b>VIII - Other sums payable</b>				
1. Policyholders' tax due	146	22,940,699		
2. Other sums payable to taxation authorities	147	2,998,158		
3. Social security charges payable	148	2,407,355		
4. Sundry payables	149	33,137,360	150	61,483,572
<b>IX - Other liabilities</b>				
1. Suspense reinsurance accounts	151	0		
2. Commissions on premiums under collection	152	14,088,469		
3. Other liabilities	153	10,414,635	154	24,503,104
			155	107,921,858
to carry forward				3,061,859,122

Previous year

brought forward		2,626,524,536
	308	0
	309	1,292,781
	310	2,041,337
	311	3,334,118
	312	15,706,645
313	5,507,253	
314	1,526,923	
315	91,367	
316	2,304,863	317
		9,430,406
318	13,388,261	
319	0	320
		13,388,261
		321
		0
		322
		0
		323
		0
		324
		0
		325
		3,354,752
326	21,040,703	
327	22,677,143	
328	2,538,407	
329	29,624,760	330
		75,881,013
331	0	
332	14,543,779	
333	6,257,975	334
		20,801,754
		335
		122,856,186
to carry forward		2,768,421,485

**BALANCE SHEET**  
LIABILITIES AND SHAREHOLDERS' EQUITY

	Current year	
brought forward		3,061,859,122
H. ACCRUED EXPENSES AND DEFERRED INCOME		
1. Interest	156 0	
2. Rent instalments	157 0	
3. Other accrued expenses and deferred income	158 5,216	159 5,216
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		160 3,061,864,338

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

	Current year	
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM AND CONTINGENCY ACCOUNTS		
I - Guarantees given		
1. Sureties	161 0	
2. Endorsements	162 0	
3. Other personal guarantees	163 20,500,000	
4. Collateral	164 0	
II - Guarantees received		
1. Sureties	165 13,286,575	
2. Endorsements	166 0	
3. Other personal guarantees	167 0	
4. Collateral	168 2,330,000	
III - Guarantees given by third parties in the interest of the company	169 0	
IV - Commitments	170 35,251,145	
V - Third party assets	171 1,397,991	
VI - Assets pertaining to pension funds managed in favour and on behalf of third parties	172 15,572,379	
VII - Securities held by third parties	173 1,879,150,331	
VIII - Other memorandum and contingency accounts	174 0	

Previous year

	brought forward			2,768,421,485	
		336	0		
		337	0		
		338	14,558	339	14,558
				340	2,768,436,043

Previous year

		341	0	
		342	0	
		343	20,500,000	
		344	0	
		345	13,484,330	
		346	0	
		347	0	
		348	1,660,000	
		349	0	
		350	21,230,882	
		351	5,270,863	
		352	13,934,382	
		353	1,755,874,232	
354	0			

## PROFIT AND LOSS ACCOUNT

		Current year
<b>I. NON-LIFE BUSINESS TECHNICAL ACCOUNT</b>		
1	PREMIUMS, NET OF OUTWARDS REINSURANCE	
	a) gross premiums accounted for	1 1,033,091,476
	b) (-) outwards reinsurance premiums	2 36,017,974
	c) Change in gross premium reserve	3 13,141,802
	d) Change in reinsurer premium reserve	4 105,529
		5 984,037,229
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)	6 13,936,511
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE	7 4,310,878
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE	
	a) Amounts paid	
	aa) Gross amount paid	8 585,052,080
	bb) (-) reinsurers' share	9 41,897,895 10 543,154,185
	b) Change in recoveries, net of reinsurers' share	
	aa) Gross amount recovered	11 7,116,548
	bb) (-) reinsurers' share	12 -3,292,258 13 10,408,806
	c) Change in claims reserve	
	aa) Gross amount	14 99,066,091
	bb) (-) reinsurers' share	15 -13,200,564 16 112,266,655
		17 645,012,034
5	CHANGE IN OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE	18
6	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE	19
7	OPERATING COSTS:	
	a) Acquisition commissions	20 148,509,970
	b) Other acquisition costs	21 50,214,708
	c) Change in commissions and other acquisition costs to be amortised	22 -1,258,639
	d) Premium collection commissions	23 10,610,315
	e) Other administrative costs	24 24,408,412
	f) (-) Profit participation and other commissions received by reinsurers	25 6,178,434
		26 228,823,610
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	27 15,234,087
9	CHANGE IN EQUALISATION RESERVES	28 493,902
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)	29 112,720,985



Previous year

		111	982,798,720		
		112	36,652,577		
		113	19,339,088		
		114	1,339,153	115	928,146,208
				116	18,916,164
				117	4,320,388
		118	508,254,000		
		119	23,130,793	120	485,123,207
		121	2,571,229		
		122	-88,355	123	2,659,584
		124	132,940,130		
		125	5,301,338	126	127,638,792
				127	610,102,415
				128	
				129	
		130	140,451,537		
		131	40,465,157		
		132	-310,732		
		133	10,317,161		
		134	23,048,424		
		135	6,665,213	136	207,927,798
				137	19,657,549
				138	469,435
				139	113,225,563

## PROFIT AND LOSS ACCOUNT

Current year

				Current year	
<b>II. LIFE BUSINESS TECHNICAL ACCOUNT</b>					
1	PREMIUMS, NET OF OUTWARDS REINSURANCE:				
	a) Gross premiums accounted for	30	250,694,447		
	b) (-) outwards reinsurance premiums	31	1,234,282	32	249,460,165
2	INCOME ON INVESTMENTS:				
	a) Income on equity investments	33			
	(of which: from group companies	34			
	b) Income on other investments:				
	aa) land and buildings	35	1,834,023		
	bb) other investments	36	34,857,664	37	36,691,687
	(of which: from group companies	38			
	c) Adjustments to investment values	39	4,875		
	d) Profit on sale of investments	40	238,781		
	(of which: from group companies	41		42	36,935,343
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT			43	9,017,119
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			44	1,433,012
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:				
	a) Amounts paid				
	aa) Gross amount paid	45	133,622,912		
	bb) (-) reinsurers' share	46	373,310	47	133,249,602
	b) Change in reserve for amounts payable				
	aa) Gross amount	48	6,394,303		
	bb) (-) reinsurers' share	49		50	6,394,303
				51	139,643,905
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE				
	a) Mathematical reserves:				
	aa) Gross amount	52	129,161,686		
	bb) (-) reinsurers' share	53	473,138	54	128,688,549
	b) Complementary insurance premium reserve:				
	aa) Gross amount	55	-22,235		
	bb) (-) reinsurers' share	56		57	-22,235
	c) Other technical reserves				
	aa) Gross amount	58	-1,494,810		
	bb) (-) reinsurers' share	59	10,763	60	-1,505,573
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management				
	aa) Gross amount	61	-3,303,793		
	bb) (-) reinsurers' share	62		63	-3,303,793
				64	123,856,947

Previous year

	140	168,495,230		
	141	1,224,795	142	167,270,435
	143	998,000		
(of which: from group companies	144	998,000		
	145			
	146	31,295,116	147	31,295,116
(of which: from group companies	148			
	149	99,098		
	150	552,098		
(of which: from group companies	151		152	32,944,312
			153	7,752,171
			154	586,496
	155	114,622,020		
	156	497,490	157	114,124,530
	158	533,200		
	159		160	533,200
			161	114,657,730
	162	61,172,670		
	163	45,174	164	61,127,496
	165	-12,935		
	166		167	-12,935
	168	-1,269,530		
	169	-7,135	170	-1,262,396
	171	4,693,382		
	172		173	4,693,382
			174	64,545,548

## PROFIT AND LOSS ACCOUNT

		Current year
7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE	65 -27,491
8	OPERATING COSTS:	
	a) Acquisition commissions	66 4,207,560
	b) Other acquisition costs	67 7,264,469
	c) Change in commissions and other acquisition costs to be amortised	68 436,228
	d) Premium collection commissions	69 1,303,753
	e) Other administrative costs	70 4,247,118
	f) (-) Profit participation and other commissions received by reinsurers	71 125,651
		72 16,461,021
9	CAPITAL AND FINANCIAL CHARGES:	
	a) Investment management charges and interest payable	73 5,705,073
	b) Adjustments to investment values	74 6,662,796
	c) Loss on sale of investments	75 106,923
		76 12,474,792
10	CAPITAL AND FINANCIAL CHARGES AND NON-REALISED CAPITAL LOSSES RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS WHO BEAR THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT	77 5,254,095
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	78 363,051
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)	79
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)	80 -1,180,681
<b>III. NON-TECHNICAL ACCOUNT</b>		
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I.10)	81 112,720,985
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II.13)	82 -1,180,681
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:	
	a) Income on equity investments	83 336,071
	(of which: from group companies	84 336,071 )
	b) Income on other investments:	
	aa) land and buildings	85 1,969,819
	bb) other investments	86 38,849,131
	(of which: from group companies	87 40,818,950
		88 170,830 )
	c) Adjustments to investment values	89
	d) Profit on sale of investments	90 238,094
	(of which: from group companies	91
		92 41,393,115

Previous year

		175	-21,252
		-----	
	176	3,436,825	
	177	6,715,211	
	-----		
	178	373,693	
	179	1,375,879	
	180	4,502,118	
	181	229,137	182
	-----		15,427,203
	183	3,309,619	
	184	1,161,174	
	185	0	186
	-----		4,470,793
		187	2,460,175
		-----	
		188	295,834
		-----	
		189	3,043,534
		-----	
		190	3,673,849
		-----	
		191	113,225,563
		-----	
		192	3,673,849
		-----	
	193	194,709	
(of which: from group companies	194	194,709	)
	-----		
	195	572,119	
	196	37,511,309	197
	-----		38,083,428
(of which: from group companies	198	36,081	)
	-----		
	199		
	200	881,047	
(of which: from group companies	201		)
	-----		202
			39,159,184

## PROFIT AND LOSS ACCOUNT

		Current year
4	(+) INCOME ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (caption II) 12)	93
5	CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:	
	a) Investment management charges and interest payable	94 7,695,635
	b) Adjustments to investment values	95 15,161,172
	c) Loss on sale of investments	96 749,937
		97 23,606,744
6	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)	98 13,936,511
7	OTHER INCOME	99 4,953,413
8	OTHER CHARGES	100 13,847,264
9	RESULT OF ORDINARY BUSINESS	101 106,496,313
10	EXTRAORDINARY INCOME	102 15,457,695
11	EXTRAORDINARY EXPENSE	103 391,895
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS	104 15,065,800
13	PROFIT (LOSS) BEFORE TAXATION	105 121,562,113
14	TAXATION ON PROFIT FOR THE YEAR	106 46,626,780
15	NET PROFIT (LOSS) FOR THE YEAR	107 74,935,333

Previous year

		203	3,043,534
	204	5,883,913	
	205	9,476,080	
	206	10,658	
		207	15,370,653
		208	18,916,164
		209	4,528,860
		210	19,050,222
		211	110,293,951
		212	9,099,587
		213	185,458
		214	8,914,129
		215	119,208,080
		216	56,740,891
		217	62,467,189





# EXPLANATORY NOTES TO ACCOUNTS

## *To Our Shareholders*

Together with the Balance Sheet and Income Statement for the financial year ending on 31 December 2014, we also submit for your approval these Explanatory Notes, which, pursuant to Article 2423 of the Italian Civil Code, are an integral part of the year-end financial statements.

## Format and content of year-end financial statements

The financial statements, prepared in euro, are presented in the specific format envisaged for insurance companies as per the requirements of Italian Legislative Decree no. 209 of 7 September 2005 "Private Insurance Company Code". For items not covered by the aforementioned Decree or by its implementation ordinances, the provisions of the Italian Civil Code and those of Italian Legislative Decree no. 173 of 26 May 1997.

Specifically, in compliance with ISVAP (now IVASS) Regulation no. 22 of 4 April 2008, the financial statements have been prepared as follows:

- the balance sheet and income statement are expressed in euro units. The arithmetical sum of rounding differences are recorded under captions F.IV.2) Sundry assets or G.IX.3) Sundry liabilities in the balance sheet and III.10) Extraordinary income or III.11) Extraordinary expense in the income statement;
- the Explanatory Notes to accounts, their appendices, and the restated balance sheet and income statement are presented in thousands of euro. Related rounding has been calculated to ensure consistency with the figures in euro units shown in the balance sheet and income statement.

As is required by regulations, the Explanatory Notes consist of three parts, i.e.

Part A – Accounting policies

Part B – Information on the balance sheet and income statement

Part C – Other information and cash flow statement.

The Notes include 32 appendices that analyse the technical and financial components of insurance and financial operations.

In order to provide more complete information, it has been deemed appropriate, as already done in previous years, also to present the restated balance sheet and income statement.

Restated balance sheet captions are shown net of reinsurance effects.

## Other disclosures

Vittoria Assicurazioni S.p.A. has decided to exercise its right as provided in article 70, paragraph 8 and article 71, paragraph 1-bis of the Regulations for Issuers, to waive the obligation to publish documents that are required in significant merger, split, share capital increase by transfer of assets in kind, acquisition or transfer operations.

## Reclassified balance sheet

(€/000)

ASSETS	31/12/2014	31/12/2013
Investments		
Land and buildings	196,510	204,205
Investments in group and other companies		
- Equity investments	321,127	192,173
- Loans	6,000	6,285
Other financial investments:		
- Equity investments	-	-
- Unit trust units	28,404	31,908
- Bonds and other fixed-interest securities	1,763,827	1,637,096
- Loans	6,867	7,956
Deposits with ceding companies	175	4,620
Investments benefiting life policyholders	61,823	65,127
Total investments	2,384,733	2,149,370
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	55,964	64,253
- Insurance brokers and agents	103,886	90,697
- Current account companies	6,541	5,190
- Amounts to be recovered from policyholders and third parties	35,545	39,772
Receivables relating to reinsurance business	4,251	3,836
Other receivables	51,860	43,870
Total receivables	258,047	247,618
Intangible assets	36,245	40,127
Tangible assets and inventory	8,167	7,340
Liquid funds	174,593	145,691
Other assets	114,389	80,446
Prepayments and accrued income	25,188	24,681
TOTAL ASSETS	3,001,362	2,695,273

(€/000)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2014	31/12/2013
<b>Shareholders' equity</b>		
- Share capital	67,379	67,379
- Share premium reserve	33,355	33,355
- Revaluation reserves	18,193	18,195
- Legal reserve	12,565	12,323
- Other reserves	279,330	229,233
- Net profit (loss) for the year	74,935	62,467
<b>Total shareholders' equity</b>	<b>485,757</b>	<b>422,952</b>
<b>Technical reserves, net of reinsurance</b>		
- Premium reserve	362,271	349,235
- Claims reserve	987,302	874,945
- Mathematical reserves	932,774	803,552
- Reserve for amounts payable	28,764	22,370
- Other technical reserves	14,119	15,181
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	61,823	65,127
<b>Total technical reserves</b>	<b>2,387,053</b>	<b>2,130,410</b>
<b>Payables</b>		
Deposits from reinsurers	15,856	15,707
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	6,983	5,507
- Current account companies	2,760	1,527
- Guarantee deposits and premiums paid by policyholders	68	91
- Guarantee funds in favour of policyholders	1,632	2,305
Payables arising from reinsurance business	7,254	13,388
Other sums payable	61,484	75,881
<b>Total payables</b>	<b>96,037</b>	<b>114,406</b>
Provisions for contingencies and other charges	4,770	3,334
Employees' leaving entitlement	3,237	3,355
Other liabilities	24,503	20,801
Accrued expenses and deferred income	5	15
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,001,362</b>	<b>2,695,273</b>

## Reclassified individual profit and loss account

	(€/000)	
	31/12/2014	31/12/2013
<b>Technical account</b>		
<b>Life businesses:</b>		
<b>Direct insurance</b>		
(+) Gross premiums accounted for	250,613	168,255
(-) Charges relating to claims	140,041	114,997
(-) Change in mathematical and other technical reserves	124,172	64,553
(+) Other technical captions, net	1,097	310
(-) Operating costs	16,573	15,614
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	24,461	25,430
(+) income on investments where policyholders bear the risk - Class D	3,763	5,292
<b>Direct insurance result</b>	-852	4,123
Outwards reinsurance result	-251	-460
Retained direct insurance result	-1,103	3,663
Indirect and retroceded insurance result	-78	11
<b>Result of life business technical account</b>	-1,181	3,674
<b>Non-life businesses:</b>		
<b>Direct insurance</b>		
(+) Gross premiums accounted for	1,032,980	982,677
(-) Change in premium reserve	13,143	19,373
(-) Charges relating to claims	676,954	638,551
(+) Other technical captions, net	-10,924	-15,337
(-) Operating costs	234,994	214,579
<b>Direct insurance result</b>	96,965	94,837
Outwards reinsurance result	2,256	-128
Retained direct insurance result	99,221	94,709
Indirect and retroceded insurance result	57	70
<b>Total retained direct insurance result</b>	99,278	94,779
(-) Change in equalisation reserves	494	469
(+) Income on investments transferred from the non-technical account	13,937	18,916
<b>Result of non-life business technical account</b>	112,721	113,226
<b>Result of technical account</b>	111,540	116,900
(+) Income on non-life business investments net of the portion transferred to the technical account	3,850	4,872
(+) Income on investments transferred from the life business technical account	-	3,044
(+) Other income	4,953	4,528
(-) Other charges	13,847	19,051
<b>Result of ordinary business</b>	106,496	110,293
(+) Extraordinary income	15,458	9,100
(-) Extraordinary expense	392	185
<b>Profit (loss) before taxation</b>	121,562	119,208
(-) Taxation on profit for the year	46,627	56,741
<b>Net profit (loss)</b>	74,935	62,467

## Part A

### Accounting policies

The accounting policies used to draw up year-end financial statements comply with the requirements of Articles 2426 and 2427 of the Italian Civil Code, of Italian Legislative Decree no. 209 of 7 September 2005, of Italian Legislative Decree no. 173 of 26 May 1997 (to which the “Private Insurance Company Code” refers), of the IVASS regulation no. 22 of 4 April 2008 and of dispositions require by corporate law (Italian Legislative Decree no. 6 of 17 January 2003 and the following integrations and modifications), are described below.

In addition, the year-end financial statements comply with the requirements of Italian Legislative Decree no. 58 of 24 February and of CONSOB (Italian securities & exchange commission) guidelines, in particular no. 11971 of 14 May 1999 and the following integrations and modifications.

Unless otherwise specified, accounting policies relating to direct insurance also apply to outward reinsurance.

Taking into account the solvency ratio, the profitability of the Company and its careful management of risks, the financial statements have been prepared on a going concern basis.

### Technical insurance captions

#### Classification of risks by business line

For the purposes of allocation of gross premiums written and of related transactions, classification of risks by business line is defined by Article 2 of Italian Legislative Decree no. 209 of 7 September 2005.

#### NON-LIFE

Premiums and related premium reserves are allocated to the various Non-Life Business lines analytically for single guarantee; operating costs and technical income are allocated to the various Non-Life Business lines through appropriated drivers.

Costs relating to claims are directly allocated to the individual lines if they refer to transactions relating to an individual event, since allocations are made on the basis of the type of cover involved in a claim. Costs common to several claims are allocated to the various officially defined lines according to the weight of indemnities paid during the financial year. Costs borne for claims in the current and previous financial years are allocated in proportion to the indemnities paid in the various years concerned. Only for the Motor TPL (third-party liability) line is the impact of the number of claims occurring in the year taken into account.

#### LIFE

Allocation of Life technical captions is done on a direct basis since the entire portfolio matches the regulatory classification.

#### Gross premiums

#### LIFE/ NON-LIFE

Premiums, together with their ancillary costs, gross of outward reinsurance are recognised as revenues upon maturity, regardless of when documents are recorded and of the date when they are effectively collected.

In the Non-Life business, cancellations of individual policies caused by technical events and by cancellations due to non-renewal are directly deducted from premiums, as long as they are issued in the same year. In the case of Non-Life business, the caption comprises all cancellations except for those relating to first-year premiums written in previous financial years.

For Non-Life business, allocation to the year is made via adjustment of the premium reserve. For the Life business, instead, it is implicit in the calculation of the mathematical reserves, of the complementary insurance premium reserve, and of other technical reserves of the life business.

Ceded and retroceded reinsurance premiums are accounted for in accordance with the contractual agreements made with reinsurers.

## Operating costs

NON-LIFE/  
LIFE

Operating costs include:

- acquisition commissions  
They include the commissions paid on the acquisition and renewal (also tacit) of contracts. They also include extra commissions and commission bonuses commensurate with achievement of productivity targets;
- other acquisition costs  
They include personnel expenses, logistics costs, costs for services and purchase of goods of the management departments involved in the assessment, issue and management of insurance contracts. They also include costs accorded to the agency network for the issuing of contracts and for extra bonuses and commission bonuses not linked to productivity targets, plus costs incurred for medical check-ups;
- changes in commissions and other acquisition costs to be amortised  
The item includes the year's portion of amortisation for acquisition commissions and other acquisition expenses;
- premium collection commissions  
This item includes commissions paid for collection of premiums relating to long-term contracts;
- other administrative costs  
They include personnel expenses, logistics costs, costs for services and purchase of goods of the company departments other than those relating to the other acquisition costs indicated above and those allocated to claims settlement and investment management. They also include charges incurred for the termination of agency agreements not the part not subject to compensation;
- commissions and profit participation received by reinsurers  
This includes commissions and profit-participation amounts for reinsurers as established by contractual agreement for premiums ceded and retroceded.

## Premium reserve

NON-LIFE

The Non-Life premium reserve is calculated on a pro-rata temporis basis, contract by contract, based on premiums written net of direct costs and of the unearned portion of premiums, i.e. pertaining to the period after December 31st in the financial year concerned.

There is an exception to this rule for the calculation of the reserve for some business lines for which risk exposure does not decrease as time elapses or for which the correlation between policy premiums and potential claim costs does not follow the usual economic and technical criteria.

The IVASS Regulation no. 16 of 4 March 2008 defines the business lines and the criteria of calculation, which are recalled below:

- Suretyship insurance: the additional reserve follows the criteria envisaged by article no. 14 of above mentioned Regulation;
- Hail insurance: the additional reserve follows the criteria envisaged by articles no. 16 and 17 of above mentioned Regulation;
- Miscellaneous asset damage - (earthquake, seaquake and volcanic eruption insurance): the additional reserve follows the criteria envisaged by articles no. 19 and 20 of above mentioned Regulation;
- Nuclear risks: the additional reserve follows the criteria envisaged by article no. 22 of above mentioned Regulation.

The premium reserve is supplemented by:

- The reserve for unexpired risks: this reserve is set up to cover risks incumbent upon the company after the balance sheet date. It is a technical provision, mandatorily required by article no. 11 of IVASS Regulation no. 16 of 4 March 2008, made if, and to the extent that, the total amount of the presumed cost of expected claims – relating to in-force policies – is estimated to exceed the reserve for unearned premiums plus premiums outstanding, net of acquisition costs, for deferred-premium policies.

For the assessment of Unexpired risk reserve of the 14 line of business - Credit is not considered that the empirical method (Art. 11 Sec. II IVASS regulation No. 16) is consistent with the type of portfolio risks Vittoria which is entirely represented by the Salary-Backed Loans with the possibility of recourse.

The inadequacy of the empirical method is to use the pro rata premium reserve which assumes a linear distribution of risks. The expected loss ratio is in fact linked to the outstanding principal of outstanding contracts that is decreasing with respect to their maturity. Being a portfolio developed in the past years that today is an average of half of the period of coverage and so already today do not detect a significant new production, it was considered more appropriate to use a method of estimating the expected loss ratio.

Reinsurers' premium reserve: this is calculated applying the same criteria as those used for direct business and inward reinsurance.

### Other technical reserves

#### NON-LIFE

This caption comprises the aging reserve for health insurance as required by Article 37 of Italian Legislative Decree no. 209 of 7 September 2005.

Calculations include all the products that, in setting premiums, do not take into account changes in the policyholder's age and contain clauses that limit the Company's ability to withdraw, as indicated by paragraph 1 of article 46 of IVASS Regulation 16/2008.

The estimate is based on a comparison between estimated cash inflows (all premiums expected to be collected in future years on the contracts held in portfolio at December 2014) and estimated cash outflows (all losses expected to be paid for the contracts held in portfolio at December 2014).

For consistency and as a comparison, the reserve was calculated on a lump-sum basis by setting aside 10% of gross premiums written, as envisaged by paragraph 3 of article 47 of IVASS Regulation 16/2008.

### Equalisation reserves

#### NON-LIFE

Equalisation reserves comprise all sums provisioned in compliance with Article 37 of Italian Legislative Decree no. 209 of 7 September 2005 in order to smooth fluctuations in claims rate in future years or to cover special risks.

The item includes:

- the offsetting reserve for credit insurance as per Article 42 of IVASS Regulation no. 16/2008;
- the equalisation reserve for risks of natural disasters; the calculation is in accordance with the Ministerial Decree of 19/11/1996.

Equalisation reserving for FY2014, by business line, is shown in Appendix 25 to the Explanatory Notes.

### Costs relating to claims paid

#### NON-LIFE

In the Non-Life business costs relating to claims paid include amounts paid in the year as indemnities and direct expenses, as well as claims adjustment expenses and the cost of the contribution to the guarantee fund for road-accident victims.

Direct expenses are those incurred to avoid or minimise claim damage, including litigation costs as per Article 1917, paragraph 3, of the Italian Civil Code, rescue expenses in transport and aviation insurance, and extinguishing costs in fire insurance.

Settlement costs include amounts paid to professionals appointed for the purpose, personnel expenses, logistics costs, and costs for services and goods of the company departments dedicated to claims settlement and handling.

**LIFE** Costs relating to claims in the Life business include sums recognised in the financial year against capital sums and annuities accruing, surrenders, and claims, including those relating to complementary insurance.

**NON-LIFE/  
LIFE** The amount of reinsurers' share of costs is calculated according to the provisions of provisions of contracts in place.

### **Recoverables**

**NON-LIFE** The caption includes, sums to be recovered from policyholders and third parties for remedying of claims in policies with no-claims clauses, for deductibles, and for subrogations.

The income statement recognises the difference between the amount at year-end and the amount existing on 31 December of the previous year, together with what has been recovered during the year.

### **Claims reserve**

**NON-LIFE** The claims reserve reflects the prudent evaluation of estimated indemnities and adjustment costs for claims relating to direct business that have been incurred and not yet paid, either totally or in part, as at balance sheet date. This valuation is performed considering the specific features of each line, based on all components forming the requirement for coverage of the claim's ultimate cost. "Ultimate cost" means the estimate of all foreseeable costs based on a prudent assessment of factual evidence (document examination) and forecasts (expected claims settlement time frame).

Assessment of each claim is performed according to the following phases:

- Preparation of inventory estimates for each open position by non-life claims settlement inspectors through sessions during the year;
- Analysis and checking of data and review of documentation concerning major claims by corporate management through sessions during the year.

Activities performed as part of claims assessment procedures are based on the following general criteria:

- Accurate and complete basic year-end inventory of all claims partly or totally not settled, highlighting claims that are the subject of disputes
- Analysis of claims featuring several positions in order to ascertain that proper evidence exists supporting each individual position;
- Separate indication of the quantification of bodily injury and property damage;
- Inclusion of estimated direct and settlement costs in the claims reserve. Settlement costs include both amounts paid to professionals taking part in claims handling and internal company costs relating to the claims handling department;
- Assessment of claims relating to credit and suretyship insurance in compliance with the dictates of Section 4 of IVASS Regulation no. 16 of 4/03/2008.

As regards current-generation claims, case documentation is examined at least quarterly to check the claim's progress and see whether the previous assessment was correct. In addition, the "continuous reserve" operating procedure is applied, which means that, when each partial payment is made or whenever new information is gathered, the claim is reviewed.



The field claims settlement network is supported by the audit technical management. The latter checks, in terms of merit and method, that corporate house rules are properly applied.

The claims reserve includes the estimate for IBNR claims, i.e. claims pertaining to the year that have been incurred but not yet reported by year-end but pertaining to the year. Amounts are calculated considering the average cost of the current generation.

The claims reserves thus calculated that relate to mass risks, insofar as they refer to positions settled in the medium-long term, are subjected to statistical and actuarial checks to assess their consistency with ultimate cost and, when necessary, are topped up.

The claims reserve for Card and No Card of TPL line comply with the requirements of Article 33 IVASS Regulation no. 16 of 4 March 2008, paragraph 1 in the case of the company would be “managing” and paragraph 2 in the case of the company would be “indebted”.

The total amount of claims reserve has been calculated in compliance with article no. 34 of the above regulation.

### **Mathematical reserves and other technical reserves**

#### **LIFE**

Technical reserves for the Life business are calculated on the basis of the pure premiums and actuarial assumptions deemed to be appropriate as at the date when contracts were signed, insofar as they are still valid. Calculation of technical reserves is based on the rate of return determined on the basis of the related investments for respective “revaluable” benefits and on the mortality rate used to calculate pure premiums. In accordance with current regulations, the premiums-carried-forward component of mathematical reserves is calculated on a pure-premium basis. The reserve for operating expenses is calculated taking operating loading as the basis and the other technical bases of the tariffs applied. For policies featuring health- and/or profession-related premium surcharges, an additional reserve is calculated equal to a full annual premium surcharge.

The premium reserve for complementary accident insurance is calculated analytically, applying the premium-carry-forward criterion to related pure premiums.

In no case is the mathematical reserve lower than surrender value.

In compliance with the requirements established by Article 50 of IVASS (Italian insurance regulator) Regulation no. 21 of 28 March 2008, an additional demographic risk reserve has been set up relating to annuity contracts and to capital contracts with a contractually guaranteed annuity conversion factor, in order to adjust the demographic bases used to calculate mathematical reserves to direct portfolio experience.

Mathematical reserves are always supplemented, when necessary, in order to take into account the time lag between the period when a contractually recognised return accrued and the time when it is accorded to the insured (Article 37 of IVASS - Regulation no. 21 of 28 March 2008).

In compliance with the rules established by Articles 38-46 of IVASS Regulation no. 21 of 28 March 2008, an ALM (Asset & Liability Management) procedure is implemented for joint analysis of asset and liability portfolios of internal separately managed accounts considered significant. The aim is to calculate forecast returns for each of them.

### **Reversals and profit participation**

#### **NON-LIFE/LIFE**

Profit participation includes all amounts pertaining to the year, paid and to be paid to Profit participation includes all amounts pertaining to the year, paid and to be paid to policyholders or other beneficiaries, including amounts used to increase

technical reserves or reduce future premiums, as long as they constitute distribution of technical profits arising from non-life and life insurance activities, after deduction of amounts accrued in previous years' that are no longer necessary.

Reversals consist of the amounts that are partial rebates of premiums made on the basis of each contract's performance.

### Other technical costs

LIFE/  
NON-LIFE

Other technical costs include:

- For the Non-Life business, premiums cancelled, due to technical events, of individual policies issued in previous financial years
- For the Life business, cancellation of first-year premiums written in previous years;
- Uncollectable premiums of amounts receivable from both Non-Life and Life policyholders;
- Costs relating to goods and services purchased to complement Non-Life insurance covers;
- Costs stemming from management of the knock-for-knock system.

### Other technical income

LIFE/  
NON-LIFE

Other technical income includes:

- Commissions relating to cancelled premiums included in other technical costs of the Non-Life and Life businesses;
- Income relating to management of the knock-for-knock system and to the subsidy accorded by the ANIA (Italian insurers' association) to encourage scrapping of damaged vehicles in the Non-Life business.

### Transfer of investment income

LIFE/  
NON-LIFE

The allocation of investment income to the non-life business technical account and the transfer of the life business technical account to the non-technical account was carried out in accordance with article 55 of Legislative Decree no. 173 of 26 May 1997 and articles 22 and 23 of IVASS Regulation no. 22 of 4 April 2008.

For the non-life business, the income to be transferred was determined by multiplying the non-life business investment income, net of capital and financial charges recorded in the non-technical account, by the percentage obtained from the ratio between the sub-total of the technical reserves net of reinsurance at the end of the current year and at the end of the previous year and the same sub-total plus the sub-total of the equity at the end of the current year and at the end of the previous year.

For the non-life business, the income to be transferred was determined by multiplying the non-life business investment income, net of capital and financial charges recorded in the non-technical account, by the percentage obtained from the ratio between the sub-total of the technical reserves net of reinsurance at the end of the current year and at the end of the previous year and the same sub-total plus the sub-total of the equity at the end of the current year and at the end of the previous year.

If the income from the investments allocated to the life business technical account is lower than the technical interest recognised by contract to the policyholders during the year, the amount to be transferred to the non-technical accounting must be correspondingly reduced, until it reaches zero, by an amount equal to this lower value.

NON-LIFE/  
LIFE

### **Inward reinsurance**

Inward life insurance is recorded on an accruals basis.

If there are no specific negative indications, the economic effects of non-life inward reinsurance are accounted for one year later than the year to which they refer, as the necessary information is not available at balance sheet date. Related financial and balance sheet movements are recorded in the balance sheet under Other assets – Other liabilities in the reinsurance suspense accounts.

Treaties concerning aircraft hulls represent an exception to the above accounting treatment as the space risk business is accounted for on a strict accruals basis.

Indirect business claims reserves generally reflect those reported by the ceding insurer and Vittoria Assicurazioni supplements them when they are deemed inadequate with respect to the commitments underwritten.

### **Retrocession**

NON-LIFE/  
LIFE

Retroceded business mainly relates to Line 05 Aircraft hulls – space risks. Items relating to retrocession are measured according to the same policies as those applied to inward reinsurance.

### **Allocation of costs and revenues common to both the life and non-life businesses**

NON-LIFE/  
LIFE

The company is authorised to operate in life and non-life insurance and reinsurance.

The criteria and methods for allocating costs and revenues common to both the life and non-life businesses are indicated in the report issued in accordance with article 4 of IVASS Regulation no. 17 of 11 March 2008. The main criteria for allocating the P&L items not directly attributable to either business are:

#### Other acquisition costs (including commission)

The costs for the company's sales function are allocated between the two businesses by dividing them into two distinct categories:

- the acquisition costs not directly attributable to purchase / collection commission (development plans, incentives, levies) use the mix of premiums issued at agency level as a driver.
- The remaining acquisition costs (contributions, agency rent, agent pension fund) use the mix of premiums at agency level as a driver.

The other acquisition costs also include personnel costs and overheads both of cost centres which are directly associated with acquiring policies (sales, assumptions) and those charged back to cost centres which carry out activities common to all company areas (general areas, IT). The costs can be allocated between the two businesses directly (as with the RE assumption service and the life business assumption service) or indirectly (general expenses) by using earned premiums as a driver.

Before doing this the costs are weighted in relation to the cumulative policies, in order to determine the total amounts for the life and non-life businesses.

#### Other administrative expenses (personnel costs and miscellaneous administrative expenses)

This category includes, in accordance with article 53 of Legislative Decree 173/95, all the remaining expenses not allocated to acquisition and liquidation costs.

For this category of costs the distinction between the two businesses is also made by using a direct criteria for all cost centres directly attributable to the non-life business or the life business, or by using the earned premiums (calculated using the same criteria adopted for other acquisition costs) as an allocation driver.

## Investment captions

### C I – Land and buildings

In compliance with Article 15, paragraph 2, of Italian Legislative Decree no. 173 of 26 May 1997, land and buildings are considered to be assets for enduring, long-term use, except in the case of buildings available for sale.

Refurbishments, improvements, and plant upgrades – which are all designed to extend building units' life and increase their profitability – are capitalised.

Ordinary maintenance costs are established in a long-term plan and are expensed in the income statement annually.

### Market value

Measurement is based on the market value of each plot of land and building, taken from independent appraisals, which are drawn up taking into account, for property leased, the contractual lease payments required while for the head office, it was estimated a fee realizable potential in the current market conditions.

“Market value” means the price at which the plot of land or the building can be freely sold by means of an agreement between two parties (the seller and the buyer) in normal and evenly balanced conditions and, more specifically, if:

- Both parties act after have gathered the necessary information on the property's officially designated urban use, marketability, and absence of any prejudicial annotations as regards title;
- The seller is free, or otherwise, to sell and there are no economic/financial circumstances forcing him to do so;
- The buyer is not being encouraged to purchase by non-market related factors.

Furthermore, the following conditions are taken into account:

- The asset has been on the market for a time reasonably long enough to permit its fair sale;
- The deed of sale has been signed after negotiations permitting the definition of price and terms.

Besides considering differences relating to age, position with respect to the importance of the zone where it is located, the valuation of each building also considers typical factors (building type and quality, and state of preservation, etc.), possible profitability, any town-planning constraints and/or restrictions imposed by the Heritage Ministry, and anything else that which may have an impact on the asset's valuation.

Valuation of leased buildings takes into account the type of contract, its expiry date and rental, also as regards possible revisions.

### C II – Investments in Group companies and other investees

Pursuant to paragraph 2, Article 15 of Italian Legislative Decree no. 173 of 26 May 1997, investments in Group companies and other investee companies are considered to be long-term assets.

#### Group companies

Article 5 of Italian Legislative Decree no. 173 of 1997 define group companies as being:

- a) Parent companies;
- b) Subsidiaries;
- c) Affiliates, i.e. companies, other than those included in item b) that are controlled by the same entity controlling the parent company or subject to common management as defined by paragraph 1, Article 60, of the above decree;
- d) Associate companies.

For the purposes of this classification, the concept of “control” is as defined in Article 2359, paragraphs 1 and 2, of the Italian Civil Code.

#### Other investee companies

This item comprises companies held for their strategic function or support of the insurance business.

Investments in group and other companies are measured according to the following criteria:

- Investments denominated in euro are measured at acquisition cost inclusive of ancillary costs;
- Investments denominated in foreign currency are measured at acquisition cost, inclusive of ancillary costs, converted into euro at the exchange rate in force on transaction date.

Acquisition cost is written down to allow for any permanent impairment shown in investee companies’ financial statements. If the reasons for such write-down no longer exist, the original value is reinstated in subsequent financial statements.

Dividends distributed by investee companies held are recognised when the right to collect them is established.

Information and changes concerning investments are provided in Appendices 6 and 7 to these Explanatory Notes.

### **C III – Other financial investments**

#### **Equity investments**

This category includes short-term investments in shares and quotas. Measurement criteria are as follows:

- Listed securities are stated in year-end accounts at weighted average cost or, if lower, presumed realisable value based on market trends. This lower value is not maintained in subsequent year-end accounts if the reasons for the adjustment no longer exist;
- Unlisted securities are stated at purchase cost, net of any losses recorded in investee companies’ approved year-end accounts. Once again, this lower value is not maintained in subsequent year-end accounts if the reasons for the adjustment no longer exist.

Foreign currency investments are converted into euro as follows:

- Purchases: at the exchange rate in force on the date of transaction or subscription;
- Sales: at the exchange rate in force on transaction date;
- Fair value: at the year-end exchange rate.

Dividends distributed by these companies are recognised when the right to collect them is established.

#### **Units in mutual investment funds**

Investments in this category are stated in year-end accounts at weighted average cost or, if lower, at realisable value based on market trends. This lower value is not maintained in subsequent year-end accounts if the reasons for the adjustment no longer exist.

Unlisted closed-end mutual securities investment funds and real estate investment funds are measured at acquisition cost.

The value of investments in foreign-currency mutual investment funds is converted into euro applying the following criteria:

- Purchases: at the exchange rate in force on the date of transaction or subscription;
- Sales: at the exchange rate in force on transaction date
- Fair value: at the year-end exchange rate.

## **Bonds and other fixed-income debt securities**

In accordance with the IVASS Regulation no. 36 of 31 January 2011, the Board of Directors has issued guidelines for classification of the debt securities portfolio. Fixed-income securities are therefore classified as shown below.

### Investment securities

These securities are stated at acquisition cost, inclusive of all ancillary costs. Cost is adjusted in the eventuality of permanent impairment of value. The higher or lower cost with respect to their repayment price is amortised on a straight-line basis over the period from acquisition to maturity.

These securities are held until they mature as the company has the financial resources to do this. Their classification depends on their importance and/or the expected normalisation of the rate of return of technical reserves in general and of segregated Life accounts in particular.

### Trading securities

Securities in this category, recognised at purchase cost inclusive of all ancillary costs, are stated in year-end accounts at weighted average cost or, if lower, at presumed realisable value based on market trends. This lower value is not maintained in subsequent year-end accounts if the reasons for the adjustment no longer exist. The cost of fixed-income securities is adjusted for the quota accruing in the year of margin, i.e. the difference between issue price and repayment value.

“Market trends” means, for listed securities, the price recorded on the last trading day of the financial year.

Foreign-currency securities are converted into euro applying the following criteria:

- Purchases: at the exchange rate in force on the date of transaction or subscription;
- Sales: at the exchange rate in force on transaction date
- Fair value: at the year-end exchange rate.

## **Fair value of financial instruments**

In compliance with the requirements of Article 2427/2 of the Italian Civil Code, in Part B of the Explanatory Notes we provide information on the fair value of derivative financial instruments as well as – for non-current financial assets recognised at a value higher than their fair value (excluding investments in subsidiaries, affiliates, and joint ventures) – related carrying value and fair value, together with the reasons why carrying value has not been reduced.

The fair value of assets in Classes C II and C III, traded in regulated markets, is the price recorded on the last trading day of the financial year.

As envisaged in Article 2427/2 of the Italian Civil Code, for the definition of “financial instrument”, “derivative instrument”, “fair value”, and “generally accepted measurement model and technique”, reference is made to international accounting standards compatible with European Union rules concerning the subject.

If a market valuation is not available for the investment, fair value is determined either on the basis of another similar financial instrument’s fair market value or via use of appropriate valuation techniques. The latter include use of recent transactions, discounted cash flow analysis, or models able to provide reliable

estimates of presumed prices in current market transactions. If fair value cannot be reliably measured, cost is used, adjusted for any impairment loss.

### **Investments benefiting policyholders bearing risk**

Financial investments benefiting policyholders who bear the risk of such investments are stated at fair value, i.e. at the price and exchange rate of the last trading day of the financial year.

The concept of “policyholders bearing the investment risk” is the feature decisive for application of the fair-value accounting standard to measure assets, as it immediately reveals the relationship between the trend in technical reserves and that of assets covering such reserves.

In year-end financial statements, these investments are classified as follows:

D I - unit-linked and index-linked investments

D II - investments arising from pension fund management

### **Mortgages and loans**

Mortgage loans granted are all expressed in euro and are shown on the basis of residual principal as they are secured by mortgages on buildings.

Loans are all expressed in euro and, if rated as collectable, are stated at the residual principal value. They are adjusted by means of appropriate bad-debt provision.

## **Other captions**

### **Tangible assets**

Tangible assets are recognised at purchase cost inclusive of ancillary costs. They are shown net of related cumulative depreciation. Assets are depreciated on a straight-line basis over their estimated useful lives.

### **Intangible assets**

Intangible assets are recognised at cost and amortised on a straight-line basis as follows:

- Business and/or product trademarks = over a 10-year period;
- Over a period that takes their residual possibility of use if they are assets coming under the 2nd point of Article 2426 of the Italian Civil Code;
- Costs incurred for the convertible subordinate bond issue approved by shareholders at the Extraordinary Meeting on 26 April 2001 = over a 10-year period;
- Start-up and expansion costs pursuant to the 5th point of Article 2426 of the Italian Civil Code;
- Goodwill is recognised as an asset upon approval of the board of statutory auditors, if acquired against payment, within the limit of the amount paid and is amortised in 5 years. If the goodwill residual useful life is reasonably higher than five years, the amortisation period can be extended up to twenty years, giving appropriate disclosure.

This caption includes deferred acquisition costs, i.e. non-life and life commissions to be amortised.

#### **NON-LIFE**

Acquisition costs for long-term contracts, with specific reference to purchase commissions, are deferred and amortised over three years from the year when they are incurred. Taking into account contracts' term and regulations concerning the applicability of commission charges, the amortisation period can be considered to be economically consistent.

Acquisition costs for new contracts, for the part not outwardly reinsured, are capitalised, within the limits of their respective loading, and are amortised on a straight-line basis over the duration of the underlying contract, with the maximum limit of 10 years. The amortisation period is considered to be economically consistent. Residual commissions of policies cancelled during the amortisation period are expensed in the financial year when the policies are eliminated from the portfolio.

### **Receivables**

Receivables are shown in year-end accounts at face value adjusted to presumed realisable value via bad-debt provision.

With reference to the requirements of Article 2427 of the Italian Civil Code and of Italian Legislative decree no. 173/97, if in the section analysing balance sheet items, receivables are not specifically indicated as having a residual duration of more than one year and five years, they are taken to have a duration of less than one year.

### **Accrued, prepaid and deferred items**

Accrued income, prepaid expenses, accrued liabilities, and deferred income link costs and income to the financial year to which they refer, even although related cash movements may take place after or before 31 December.

These items include only costs and income relating to two or more financial years.

### **Payables**

Payables are shown in year-end accounts at face value.

With reference to the requirements of Article 2427 of the Italian Civil Code and of Italian Legislative decree no. 173/97, if in the section analysing balance sheet items, payables are not specifically indicated as having a residual duration of more than one year and five years, they are taken to have a duration of less than one year.

### **Reserve for employee severance indemnities**

The reserve for employee severance indemnities is calculated in compliance with current regulations and, as at balance sheet date, fully covers amounts ultimately payable to eligible staff.



## **Income taxes**

Income taxes for the period are recognized in accordance with the laws in force. Deferred taxes are calculated on the basis of the tax rates applicable when the temporary differences will reverse, making the necessary adjustments in case of changes in tax rates for the previous years, provided that the law that changed the tax rate has already been enacted at the balance sheet date, in accordance with accounting standard no. 25 - "The accounting treatment of income taxes" - prepared by the governing bodies of the accounting profession, as amended by the OIC in relation to the corporate law reform.

Deferred tax assets are recognized when there is the reasonable certainty that there is an amount of taxable profit, in the years in which the deductible temporary differences that gave rise to such deferred tax assets will reverse, at least equal to the amount of such differences.

Deferred tax liabilities are not recognised if there is little possibility of them materialising or if their amount is immaterial.

Deferred tax liabilities, if any, are provisioned in the "Tax provision" caption of the balance sheet, whilst deferred tax assets are recorded under "Other assets".

## **Conversion into euro**

Long term items expressed in foreign currency, are converted at spot exchange rates. For balance sheet items still existing at year-end, the exchange rate on the last trading day of the financial year is applied.

## Part B

### Information on Balance Sheet and Income Statement

#### BALANCE SHEET

#### ASSETS

##### CLASS B – INTANGIBLE ASSETS

	31/12/2014	31/12/2013	Change
	36,245	40,127	-3,882

Intangible assets are stated net of amortisation of € 13,299 thousand (2013: € 13,505 thousand). Amortisation is calculated as stated in "Part A - Accounting policies" of these Explanatory Notes. The Appendix 4 to these Explanatory Notes detailed changes over the year.

##### B.1 – Deferred Acquisition costs

	31/12/2014	31/12/2013	Change
	7,487	8,310	-823

Acquisition commissions are amortised as described in the "Accounting Policies" chapter. If all policies have reached their full maturity, the different duration used for amortisation vs. actual policy duration would have led to an increase in shareholders' equity, before the related tax effect, in shareholders' equity of € 347 thousand (2013: € 194 thousand) for the Life business.

##### B.1.a – Deferred acquisition commissions – Life business

	31/12/2014	31/12/2013	Change
	5,675	5,239	+436

Life business deferred acquisition commissions changed due to:

commissions on policies acquired in the year	+1,796
commissions for policies cancelled in the year	-362
annual amortization	-998

##### B.1.b – Deferred acquisition commissions – Non Life business

	31/12/2014	31/12/2013	Change
	1,812	3,071	-1,259

Non-Life business deferred acquisition commissions changed due to:

commissions on policies acquired in the year	+1,842
annual amortization	-3,101

#### B.4 – Goodwill

	31/12/2014	31/12/2013	Change
	625	1,079	-454

The item includes the goodwill taking over in 2009, arising from the SACE BT SpA's Life business.

Further to this agreement, Vittoria Assicurazioni SpA recognised a goodwill equal to € 4,050 thousand, of which € 1,392 thousand allocated to commercial agreements inherited with the acquisition and € 2,658 thousand allocated to VIF (Value In Force ).

The first item is amortised in 5 years charging € 138 thousand to 2014 profit and loss; the VIF is amortised on the basis of the expected useful life of the portfolio acquired, charging € 316 thousand to 2014 profit and loss.

#### B.5 – Other deferred costs

	31/12/2014	31/12/2013	Change
	28,132	30,738	-2,606

Deferred expenses, stated in year-end accounts at cost, are directly amortised. The decreasing over the year of € 2,606 thousand is due to acquisitions for € 6,143 thousand, amortisation for € 8,746 thousand and net disposals for € 1 thousand.

Changes over the year are shown in the following table:

	31/12/2014	31/12/2013	Change
Software applications	25,742	29,041	-3,299
Software applications under completion	861	-	+861
Refurbishment of HQ and agency premises	1,529	1,329	+200
Other deferred costs	-	368	-368
<b>Total</b>	<b>28,132</b>	<b>30,738</b>	<b>2,606</b>

The item "Software applications" refers to long-term costs borne mainly for the IT procedures developing of Example system and for the package developmental maintenance of NewAge, relating to the company's operating system development, the claims adjustment network and the agency network. The NewAge System's residual life load has been estimated with a expiration date in the 2018.

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**CLASS C - INVESTMENTS**

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31/12/2014	31/12/2013	Change
2,322,909	2,084,244	+238,665

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The comparison with investments' fair value is shown by type in the Appendices 4, 5 and 6 to these Explanatory Notes.

Below are shown the main investments:

**C.I Land and buildings**

	31/12/2014	31/12/2013	Change
	196,510	204,205	-7,695
<i>Of which:</i>			
<b>C.I 1. Operating buildings</b>	95,400	99,313	-3,913
<b>C.I 2. Buildings used by third parties</b>	101,111	100,049	+1,061
<b>C.I 5. Assets under construction and payments on account</b>	-	4,843	-4,843

---

Changes over the year are mainly due to the annual amortization for a total amount of € 7,460 thousand, of which € 3,815 thousand relating to owner occupied properties and for € 3,645 thousand relating to owner not occupied properties and to impairment on owner not occupied properties loaned to agencies for an amount of € 2,293 thousand.

During the year, following the completion of the buildings for third-party use in the Portello area, the buildings were reclassified from the item "Property under construction and advance payments" to "Property for use by third parties", to be used for rental purposes.

The other revaluations in prior years are shown in the table of changes in property on page 137.

**C.II Investments in group and in other companies**

31/12/2014	31/12/2013	Change
321,127	198,458	+128,669

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As required by Article 2426 of the Italian Civil Code and by Article 58 of Italian consolidated law on income tax, investments in group (subsidiaries, associated and other investee companies) shall be deemed non-current financial assets.

Any differences between acquisition value and Associated shareholder's equity are attributable to surplus values not recognised to equity. Changes involving Investments in group and in other companies are shown in Appendice 5 to these Explanatory Notes.

Details about companies in which Vittoria holds an investment are shown in Appendices 6 and 7 to these Explanatory Notes.

**C.II 1. Equity investments**

31/12/2014	31/12/2013	Change
321,127	192,173	+128,954

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**C.II 1.b Subsidiaries**

31/12/2014	31/12/2013	Change
271,541	147,002	+124,539

---

The investments in subsidiaries totalled € 271,541 thousand and are allocated as follows: €57,257 thousand to the life business, including €52,397 thousand to the life segregated accounts, and € 218,284 thousand to the non-life business.

Changes over the year are referred to:

- Vittoria Immobiliare S.p.A.: paid € 65,000 thousand for share capital increase; recorded a write-down of the investment by € 10,155 thousand;
- Acacia 2000 S.r.l.: acquired a 15% stake for an amount of € 13,750 thousand to bring the investment up to 85%;
- VAIMM Sviluppo S.r.l.: acquired the entire share capital of the company from the subsidiary Vittoria Immobiliare SpA for € 12,886 thousand; also led an interest bearing loan amounting to € 6,000 thousand to increase the participation;
- VP Sviluppo 2015 S.r.l.: acquired the entire share capital paying € 2,113 thousand to the subsidiary Vittoria Immobiliare S.p.A. and € 3,169 thousand to third parties; bearing loan receivables acquired for shareholders for € 14,086 thousand, converted to payment of capital for € 10,086 thousand and the remaining € 4,000 thousand for future capital increase;
- Immobiliare Bilancia Prima S.r.l.: payment to the future capital increase account for € 16,253 thousand;
- Interbilancia S.r.l.: payment to the future capital increase account for € 1,300 thousand and € 260 thousand by acquiring a further 20% of the shares of the subsidiary Vittoria Immobiliare S.p.A.; further to this agreement Vittoria Assicurazioni S.p.A. now holds the entire share capital;
- Collected 123 thousand euro from the liquidation of Immobiliare Bilancia Terza S.r.l. and Vittoria Service S.r.l..

#### C.II 1.d Associated companies

	31/12/2014	31/12/2013	Change
	19,971	16,571	+3,400

The investments in associated companies totalled €19,971 thousand and are entirely allocated to the non-life business.

Changes over the year are mainly due to:

- Yarpa S.p.A.: call of capital increase of € 2,200 thousand;
- Touring Vacanze S.r.l.: acquired a 6% stake for an amount of € 1,200 thousand to bring the investment up to 37%;
- Movincom Servizi S.p.a.: € 1,206 thousand were paid to cover losses, leaving the carrying value unchanged.

#### C.II 1.e Other investee companies

	31/12/2014	31/12/2013	Change
	29,615	28,600	+1,015

The investments in other investee companies totalled € 29,615 thousand entirely allocated to the non-life business.

Changes over the year are referred to the following operations:

- Medinvest International S.C.A.: the value of the investment in this company was brought to zero based on the last balance sheet received, registering a loss of € 424 thousand, bringing the carrying value at € 1 thousand;
- Porta Romana 4 S.r.l.: acquired a 6.45% of the company of private equity investment vehicle, for an amount of € 1,490 thousand, which was followed by a partial refund for 26 thousand euro;

### C.II 3. Loans to group companies

	31/12/2014	31/12/2013	Change
	6,000	6,285	-285

Of which:

#### C.II 3.b Subsidiaries

	31/12/2014	31/12/2013	Change
	-	285	-285

The amount as at 31 December 2014 entirely referred to the loan toward Vittoria Service S.r.l., liquidated in 2014.

#### C.II 3.d Associated companies

	31/12/2014	31/12/2013	Change
	6,000	6,000	-

The amount as at 31 December 2014 referred to the interest bearing loan toward the associate Spefin Finanziaria SpA., for an amount of € 5,000 thousand and for the remaining € 1,000 thousand to the interest bearing loan granted to the associate S.IN.T. S.p.A..

The loan duration is more than 1 year and the current interest rate applied is equal to three-month euribor for that granted to the associate Spefin Finanziaria SpA. and 2.83% for the one with the associate S.IN.T. S.p.A..

### C.III Other financial investments

	31/12/2014	31/12/2013	Change
	1,799,098	1,676,960	+122,138

The information on the breakdown and changes in other financial investments according to use and at current value are contained in Appendix 8 and in Appendix 9 to these Notes.

The income and charges are shown in Appendices 21 and 23 of the Explanatory Notes.

The account refers to the following items:

#### C.III 2 Units in mutual investment funds

	31/12/2014	31/12/2013	Change
	28,404	31,908	-3,504

Investments in units in mutual funds are long-term investments. These totalled € 28,404 thousand and are allocated as follows: € 13,149 thousand to the life business, including € 7,162 thousand to the life segregated accounts, and € 15,255 thousand to the non-life business.

The change is mainly due to the following transactions:

- purchasing units of Algebris Financial Coco Fund for € 1,000 thousand.
- call of capital increase of fund AXA Private Debt III SICAR Cl.A S.1 for € 4,073 thousand;
- rebates of principal of fund AXA Private Debt III SICAR Cl.A S.1 for € 1,358 thousand;
- rebates of principal of closed-end investment fund Alfa for € 2,647 thousand;
- rebates of principal of closed-end investment fund Beta for € 10,626 thousand;
- call of capital increase of closed-end investment fund Gamma for € 3,780 thousand;
- call of capital increase of Idinvest Private Debt III Sh.A for € 2,345 thousand;

- partial rebates units of Pirelli RE Office Fund Cloe for € 71 thousand.

### **C.III 3 Bonds and other fixed-income securities**

	31/12/2014	31/12/2013	Change
	1,763,827	1,637,096	+126,731
<i>Of which:</i>			
C.III 3.a Listed	1,762,368	1,632,146	+130,222
C.III 3.b Not listed	1,459	4,950	-3,491

The investments in bonds and other fixed-income include short-term securities of € 361,524 thousand and long-term securities of € 1,402,303 thousand. These totalled € 1,763,827 thousand and are allocated as follows: € 905,834 thousand to the non-life business, and € 857,993 thousand to the life business, including € 783,536 thousand to the life segregated accounts.

The following table provides a breakdown of the bond portfolio as at 31 December 2014:

- Italian government securities	97.8%
- Foreign government securities	1.0%
- Italian corporate bonds	0.6%
- Foreign corporate bonds	0.6%

As indicated in Appendix 9 to these Notes, during the year € 338,595 thousand was transferred from the long-term portfolio to the short-term portfolio, in compliance with the minimum limits established for securities to be allocated to the short-term portfolio by the company's framework resolution on investments.

#### **C.III 3.a Bonds and other fixed-income securities Listed**

The change over the year is due to the following transactions:

- increase depending on normal portfolio management and trading for € 576,222 thousand and decrease depending on reimbursements and sales for € 445,489 thousand;
- adjustment of zero coupon for € 761 thousand;
- adjustment for positive issue differentials for € 1,556 thousand;
- adjustment for positive and negative trading margins respectively for € 2,506 thousand and € 5,535 thousand;
- appreciation of BTP I/L and BTP ITALIA inflation-indexed for € 75 thousand;
- downward alignment at fair value of trading securities for € 461 thousand;
- transfer at fair value, following policy surrenders, of securities from Class D to Class C for € 86 thousand.

Financial instruments allocated to Life segregated funds amounted to € 783,428 thousand (€ 647,299 thousand in the previous year).

#### **C.III 3.b Bonds and other fixed-income securities Not listed**

The change over the year is due to the following transactions:

- decrease depending on reimbursements for € 3,507 thousand;
- adjustment for positive issue differentials for € 16 thousand.

Financial instruments allocated to Life segregated funds amounted to € 108 thousand (unchanged from the previous year).

The following table provides a comparison of the financial instruments required by Article 2427/2 of the Italian Civil Code, as at 31 December 2014, of the book value with the relative «fair value» from the market trend at year end.

		(€/000)	
	Account class	Carrying value FY 2014	Fair value
<b>Investments - Other investee companies</b>		<b>327,127</b>	<b>391,891</b>
- Equity investments in other investee companies	C.II.1	321,127	385,891
<i>of which carried at a value higher than fair value</i>		<i>10,354</i>	<i>8,296</i>
- Loans to affiliate companies	C.II.3.d)	6,000	6,000
<b>Other financial investments</b>		<b>1,799,098</b>	<b>2,008,043</b>
- Units in mutual investment funds	C.III.2	28,404	32,514
<i>of which carried at a value higher than fair value</i>		<i>2,530</i>	<i>2,421</i>
- Bonds and other fixed-income securities	C.III.3	1,763,827	1,968,662
<i>of which carried at a value higher than fair value</i>		<i>5,000</i>	<i>4,785</i>
- Loans	C.III.4	6,867	6,867

Equity investments in other investee companies, of which carried at a value higher than fair value, is related to shareholding in Mediobanca. This higher value is supported by a report of an independent expert. The method used is the dividend discount model variant Excess Capital, routinely used in national and international practices in order to determine the economic value of companies operating in the financial sector and subject to compliance with minimum equity requirements.

Units in mutual investment funds, include investment in RE Energy Capital Sicar SCA and ALGEBRIS FINANCIAL COCO FUND, carried at a value higher than fair value.

Among the Bonds and other fixed-income securities, only EUROP.CREDIT.LUX S421 22/07/2015 long-term has a carrying value higher than fair value.

#### Operations involving repurchase agreements

During the year no operations involving repurchase agreements were carried out.



### C.III 4 Loans

	31/12/2014	31/12/2013	Change
	6,867	7,956	-1,089
<i>Of which:</i>			
C.III 4.a Secured loans	2,800	3,834	-1,034
C.III 4.b Loans against insurance policies	2,445	2,784	-339
C.III 4.c Other loans	1,622	1,338	+284

Details and related changes over the year involving this account are shown in Appendices 10 to these Explanatory Notes.

#### C.III 4.a Secured loans

	31/12/2014	31/12/2013	Change
	2,800	3,834	-1,034

The item consists solely of mortgage loans granted by the company. The minimum interest rate applied to mortgages is 2.01%.

The amount of mortgage with a residual duration of more than 1 year and 5 years is, respectively € 2,780 thousand and € 2,615 thousand.

#### C.III 4.b Loans against insurance policies

	31/12/2014	31/12/2013	Change
	2,445	2,784	-339

These are loans granted to company Life policyholders.

These loans can be considered to have a duration of more than 5 years. The current interest rate applied to the loans is equal to the rate of return of segregated funds retroceded to policyholders, increased by 2 points.

#### C.III 4.c Other loans

	31/12/2014	31/12/2013	Change
	1,622	1,338	+284

The item mainly consists of loans granted to company employees and agents.

The minimum interest rate applied to loans is 1.0% and relates to loans granted to the agency network to upgrade its IT facilities.

The amount of loans with a residual duration of more than 1 year and 5 years is, respectively € 1,448 thousand and € 520 thousand.

### C.IV Deposits with ceding companies

	31/12/2014	31/12/2013	Change
	175	4,620	-4,445

The amount of these deposits relates to the technical reserves for indirect business, due to the inward reinsurance contract for Life business with Generali Italia S.p.A..

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**CLASS D – INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS BEARING THE RISK AND THOSE RELATING TO PENSION FUND MANAGEMENT**

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31/12/2014	31/12/2013	Change
61,823	65,127	-3,304

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**D.I Investments relating to unit- and index-linked policies**

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31/12/2014	31/12/2013	Change
46,251	51,193	-4,942

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The changes occurring over the year by asset category are detailed as follows:

<b>Index - Linked portfolio</b>	<b>-5,860</b>
- decreases due to redemptions	-5,860
<b>Unit - Linked portfolio</b>	<b>+918</b>
- increase due to purchase and subscription of securities	+3,581
- decreases following sales of securities, redemptions and switch	-5,010
- profit/loss on internal fund management	+2,222
- alignment at fair value - write-ups	+188
- alignment at fair value - write-downs	-63

Investments breakdown by asset category belonging to Class D.I are shown in the Appendix 11 to these Explanatory Notes.

During the period we have transferred at fair value, following policy surrenders, securities from Class D.I. to Class C for € 86 thousand.

**D.II Investments relating to pension fund management**

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31/12/2014	31/12/2013	Change
15,572	13,934	+1,638

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Changes occurring over the year by asset category are detailed as follows:

- balance of social security management (net collection)	+668
- financial management result	+1,304
- management expenses	-208
- substitute tax receivable	-126

These investments are entirely concerning to the open pension fund called “Vittoria Formula Lavoro” and are shown in the Appendix 12 to these Explanatory Notes. For further details, please refer to the Pension fund’s annual report, enclosed to this annual financial report.

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**CLASS D bis – REINSURERS' SHARE OF TECHNICAL RESERVES**

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	31/12/2014	31/12/2013	Change
	60,501	73,163	-12,662

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As regards their breakdown by type of reinsurance business, reference should be made to the description in Balance Sheet Liabilities - Class C - Technical Reserves.

Their breakdown by insurance segment is as follows:

	31/12/2014	31/12/2013	Change
<b>D Bis. I Non - Life business</b>	<b>53,853</b>	<b>66,999</b>	<b>- 13,146</b>
<i>Of which:</i>			
Premium reserve	16,007	15,902	+ 105
Claims reserve	37,846	51,097	- 13,251
<b>D Bis. II Life business</b>	<b>6,648</b>	<b>6,164</b>	<b>+ 484</b>
<i>of which:</i>			
Mathematical reserves	6,609	6,136	+ 473
Other technical reserves	39	28	+ 11

The item Other financial reserves for Life business refers to operating expense reserves for Class 1 - Whole and term life totalled € 10 thousand and Class IV - Health insurance totalled € 29 thousand.

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**CLASS E - RECEIVABLES**

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	31/12/2014	31/12/2013	Change
	258,048	247,618	+10,430

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The amount is payable from 2015. This item is shown net of related adjustment provisions. The changes over the year are detailed as follows:

**E.I Receivables relating to direct insurance transaction**

	31/12/2014	31/12/2013	Change
	201,937	199,913	+2,024
<i>Towards:</i>			
E.I.1 Policyholders	55,964	64,253	-8,289
E.I.2 Insurance agents and brokers	103,886	90,697	+13,189
E.I.3 Insurance companies – current accounts	6,541	5,191	+1,350
E.I.4 Policyholders and third parties for recoverables	35,545	39,772	-4,227

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In particular:

**E.I 1. Direct insurance receivables, for premiums due from policyholders**

	31/12/2014	31/12/2013	Change
	55,964	64,253	-8,289
<i>Of which:</i>			
E.I 1.a For current years' premiums	54,073	63,423	-9,350
E.I 1.b For previous years' premiums	1,891	830	+1,061

This item is shown net of related adjustment provisions, which, as at 31 December 2014, totalled € 13,111 thousand (€ 17,561 thousand as at 31 December 2013), related entirely to the non-life business, due to write-downs of estimated bad debts based on previous years' experience.

**E.I 2. Receivables relating to direct insurance, due from insurance agents and brokers**

	31/12/2014	31/12/2013	Change
	103,886	90,697	+13,189

Amounts receivable from insurance agents and brokers are stated net of the related provision which, as at 31 December 2014, amounted to € 12,617 thousand (€ 13,468 thousand in the previous year), determined on the basis of assessments of their recoverability and seniority.

The item was adjusted by € 5,053 thousand for the non-life business and € 7,564 thousand for the life business.

Receivables from agents include for € 16,728 thousand charge-backs against leaving indemnities paid to agents. € 87,158 thousand of the residual amount, receivable of € 5,254 thousand was still to be paid on 28 February 2015.

In addition, the total amount includes receivables toward subsidiary companies, in particular, Aspevi Roma Srl for € 2,822 thousand and Aspevi Milano Srl for € 8,613 thousand.

The amount of receivables with a residual duration of more than 1 years and 5 year, are respectively € 14,654 thousand and € 7,818 thousand.

**E.I 3. Receivables relating to direct insurance, due from insurance companies – current accounts**

	31/12/2014	31/12/2013	Change
	6,541	5,191	+1,350

This item primarily consists of receivables stemming from current accounts reflecting the results of technical management of co-insurance transactions, net of the related provision which, as at 31 December 2014, amounted to € 743 thousand (€ 900 thousand in the previous year).

**E.I 4. Receivables relating to direct insurance, due from policyholders and third parties for recoverables**

	31/12/2014	31/12/2013	Change
	35,545	39,772	-4,227

The caption shows amounts receivable from policyholders and third parties for deductibles and claim subrogation.

The decreasing over the year is mainly concerned to 15 and 16 lines of business.

**E.II - Receivables relating to reinsurance business**

	31/12/2014	31/12/2013	Change
1. Insurance and reinsurance companies	4,251	3,836	+415

This item comprises receivables stemming from current accounts reflecting the results of technical management of reinsurance treaties net of related provision of € 2,050 thousand (€ 2,414 thousand as at 31 December 2013), based on expected losses for uncollectible accounts.

### E.III – Other receivables

	31/12/2014	31/12/2013	Change
	51,860	43,870	+7,990

This item is shown net of related adjustment provisions of 3,100 thousand (€ 1,600 thousand as at 31 December 2013), related entirely to the non-life business.

The most significant items forming “Other receivables” are:

- receivables from Financial Administration for € 41,726 thousand for tax credits on mathematical reserves in accordance with D.L. 209/2002, advance payouts on Non – Life business (ex D.L. 282/2004), Group’s VAT receivable and receivables on local tax (IRPEG and IRES) for which reimbursement has been requested including related interests (€ 36,613 thousand as at 31 December 2013); these receivables are considered collectable essentially by next year. These receivables include also receivables stemming from tax consolidation;
- receivables for insurance agreements for € 867 thousand (€ 843 thousand as at 31 December 2013);
- advance payouts for claims for € 326 thousand (€ 524 thousand as at 31 December 2013);
- receivables toward subsidiary companies for € 4,186 thousand for tax consolidation (€ 936 thousand as at 31 December 2013).

The amount of receivables with a residual duration of more than 1 and 5 years are, respectively, € 6,654 thousand and € 113 thousand.

### CLASS F – OTHER ASSETS

	31/12/2014	31/12/2013	Change
	297,150	233,476	+63,674

Of which:

#### F. I Tangible assets and inventory

	31/12/2014	31/12/2013	Change
	8,167	7,340	+827
<b>F. I.1 Office, furniture &amp; machinery, and internal transport systems</b>	7,627	6,669	+958
<b>F. I.2 Registered chattels</b>	128	147	-19
<b>F. I.3 Plant and equipment</b>	412	524	-112

Assets related to the item **F.I Tangible assets and inventory** are stated at cost less cumulative depreciation. The change is due to the purchases during the year for € 2,846 thousand and amortisation for € 1,956 thousand and net disposals for € 63 thousand.

Below, are detailed the items forming this sub-category **F. I.1 Office, furniture & machinery, and internal transport systems**:

	31/12/2014	31/12/2013	Change
Furniture	5,773	5,038	+735
Fittings	1,022	809	+213
Ordinary office machinery	682	416	+266
Electronic office machinery	150	406	-256
<b>Total</b>	<b>7,627</b>	<b>6,669</b>	<b>+958</b>

### Operations of financial lease

During the year no operations of financial lease were carried out.

### F. II Cash & cash equivalents

	31/12/2014	31/12/2013	Change
	174,593	145,691	+28,902

Year-end liquidity came primarily from the agency network's remittances on December and from the cash included in Life segregated funds.

The total amount is composed for € 174,580 thousand by bank deposits and post office current accounts and for € 13 thousand by cheques and cash in hand.

The changes of Cash & cash equivalents is detailed in the cash flow statement enclosed to the Part C "Other information" to these Explanatory Notes.

### F. IV Other assets

	31/12/2014	31/12/2013	Change
	114,390	80,444	+33,946

The main items forming this caption are shown below:

- deferred tax assets relating to previous years' taxable items for € 94,167 thousand (€ 79,305 thousand as at 31 December 2013). For details, reference should be made to the schedule shown later on in the chapter "Information on the balance sheet and income statement";
- sums unavailable on current accounts as a result of foreclosures exercised by third parties to pending cases, amounted to € 19,495 thousand euro;
- invoices to be issued and credit notes to be received for € 461 thousand (€ 973 thousand as at 31 December 2013).

### CLASS G – ACCRUED INCOME & PREPAID EXPENSES

	31/12/2014	31/12/2013	Change
	25,188	24,681	+507
<b>G.1 Interest</b>	21,798	20,466	+1,332
<b>G.2 Rent instalments</b>	796	895	-99
<b>G.3 Other accrued income &amp; prepaid expenses</b>	2,593	3,320	-727

#### G.1 Interest

This refers mainly to interest totalling € 21,765 thousand on fixed-income securities (€ 20,421 thousand as at 31 December 2013).

#### G.2 Rent instalments

These are prepaid expense items relating to premises owned by third parties.

#### G.3 Other accrued income & prepaid expenses

The item refers to prepaid expenses calculated on miscellaneous invoices.

# BALANCE SHEET

## LIABILITIES

### CLASS A – SHAREHOLDERS' EQUITY

	31/12/2014	31/12/2013	Change
	485,757	422,952	+62,805

The outline of changes in shareholders' equity as at 31 December 2014 is shown below, as required by Article 2427 Civil Code:

	Share capital	Legal reserve	Share premium	Revaluation reserve	Available reserve	Net profit for the year	Total
	(€/000)						
Balance as at 31/12/2009	65,789	8,430	31,129	10,939	132,316	24,290	272,893
Dividend distribution	-	-	-	-	-	11,184	11,184
Loan conversion	1,590	-	2,226	-	-	-	3,816
Allocation to earnings reserve 2009	-	1,215	-	-	11,891	13,106	-
2010 net profit	-	-	-	-	-	29,256	29,256
Balance as at 31/12/2010	67,379	9,645	33,355	10,939	144,207	29,256	294,781
Dividend distribution	-	-	-	-	-	11,455	11,455
Allocation to earnings reserve 2010	-	1,462	-	-	16,339	17,801	-
2011 net profit	-	-	-	-	-	35,329	35,329
Balance as at 31/12/2011	67,379	11,107	33,355	10,939	160,546	35,329	318,655
Dividend distribution	-	-	-	-	-	11,454	11,454
Allocation to earnings reserve 2011	-	797	-	-	23,078	23,875	-
2011 net profit	-	-	-	-	-	57,482	57,482
Balance as at 31/12/2012	67,379	11,904	33,355	10,939	183,624	57,482	364,683
Dividend distribution	-	-	-	-	-	11,454	11,454
Allocation to earnings reserve 2012	-	419	-	-	45,609	46,028	-
Revaluation real estate reserve	-	-	-	7,256	-	-	7,256
2011 net profit	-	-	-	-	-	62,467	62,467
<b>Balance as at 31/12/2013</b>	<b>67,379</b>	<b>12,323</b>	<b>33,355</b>	<b>18,195</b>	<b>229,233</b>	<b>62,467</b>	<b>422,952</b>
Dividend distribution	-	-	-	-	-	12,128	12,128
Allocation to earnings reserve 2013	-	242	-	-	50,097	50,339	-
Revaluation real estate reserve	-	-	-	2	-	-	2
2011 net profit	-	-	-	-	-	74,935	74,935
<b>Balance as at 31/12/2014</b>	<b>67,379</b>	<b>12,565</b>	<b>33,355</b>	<b>18,193</b>	<b>279,330</b>	<b>74,935</b>	<b>485,757</b>

As at 31 December 2014 share capital, fully paid in, consisted of 67,378,924 ordinary shares of a par value of € 1,00 each, authorised, issued and fully released.

Revaluation reserves refers to the real estate revaluation carried out in 2008, as required by Article 15, paragraph 20, of the Legislative Decree of 29 November 2008, no. 185 and in 2013 as required by Law no. 147/2013.

The following table highlights the nature and possibility of use of equity reserves as required by the aforementioned article of the Italian Civil Code:

(€/000)

Nature/Description	Amount as at 31/12/2014	Possibility of utilization (*)	Available amount	Summary of utilisation in the previous 3 financial years	
				to cover losses	for other reasons
Share capital	67,379				
<b>Equity reserves</b>					
Share premium reserves	33,355	A, B, C	31,782		
<b>Revaluation reserves (2)</b>					
Revaluation reserve - Law 147/2013	7,254	A, B, C	7,254		
Revaluation reserve - Law 185/2008	10,939	A, B, C	10,939		
<b>Earnings reserves</b>					
Legal reserve	12,565	B	-		
Other available reserves	279,330	A, B, C	279,330		
Net profit for the year	74,935	A, B, C	74,935		
<b>Total shareholders' equity</b>	<b>485,757</b>		<b>404,240</b>		
Non-distributable portion of share premium reserve (1)			911		
<b>Residual distributable portion</b>			<b>404,902</b>		

(\*) A: for capital increases

B: to cover losses

C: for distribution to shareholders

(1) Under Article 2431 of the Italian Civil Code, the entire amount of this reserve can be distributed only if the legal reserve has reached the limit established by Article 2430 of the Italian Civil Code.

(2) These reserves might be decreased as established by Article 2445 of the Italian Civil Code, paragraph 2 and 3.

Disclosure of equity reserves used for capital increases, as required by circular no. 8 issued by the Italian Finance Ministry on 16/03/1984:

(€ '000)

Date of Extraordinary shareholders' resolution	Year of recognition in accounts	As per Visentini Law	Amount
19/5/78	1978	576/75	258
14/5/79	1980	576/75	516
15/4/81	1982	576/75	258
28/6/88	1988	576/75	13
28/6/88	1988	72/83	1,020
28/6/88	1990	72/83	3,099
27/6/08	2008	-	6,370



## CLASS C – TECHNICAL RESERVES

	31/12/2014	31/12/2013	Change
	2,385,732	2,138,445	+247,287

The following tables show changes over the year of Non-Life business technical reserves:

### C.I – Non-Life business

	31/12/2014	31/12/2013	Change
	1,409,042	1,296,301	+112,741
<b>C.I.1 - Premium reserve</b>	378,278	365,137	+13,141
<b>C.I.2 - Claims reserve</b>	1,025,148	926,042	+99,106
<b>C.I.4 - Other technical reserve</b>	409	409	-
<b>C.I.5 - Equalisation reserve</b>	5,207	4,713	+494

Information about analytical evaluation and accounting criteria of the technical reserves are enclosed in "Part A - Accounting Policies" to this financial report.

Changes over the year are shown by business line and type in Appendices 13 and 25 to these Explanatory Notes.

#### C.I.1 – Premium reserve

The breakdown and changes over the year of the premium reserve is shown below (in €/000):

	31/12/2014	31/12/2013	Change
For directly insured risks	378,236	365,094	+ 13,142
For inwardly insured risks	42	43	- 1
<b>Gross reserves</b>	<b>378,278</b>	<b>365,137</b>	<b>+ 13,141</b>
Reinsurers' share	16,007	15,902	+ 105
<b>Net reserves</b>	<b>362,271</b>	<b>349,235</b>	<b>+ 13,036</b>

The breakdown of the direct insurance premium reserve, calculated in accordance with the "pro-rata temporis" criterion and the specific criteria set out in "Part A - Accounting policies" for each line, is as follows:

#### Reserve for unearned premiums and additions to reserve

Line of business	(€/000)			TOTAL
	Direct insurance		Indirect insurance	
	Reserve for unearned premiums	Unexpired risks reserve	Reserve for unearned premiums	
01 - Accident	23,332		0	23,332
02 - Health	4,574		0	4,574
03 - Land motor vehicle hulls	33,159			33,159
04 - Railway rolling stock	-			-
05 - Aircraft hulls	1			1
06 - Marine hulls	325			325
07 - Cargo insurance	381			381
08 - Fire and natural events	31,323		0	31,323
09 - Miscellaneous damage	15,170	564		15,734
10 - Motor TPL	198,314			198,314
11 - Aviation TPL	1			1
12 - Marine TPL	329			329
13 - General TPL	18,214		33	18,247
14 - Credit insurance	9,119	3,100		12,219
15 - Bond insurance	15,356		7	15,363
16 - Pecuniary losses	17,831			17,831
17 - Legal protection	1,355			1,355
18 - Support and assistance	5,787		1	5,788
<b>Total premium reserve</b>	<b>374,572</b>	<b>3,664</b>	<b>42</b>	<b>378,278</b>

Pro-rata temporis reserve integrations of FY2014, which totalled € 10,401 thousand, are concerned to Bond (€ 5,692 thousand) and Accident lines (€ 1,444 thousand), Fire and Miscellaneous damage (€ 3,265 thousand) in relation to earthquake risk.

In accordance with the IVASS clarification regarding an Additional reserve for Hail line of business, the Company did not set up this reserve considered the lack of risks existing as at 31 December 2014.

### Unexpired risk reserve

Unexpired risk reserve as at 31 December 2014 is referred to Miscellaneous damage line and has been evaluated in accordance with the IVASS Regulation n. 16 article 11, set out in "Part A - Accounting policies" to this financial report.

For the assessment of Unexpired risk reserve of the 14 line of business - Credit is not considered that the empirical method (Art. 11 Sec. II IVASS regulation No. 16) is consistent with the type of portfolio risks Vittoria which is entirely represented by the Salary-Backed Loans with the possibility of recourse. It was considered, therefore, more appropriate to use a method of estimating the expected losses.

Unexpired risk reserve related to the direct insurance is detailed in the following table:

(€/000)				
Line of business	Loss Ratio adjusted	Current year claims	Current year adjusted earned premiums	Unexpired risks reserve
01 - Accident	50.7	28,471	56,197	-
02 - Health	82.3	7,764	9,439	-
03 - Land motor vehicle hulls	81.2	61,764	76,111	-
04 - Railway rolling stock	-	-	3	-
05 - Aircraft hulls	-	-	1	-
06 - Marine hulls	60.3	585	971	-
07 - Cargo insurance	35.5	341	959	-
08 - Fire and natural events	61.7	22,435	36,382	-
09 - Miscellaneous damage	99.5	34,112	34,285	564
10 - Motor TPL	81.0	449,729	555,582	-
11 - Aviation TPL	-	-	2	-
12 - Marine TPL	64.6	468	724	-
13 - General TPL	80.8	30,068	37,217	-
14 - Credit insurance	201.3	4,538	763	3,100
15 - Bond insurance	96.0	9,012	9,390	-
16 - Pecuniary losses	16.3	6,070	37,233	-
17 - Legal protection	8.2	277	3,369	-
18 - Support and assistance	45.6	5,870	12,879	-
<b>Total</b>	<b>76.0</b>	<b>661,504</b>	<b>869,980</b>	<b>3,664</b>

### C.1.2 – Claims reserve

The breakdown and changes over the year of the claims reserve is shown below (in €/000):

	31/12/2014	31/12/2013	Change
For directly insured risks	1,024,304	925,232	+ 99,072
For inwardly insured risks	844	810	+ 34
<b>Gross reserves</b>	<b>1,025,148</b>	<b>926,042</b>	<b>+ 99,106</b>
Reinsurers' share	37,540	50,827	- 13,287
Retrocessionaries' share	306	270	+ 36
<b>Net reserves</b>	<b>987,302</b>	<b>874,945</b>	<b>+ 112,357</b>

## Non-Life Business:

In continuity with the previous year in order to achieve an estimate of ultimate cost [for the purposes of reserving] closer to operating reality - which features a variety of cases featuring significant differences in the parameters used to measure the entity of claims - the parent company Vittoria Assicurazioni S.p.A. has decided to perform separate analysis of claims occurring before introduction of the knock-for-knock system (KFK for short) (i.e. events before 2007) and after its introduction. In doing so, it has in turn split them by type of management and by claims featuring only property damage and those involving hybrid damage (i.e. those with at least one case of bodily injury).

To do this, preliminary methodological work was done to identify an actuarial method permitting accurate estimation of ultimate-cost reserves at the level of detail indicated above.

Two different methods were identified, both chain-ladder techniques:

- Main method: Paid Chain Ladder: this method estimates the amount of future payments, until run-off of generations, constructing – using the historical series available – the triangles of cumulative amounts paid (organised by event) and calculating on the latter the observable development factors. These factors are then applied to cumulative data up to the current balance-sheet year to calculate estimated future payments. In order to verify the sensitivity of the results, this methodology was subjected to a “stress test”, as follows:
  - Chain Ladder Paid Stressed: the above method was also applied on stressed triangles by simulating an increase in payments in order to realign the last year claims settlement speed to the average of previous years and avoiding a possible bias in the estimate of the standard Chain Ladder Paid ;
  - Secondary method: Incurred Chain Ladder: this method is similar to the previous one, except that the coefficients of development for each year of the event are calculated on the total amount of claims (payments already observed + reserves) in the various financial years. The rates are applied to the data accumulated up to the end of the current financial year, in order to estimate the total amount of future claims.

In order to obtain an adequate assessment, or rather less affected by possible modifications on shifting timing of the information in the “room”, the above method has been also applied to IBNR payments observed, obtaining so a conjoint estimate of ultimate cost and IBNR reserve (the last one has been calculated directly with the method above mentioned).

For all the businesses, since they have sufficient historical depth, the queuing projection coefficients were estimated separately for each component analysed, in order to show the different developments (the time series were projected using appropriate regression functions).

## Other risks:

For General TPL line, verifications on claims reserve (including IBNR) appropriateness have been made with Chain-Ladder method. For the valuation of risks for other businesses, the inventory was used. In addition, observable data were analysed and valued according to historical portfolio series.

## IBNR claims:

Calculation of the reserve for IBNR (incurred but not reported) claims requires estimation for each business of both the number and average cost of late claims. The estimate was made using as its source the balance-sheet input forms for the years 2001-2014 taking in consideration possible gaps between prior year allocation and the final amount.

For Motor TPL, the estimate is made separately for each type of management.

Motor TPL reserves have been audited by the appointed Motor TPL actuary as required by Italian Legislative Decree no. 209 of 7 September 2005.

#### C.I.4 - Other technical reserves

	31/12/2014	31/12/2013	Change
	409	409	-

These reserves refer to direct business and consist of the Health insurance ageing reserve. In order to evaluate this reserve analytical and forfeitary criterions were used as described in the "Part A - Accounting Policies" to this financial report.

#### C.I.5 - Equalisation reserve

	31/12/2014	31/12/2013	Change
	5,207	4,713	+494

The reserves refer solely to direct business and feature the following breakdown by business line, accordance with the provisions contained in Chapter III of the Regulations IVASS n.16 /2008:

<i>Line of business</i>	31/12/2014	31/12/2013	Change
03 Land vehicle hulls	3,044	2,755	+ 289
05 Aircraft hulls	138	138	-
07 Cargo (goods in transit)	110	106	+ 4
08 Fire and natural elements	1,439	1,298	+ 141
09 Other property damage	476	416	+ 60
<b>Total equalisation reserve</b>	<b>5,207</b>	<b>4,713</b>	<b>+ 494</b>

Breakdown and changes of technical reserve for the Life business over the year are shown in the following table:

#### C.II - Life business

	31/12/2014	31/12/2013	Change
	976,689	842,145	+134,544
<b>C.II.1 - Mathematical reserves</b>	<b>939,383</b>	<b>809,688</b>	<b>+129,695</b>
<b>C.II.2 - Complementary insurance premium reserve</b>	<b>111</b>	<b>134</b>	<b>-23</b>
<b>C.II.3 - Reserve for payable amounts</b>	<b>28,764</b>	<b>22,370</b>	<b>+6,394</b>
<b>C.II.4 - Profit participation and reversal reserve</b>	<b>2</b>	<b>29</b>	<b>-27</b>
<b>C.II.5 - Other technical reserves</b>	<b>8,429</b>	<b>9,924</b>	<b>-1,495</b>

Information about analytical evaluation and accounting criteria of technical reserves are enclosed in "Part A - Accounting Policies" to this financial report.

Changes over the year related to Mathematical reserves (class C.II.1) and to Profit participation and reversal reserve (class C.II.4) are detailed by line and type in Appendices 14 to these Explanatory Notes.

### C.II.1 - Mathematical reserves

Breakdown and changes of technical reserve for the Life business over the year are shown in the following table:

	31/12/2014	31/12/2013	Change
For directly insured risks	939,210	805,069	+ 134,141
For inwardly insured risks	173	4,619	- 4,446
<b>Gross reserves</b>	<b>939,383</b>	<b>809,688</b>	<b>- 129,695</b>
Reinsurers' share	6,609	6,136	+ 473
<b>Net reserves</b>	<b>932,774</b>	<b>803,552</b>	<b>+ 129,222</b>

The mathematical reserves comprise an additional reserve for longevity risk relating to annuity agreements and capital agreements with a contractually guaranteed coefficient of conversion to an annuity (art. 50 of ISVAP Regulation no. 21 of 28 March 2008) amounting to € 2,024 thousand (€ 740 thousand in the previous year); in the case of capital agreements, account is taken of the propensity to convert to an annuity when it is calculated.

The mathematical reserves also include additional reserves for the guaranteed interest rate risk (art. 47 of ISVAP Regulation no. 21 of 28 March 2008) amounting to € 777 thousand (€ 1,209 thousand in the previous year), obtained by joint analysis of the asset and liability portfolios of the segregated internal funds "Vittoria Rendimento Mensile", "Vittoria Valore Crescente" and "Vittoria Previdenza", the average rates of return on which were used to value the "Liquinvest" funds.

### C.II.4 - Profit participation and reversal reserve

Breakdown and changes of profit participation and reversal reserve over the year are shown in the following table:

	31/12/2014	31/12/2013	Change
For directly insured risks	-	27	- 27
For inwardly insured risks	2	2	-
<b>Net reserves</b>	<b>2</b>	<b>29</b>	<b>- 27</b>

### C.II.5 - Other technical reserves

The amount of this item as at 31 December 2014 is € 8,429 thousand and refers solely to operating expenses which is expected to incur, based on conservative valuation as required by IVASS regulation No. 21/2008.

Breakdown and changes of other technical reserves over the year are shown in the following table:

	31/12/2014	31/12/2013	Change
For directly insured risks	8,429	9,924	- 1,495
<b>Gross reserves</b>	<b>8,429</b>	<b>9,924</b>	<b>- 1,495</b>
Reinsurers' share	39	28	+ 11
<b>Net reserves</b>	<b>8,390</b>	<b>9,896</b>	<b>- 1,506</b>

The following table shows the split by line of business:

	31/12/2014	31/12/2013	Change
Line of Business I	7,755	9,233	- 1,478
Line of Business IV	189	168	+ 21
Line of Business V	485	523	- 38
<b>Total</b>	<b>8,429</b>	<b>9,924</b>	<b>- 1,495</b>



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**CLASS E – PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES**

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	31/12/2014	31/12/2013	Change
	4,770	3,334	+1,436
E.2 – Tax provision	754	1,293	-539
E.3 – Other provisions	4,016	2,041	1,975

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**E.2 – Tax provision**

The change mainly was due to use of deferred tax liabilities relating to capital gains made in previous financial years for use of portion pertaining to the financial year in question for € 601 thousand, installments pursuant to art. 86 of Italian consolidated law on income tax, as well as the provision for € 62 thousand always against capital gains realized in 2014 and paid in installments in accordance with art. 86 cited.

The changes are due to residual sterilization of exchange differences from valuation of foreign currency 31.12.2014.

Changes of this caption are also shown to the Appendice 15 to these Explanatory Notes.

**E.3 – Other provisions**

The caption as at 31 December 2014 is related to a provisioning for litigations in progress, attributable to normal operations of the company for € 750 thousand and the Sofigea fund - pursuant to Article 7, Italian Legislative Decree 576/78 for € 741 thousand. During the year have been allocated to a provision € 574 thousand euro which fund expenses for the renewal of the contract National, € 500 thousand euro for revocation action potential and € 1,000 thousand for risks sanctions tax register and certification only. Have instead been used € 99 thousand for ordinances ISVAP.

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**CLASS F – DEPOSITS RECEIVED FROM REINSURERS**

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	31/12/2014	31/12/2013	Change
	15,856	15,707	+149

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These deposits are related to the technical reserves of reinsured direct business.

## CLASS G – PAYABLES AND OTHER LIABILITIES

	31/12/2014	31/12/2013	Change
	107,922	122,856	-14,934
<b>G.I - Payables arising from direct insurance business</b>	11,444	9,430	+2,014
<b>G.II - Payables arising from reinsurance business</b>	7,254	13,388	-6,134
<b>G.VII - Reserve for employee severance indemnities</b>	3,237	3,355	-118
<b>G.VIII – Other payables</b>	61,484	75,881	-14,397
<b>G.IX – Other liabilities</b>	24,503	20,802	+3,701

Relating to G.I item, the following table shows the breakdown and change over the year:

### G.I - Payables arising from direct insurance business

	31/12/2014	31/12/2013	Change
	11,444	9,430	+2.014
<i>Of which:</i>			
G.I.1 – due to insurance agents and brokers	6,983	5,507	+1.476
G.I.2 – due to current accounts with other insurers	2,760	1,527	+1.233
G.I.3 – due to policyholders for performance deposits and premiums	68	91	-23
G.I.4 – due to guarantee funds for policyholders	1,632	2,305	-673

### G.I.1 Payables arising from direct insurance business, due to insurance agents and brokers

	31/12/2014	31/12/2013	Change
	6,983	5,507	+1,476

These amounts refer to balances not yet settled as at 31 December 2014 and to indemnities payable for cessation of agency mandates.

The item is allocated as follows: € 6,411 thousand to the Life business, and € 572 thousand to the Non-Life business.

### G.I.2 Payables arising from direct insurance business, due to current accounts with other insurers

	31/12/2014	31/12/2013	Change
	2,760	1,527	+1,233

This caption includes amounts payable arising from current accounts comprising the technical results of co-insurance transactions.

The item is allocated as follows: € 2,460 thousand to the Non-Life business, and € 300 thousand to the Life business.



G.I.3 Payables arising from direct insurance business, due to policyholders for performance deposits and premiums

	31/12/2014	31/12/2013	Change
	68	91	-23

The item refers to the performance deposits paid by policyholders for insurance coverage.

G.I.4 Payables arising from direct insurance business, due to guarantee funds for policyholders

	31/12/2014	31/12/2013	Change
	1,632	2,305	-673

This item is mainly referred to the amount payable to CONSAP for the contribution to the fund for road-accident victims.

**G.II Payables, arising from reinsurance business, due to insurers and reinsurers**

	31/12/2014	31/12/2013	Change
	7,254	13,388	-6,134

This item is relative to payables arising from the current accounts comprising the technical results of reinsurance dealings.

The item is allocated as follows: € 7,133 to the Non-Life business, and € 121 thousand to the Life business.

**G.VII Reserve for employee severance indemnities**

	31/12/2014	31/12/2013	Change
	3,237	3,355	-118

The item expresses the retirement allowance provision towards personnel as at 31 December 2014, in compliance with the Italian Civil Code.

The item is allocated as follows: € 2,860 to the Non-Life business, and € 377 thousand to the Life business.

Changes are also reported to the Appendix 15 to these Explanatory Notes. The overall change over the year is due to the following movements:

- decrease due to indemnities paid out for severance and to advance payouts granted for € 215 thousand;
- increase due to provisioning for the year for € 2,176 thousand;
- transfers to Pension Fund and Social Security fund for € 2,110 thousand;
- recover of receivables toward INPS for € 55 thousand.

The payables in question must be taken to have a residual duration of more than 5 years.

## G.VIII - Other payables

	31/12/2014	31/12/2013	Change
	61,484	75,881	-14,397
<i>Of which:</i>			
G.VIII.1 – for policyholders' taxes	22,941	21,041	+1,900
G.VIII.2 – for miscellaneous taxes	2,998	22,677	-19,679
G.VIII.3 – for social security & pension agencies	2,407	2,538	-131
G.VIII.4 – other sundry payables	33,137	29,625	+3,512

### G.VIII.1 Other payables for policyholders' taxes

	31/12/2014	31/12/2013	Change
	22,941	21,041	+1,900

The item mainly includes amounts due from the tax authorities for taxes on insurance for premiums written, net of the advance instalments paid during the year, and the amounts due for the contribution to the National Health Service and for other tax charges payable by the policyholders.

The item is allocated as follows: € 22,771 thousand to the Non-Life business, and € 170 thousand to the Life business.

### G.VIII.2 Other payables for miscellaneous taxes

	31/12/2014	31/12/2013	Change
	2,998	22,677	-19,679

The item is allocated as follows: € 2,480 to the non-life business, and € 518 thousand to the life business.

The amount as at 31 December 2014 is mainly composed as follows:

- tax deduction on wages & salaries for € 1,175 thousand (€ 1,061 thousand as at 31 December 2013);
- tax deduction on fees for self-employed staff and advisors for € 637 thousand (€ 928 thousand as at 31 December 2013);
- substitute tax on Lauro 2000 S.r.l.'s merger deficit for € 773 thousand (€ 4,169 thousand as at 31 December 2013);
- local tax to be paid IRES/IRAP on operating income was offset by the credit IRES/IRAP (deposited in the following year).

### G.VIII.3 Other payables for social security & pension agencies

	31/12/2014	31/12/2013	Change
	2,407	2,538	-131

This item consists mainly of amounts payable to INPS (the state pension & welfare agency) on salaries paid in December.

### G.VIII.4 Other sundry payables

	31/12/2014	31/12/2013	Change
	33,137	29,625	+3,512

The item is allocated as follows: € 29,742 to the non-life business, and € 3,395 thousand to the life business.

The amount as at 31 December 2014 is mainly composed as follows:

- amounts payable to employees for payments settled in January 2015 and also for accruals for holidays not taken for € 2,462 thousand (€ 2,972 thousand as at 31 December 2013);
- payables arising from directors, statutory auditors and managers with strategic responsibilities for € 4,370 thousand (€ 4,486 thousand as at 31 December 2013);
- trade payables for € 9,383 thousand (€ 8,600 thousand as at 31 December 2013);
- fees payable to professionals for € 6,967 thousand (€ 5,619 thousand as at 31 December 2013);
- amounts payable to subsidiaries for tax consolidation for € 4,561 thousand (€ 1,516 thousand as at 31 December 2013).

#### **G.IX – Other liabilities**

	31/12/2014	31/12/2013	Change
	24,503	20,802	+3,701
<i>Of which:</i>			
G.IX.2 – commissions on premiums under collection	14,088	14,544	-456
G.IX.3 – sundry liabilities	10,415	6,258	+4,157

#### **G.IX.2 Commissions on premiums under collection**

This item is relative to the provision for agent payable commissions on premiums that were in the process of collection at year-end for € 10,173 thousand (€ 11,263 thousand as at 31 December 2013) and allocation for incentives to agents for € 3,915 thousand (3,281 thousand as at 31 December 2013).

#### **G.IX.3 Sundry liabilities**

This item is mainly relative to the following components:

- invoices and notes to be received from suppliers for € 4,684 thousand (€ 5,252 thousand as at 31 December 2013);
- technical accounts to be settled with agencies and sundry liabilities for € 439 thousand (€1,006 thousand as at 31 December 2013);
- provision for variable compensation for employees € 4,663 thousand.

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**CLASS H – ACCRUED LIABILITIES & DEFERRED INCOME**

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	31/12/2014	31/12/2013	Change
	5	15	-10
<b>H.3 – Other accrued liabilities &amp; deferred income</b>	5	15	-10

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**H.3 - Other accrued liabilities & deferred income**

This item is mainly relative to deferred commissions on business with brokerage companies.

**Individual pension schemes**

As regards the “Vittoria Individual Pension Plan” in accordance with article 13(1) (a) and (b) of Legislative Decree no. 252 of 5 December 2005, set up in 2010 and consisting of investments in the Vittoria Previdenza separately managed business (Business I), the technical reserves totalled € 42,928 thousand with corresponding assets held for coverage purposes of € 43,059 thousand.

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

	31/12/2014	31/12/2013	Change
	1,967,488	1,782,887	+184,601
I. Guarantees given	20,500	20,500	-
II. Guarantees received	15,617	15,144	+473
IV. Commitments	35,251	21,231	+14,020
V. Third-party assets	1,398	5,271	-3,873
VI. Assets pertaining to pension funds managed for and on behalf of third parties	15,572	13,934	+1,638
VII. Securities lodged with third parties	1,879,150	1,755,874	+123,976

**I – Guarantees given**

	31/12/2014	31/12/2013	Change
I.3 – Other personal guarantees	20,500	20,500	-

This item refers to a letter of patronage in favour of Banca Intesa Sanpaolo SpA for concession of credit facilities to the subsidiary Vittoria Immobiliare SpA. The guarantee provided by this comfort letter did not give rise to any contingent liabilities as at 31 December.

**II – Guarantees received**

	31/12/2014	31/12/2013	Change
	15,617	15,144	+473
<i>Of which:</i>			
II.1 - Sureties	13,287	13,484	-197
II.4 – Collateral	2,330	1,660	+670

**II.1 - Sureties**

This item consists mainly of the surety set up in relation to the knock-for-knock (i.e. direct indemnity) system.

**II.4 - Collateral**

This item is related to pledging of securities in the company's favour.

**IV - Commitments**

This item as at 31 December 2014 is related to the commitments for private equity operations.

**V – Third-party assets**

This item is related to savings accounts set up in favour of eligible claimants, as well as registered securities guaranteeing performance bond policies.

**VI – Assets pertaining to pension funds managed for and on behalf of third parties**

This item refers to pension fund assets held by the depository bank.

**VII – Securities lodged with third parties**

Securities lodged with third parties include the book value of the securities owned by the company, lodged with credit institutes and other issuers, amounting to € 1,879,150 thousand. The securities lodged with third parties relating to Group companies amounted to € 39,558 thousand.

## INCOME STATEMENT

### I.10 - RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT

	31/12/2014	31/12/2013	Change
	112,721	113,226	-505

Summary information concerning to non life business technical account are shown in Appendix 19, 25 and 26 to these Explanatory Notes.

Technical costs and revenues are classified as follows:

#### I. 1 – Premiums, net of outwards reinsurance

	31/12/2014	31/12/2013	Change
	984,037	928,146	+55,891
<i>Of which:</i>			
a) Gross premiums written	1.033,091	982,799	+50,292
b) (-) Ceded premiums	36,018	36,653	-635
c) (-) Change in gross premium reserve	13,142	19,339	-6,197
d) Change in reinsurers' share of premium reserve	106	1,339	-1,233

The Company develops its business entirely in Italy. As shown in the Management Report, the Company operates in France on the basis of the free-provision-of-services regime.

The gross premiums written amounted to € 1,033,091 thousand, of which € 1,032,979 thousand relating to direct business and for € 112 thousand relating to indirect business. Premiums ceded in the FY2014 totalled € 36,018 thousand.

The breakdown of premiums by business has been indicated in the Management Report.

#### I. 2 – (+) Portion of investment income transferred from non-technical account

	31/12/2014	31/12/2013	Change
	13,937	18,916	-4,979

The amount to be transferred from the non-technical account to the technical account of the Non-Life business was determined in accordance with IVASS Regulation no. 22/2008, as indicated in "Part A – Valuation Criteria" of the Explanatory Notes.

As at 31 December 2014 the ratio, calculated as indicated in "Part A – Valuation Criteria" of the Explanatory Notes, was 78.36%. After this was applied to the net income of investments in the non-technical account of € 17,786 thousand (€ 23,789 thousand in 2013), €13,937 was allocated to the Non-Life business technical account (€18,916 thousand in 2013). The income allocated to the technical account was also allocated to the individual portfolios and businesses in accordance with the IVASS Regulation.

#### I. 3 – Other technical income, net of outwards reinsurance

	31/12/2014	31/12/2013	Change
	4,311	4,320	-9

This item is mainly referred to:

- reversal of commissions for previous years' cancelled premiums for € 1,861 thousand (€1,683 thousand in the previous year);
- € 1,453 thousand for other technical items mainly relating to recoveries of settlement costs related to claims subject to knock-for-knock agreements (€1,622 thousand in the previous year) and € 118 thousand for recoveries on arbitrations of settlement costs related to claims subject to knock-for-knock agreements (€147 thousand in the previous year);

- € 803 thousand related to recoveries of receivables for premiums under litigation (€ 700 thousand in the previous year);
- € 76 thousand for recoveries of commissions related to claims in other delegation (€ 168 thousand in the previous year).

#### **I. 4 – Charges relating to claims, net of recoveries and outwards reinsurance**

	31/12/2014	31/12/2013	Change
	645,012	610,102	+34,910
<i>Of which:</i>			
aa) Amounts paid – gross amount	585,052	508,254	+76,798
bb) (-) Reinsurers' share	41,898	23,132	18,767
aa) Change in recoveries net of reinsurers' share	7,117		
– gross amount		-2,571	4,546
bb) (-) Reinsurers' share	-3,292	88	-3,204
aa) Change in claims reserve – gross amount	99,066	132,940	-33,874
bb) (-) Reinsurers' share	-13,201	5,301	-18,502

#### **Amounts paid**

They relate to indemnities for € 499,186 thousand (€429,494 thousand in the previous year), direct expenses for € 13,779 thousand (€10,859 thousand in the previous year), settlement costs for partial or definitive payments of claims reported during the year or reserved at the end of the previous year for € 57,242 thousand (€53,676 thousand in the previous year) and the amount payable to CONSAP for the contribution to the fund for road-accident victims for € 14,845 thousand (€14,225 thousand in the previous year).

#### **Change in recoveries net of reinsurers' share**

This is the balance between amounts to be recovered from policyholders and third parties for deductibles, subrogation and remedying of claims at the previous year-end, the amounts recovered during the year and amounts yet to be recovered at year-end.

#### **Change in claims reserve**

The item includes estimated indemnities, direct and settlement costs to be paid in future years for claims reported during the current and previous years and not yet settled as at 31 December.

#### **I. 7 – Operating costs**

	31/12/2014	31/12/2012	Change
	228,824	207,928	+20,896
<i>Of which:</i>			
a) Acquisition commissions	148,510	140,452	+8,058
b) Other acquisition costs	50,215	40,465	+9,750
c) Change in commissions and other acquisition costs to be amortised	-1,259	-311	-948
d) Premium collection commissions	10,610	10,317	+293
e) Other administrative expenses	24,408	23,048	1,360
f) (-) Commissions received by reinsurers	6,178	6,665	-487

They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and common costs incurred for the sales network. The caption

also includes overheads and depreciation of tangible assets not allocated to claims settlement and investments. This caption includes costs repaid to the subsidiaries Gestimmobili Srl for € 556 thousand, Vittoria Properties for € 76 thousand and Aspevi Roma e Aspevi Milano for € 7,290 thousand to the associates S.In.T. SpA for € 2,228 thousand and Consorzio Movincom for € 65 thousand.

**I.8 - Other technical charges, net of outwards reinsurance**

	31/12/2014	31/12/2013	Change
	15,234	19,658	-4,424

The caption includes items relating to:

- technical cancellations of premiums and cancellations of uncollectible premiums for € 4,008 thousand (€ 775 thousand in the previous year);
- allocations to the provision for bad debt toward policyholders for € 9,424 thousand (€16,846 thousand in the previous year);
- other technical charges mainly relating to services supporting insurance covers and costs for premiums under litigation for € 1,491 thousand (€1,908 thousand in the previous year). The caption also includes fees paid out to the associates S.In.T. SpA relating to technical services for € 200 thousand.

**I.9 - Change in equalisation reserves**

	31/12/2014	31/12/2013	Change
	494	469	+25

The change detailed for line of business is shown in the caption C.I.5 in the Balance Sheet.



## II.13 - RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT

31/12/2014	31/12/2013	Change
-1,181	3,674	-4,855

Summary information concerning to life business technical account are shown in Appendix 20, 27 and 28 to these Explanatory Notes.

Technical costs and revenues are classified as follows:

### II. 1 – Premiums, net of outwards reinsurance

	31/12/2014	31/12/2013	Change
	249,460	167,270	+82,190
<i>Of which:</i>			
a) Gross premiums written	250,694	168,495	+82,199
b) (-) Ceded premiums	1,234	1,225	+9

The gross premiums written amounted to € 250,694 thousand, of which € 250,613 thousand relating to direct business and for € 82 thousand relating to indirect business. Premiums ceded in the FY2014 totalled € 1,234 thousand.

A premiums breakdown by line of business is shown in the Directors' report.

### II. 2 – Investments income

	31/12/2014	31/12/2013	Change
	36,935	32,944	+3,991
<i>Of which:</i>			
a) Income from equity investments	-	998	-998
b) Income from other investments	36,692	31,295	+5,397
c) Write-backs on investments	5	99	-94
d) Profits made on sale of investments	239	552	-313

b) The caption includes:

- Income on land and buildings rented and other income on property for € 1,834 thousand;
- income on fixed-income securities for interest, issue and trading differentials for € 34,503 thousand (€ 31,041 thousand in the previous year);
- interest on loans on policies for € 149 thousand (€ 136 thousand in the previous year);
- interest on reinsurance deposits for € 145 thousand (€ 118 thousand in the previous year),

c) The caption refers to bond previously debased;

d) The caption refers to capital gains arising from fixed-income securities' reimbursement and alienation.

Investment income are detailed in Appendix 21 to these Explanatory Notes, which also report non-technical account data relating to Non-Life business investment.

**II. 3 - Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments relating to pension fund management**

	31/12/2014	31/12/2013	Change
	9,017	7,752	+1,265

The increasing is due to the positive trend of the financial markets compared with the last year trend.

A breakdown of unrealised gains relating to investments benefiting policyholders bearing the risk is shown in Appendix 22 to these Explanatory Notes.

**II.4 - Other technical income, net of outwards reinsurance**

	31/12/2014	31/12/2013	Change
	1,433	586	+847

The caption includes commissions relating to first-year premiums cancelled and commissions retroceded by financial managers in relation to investments of unit-linked premiums and pension funds.

**II.5 - Charges relating to claims, net of outwards reinsurance**

	31/12/2014	31/12/2013	Change
	139,644	114,658	+24,986
<i>Of which:</i>			
aa) Amounts paid – gross amount	133,623	114,622	19,001
bb) (-) Reinsurers' share	373	497	-124
aa) Change in reserve for payable amounts – gross amount	6,394	533	+5,861
bb) (-) Reinsurers' share	-	-	n.a.

The amounts paid in the FY2014 totalled € 133,623 thousand mainly due to direct business.

They refer to costs relating to claims for € 200 thousand, claims for € 28,050 thousand (€ 21,310 thousand in the previous year), policies that have matured for € 61,959 thousand (€ 46,494 thousand in the previous year), surrenders for € 42,953 thousand (€ 46,347 thousand in the previous year) and annuities for € 461 thousand (€ 471 thousand in the previous year).

The difference between the opening value of the reserve for sums payable and the sums paid to beneficiaries of contracts during the year for claims in prior years and the closing value of the reserve for direct business is due to index-linked policies reimbursement, took place in december.

## II.6 - Change in mathematical reserves and other technical reserves, net of outwards reinsurance

	31/12/2014	31/12/2013	Change
	123,857	64,546	+59,311
<i>Of which:</i>			
aa) Mathematical reserves – gross amount	129,162	61,173	+67,989
bb) (-) Reinsurers' share	473	45	+428
aa) Complementary insurance premium reserve – gross amount	-22	-13	+9
aa) Other technical reserves – gross amount	-1,495	-1,269	+225
bb) (-) Reinsurers' share	11	-7	+18
aa) Technical reserves when investment risk is borne by policyholders or relating to pension fund management	-3,304	4,693	-7,997

This refers to the change in technical reserves; for further information about evaluation and accounting method, please refer to the chapter "Part A - Accounting Policies" to these Explanatory Notes.

## II.7 - Reversals and profit participation, net of outwards reinsurance

	31/12/2014	31/12/2013	Change
	-27	-21	+6

This item comprises amounts paid in the year for profit participation, as well as the change in the related reserve. The amount is solely referred to direct business.

## II.8 – Operating costs

	31/12/2014	31/12/2013	Change
	16,461	15,427	+1,034
<i>Of which:</i>			
a) Acquisition commissions	4,208	3,437	+771
b) Other acquisition costs	7,264	6,715	+549
c) Change in commissions and other acquisition costs to be amortised	436	374	+62
d) Premium collection commissions	1,304	1,376	-72
e) Other administrative expenses	4,247	4,502	-255
f) (-) Commissions received by reinsurers	126	229	-103

They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and common costs incurred for the sales network. The caption also includes overheads and depreciation of tangible assets not allocated to investment-related costs.

## II.9 - Capital and financial charges

	31/12/2014	31/12/2013	Change
	12,475	4,471	+8,004
<i>Of which:</i>			
a) Investment management costs and interest expense	5,705	3,310	+2,395
b) Investment write-downs	6,663	1,161	+5,502
c) Losses on sale of investments	107	-	+107

a) The caption mainly refers to:

- costs relating to equity portfolio for € 44 thousand (€ 52 thousand in the previous year);
- costs relating to municipal tax on property (IMU) charging € 400 thousand to 2014 profit and loss (€ 336 thousand in the previous year);
- housing expenses, taxes and building management costs for € 894 thousand
- costs relating to fixed-income securities for issue and trading differentials, taxes, and operating and personnel expenses for € 4,134 thousand (€ 2,607 thousand in the previous year);

b) The capture refers to write-downs of financial instruments, like indicated in the Management report, and it is mainly related for € 4,141 thousand to write-downs of Equity investments that referring to the portion allocated to the life business of the investment in Subsidiary Vittoria Immobiliare SpA. Included are also, amortization on property totaling € 2,492 thousand of which € 876 thousand (€ 1,161 thousand in the previous year) relating to the new head office in Portello area in Milan.

Appendix 23 to these Explanatory Notes reports details relating to Capital and financial charges on Life investments.

## II.10 – Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and to investments connected with pension fund management

	31/12/2014	31/12/2013	Change
	5,254	2,460	+2,794

The increase over the year is due to the negative trend of the financial markets.

Details of charges and unrealised capital losses relating to the above types of investments are provided in Appendix 24 to these Explanatory Notes.

## II.11 - Other technical charges, net of outwards reinsurance

	31/12/2014	31/12/2013	Change
	363	296	+67

The caption mainly refers to:

- allocations to the provision for bad debt toward policyholders for € 214 thousand (€ 21 thousand in the previous year);
- fees payable by the company, relegated to sales channels, regarding internal funds linked to unit-linked policies and to the open pension fund called "Vittoria Formula Lavoro" for € 147 thousand (€ 228 thousand in the previous year).

## II.12 – (-) Income on investments transferred to non-technical account

	31/12/2014	31/12/2013	Change
	-	3,044	-3,044

The amount to be transferred from the non-technical account to the technical account of the non-life business was determined in accordance with IVASS Regulation no. 22/2008, as indicated in "Part A – Valuation Criteria" of the Explanatory Notes.

## RESULT OF NON-TECHNICAL ACCOUNT

31/12/2014	31/12/2013	Change
10,021	2,310	+7,711

Non-technical costs and revenues are classified as follows:

### III. 3 – Income from Non-Life investments

	31/12/2014	31/12/2013	Change
	41,393	39,159	+2,234
<i>Of which:</i>			
a) Income from equity investments	336	195	+141
b) Income from other investments	40,818	38,083	+2,735
c) Profits made on sale of investments	238	881	-643

- a) This caption includes the dividend collected by the other subsidiaries.
- b) The caption consists of the following items:
- land and buildings amounting to € 1,970 thousand (€ 572 thousand in the previous year), relating to rental and to expenses recover and other income;
  - other investments amounting to € 38,849 thousand (€ 37,511 thousand in the previous year), of which € 38,500 thousand relating to income on fixed-income securities for interest, issue and trading differentials.
- c) The caption refers to write-backs of financial instruments previously impaired;
- d) The caption refers to capital gains arising from fixed-income securities' reimbursement and alienation.

Appendix 21 to these Explanatory Notes reports details relating to Income from Life and Non-Life investments.

### III.4 - (+) Income on investments transferred from Life business technical account

31/12/2014	31/12/2013	Change
-	3,044	-3,044

Please refer to information reported in Life technical account chapter.

### III.5 - Capital and financial charges of Non-Life business

	31/12/2014	31/12/2013	Change
	23,607	15,371	+8,236
<i>Of which:</i>			
a) Investment management costs and interest expense	7,696	5,884	+1,812
b) Investment write-downs	15,161	9,476	+5,685
c) Loss on sale of investments	750	11	+739

- a) The caption mainly includes:
- operating and personnel expenses relating to the equity portfolio for € 465 thousand (€ 127 thousand in the previous year);
  - costs for fixed-income securities relating to issue and trading differentials, taxes, and operating and personnel expenses amounting to € 5,302 thousand (€ 4,164 thousand in the previous year);

- housing expenses, taxes and building management costs for € 1,026 thousand (€ 664 thousand in the previous year);
- costs relating to municipal tax on property (IMU) charging € 754 thousand to 2014 profit and loss (€ 776 thousand in the previous year);
- interest on deposits from reinsurers for € 148 thousand (€ 133 thousand in the previous year).

b) The capture refers to write-downs of financial instruments, like indicated in the Management report, and it is mainly related for € 1,026 thousand to write-downs of Equity investments that referring to the associate Movincom Servizi S.p.A. and € 6,014 thousand referring to the portion allocated to the non-life business of the investment in Subsidiary Vittoria Immobiliare SpA..

Included are also, the write-down of buildings loaned free of charge to agencies amounted to € 2,293 thousand, and amortization on property totaling € 4,968 thousand of which € 2,916 thousand (€ 3,518 thousand in the previous year) relating to the new head office in Portello area in Milan.

Appendix 23 to these Explanatory Notes reports details relating to Capital and financial charges of Life and Non-Life investments.

### **III.6 - (-) Investment income transferred to the Non-Life business technical account**

	31/12/2014	31/12/2013	Change
	13,937	18,916	-4,979

Please refer to information reported in Non-Life technical account chapter.

### **III.7 - Other income**

	31/12/2014	31/12/2013	Change
	4,953	4,529	+424

This caption includes income other than that on investments, such as that relating to the general balance-sheet classes E - Receivables and F - Other assets.

As at 31 December 2014, the caption is mainly includes:

- interest on bank current account for € 2,123 thousand (€ 2,271 thousand in the previous year);
- infra-group charges for € 671 thousand (€ 615 thousand in the previous year);
- other interest accruing mainly on tax receivables and recoveries from agents for € 1,087 thousand (€ 472 thousand in the previous year);
- extraordinary income for € 646 thousand arising from receivable previously debased;
- foreign-exchange gains on technical and financial items for € 92 thousand (€ 26 thousand in the previous year).

### **III.8 - Other charges**

	31/12/2014	31/12/2013	Change
	13,847	19,050	-5,203

As at 31 December 2014, the captions mainly includes:

- interest and charges on bank current account for € 467 thousand (€ 355 thousand in the previous year);
- annual amortisation of SACE goodwill for € 454 thousand (€ 695 thousand in the previous year);

- annual amortisation of intangible assets for € 8,746 thousand (€ 8,637 thousand in the previous year);
- € 574 thousand euro which fund expenses for the renewal of the contract National, € 500 thousand euro for revocation action potential and € 1,000 thousand for risks sanctions tax register and certification only;
- setting up bad-debt provision of € 1,514 thousand;
- taxes for € 199 thousand (€ 331 thousand in the previous year).

### III.10 - Extraordinary income

	31/12/2014	31/12/2013	Change
	15,458	9,100	+6,358

This item contains income from sale of long-term investments and other profits made on the sale of assets classified in the general balance-sheet Class F - Other assets.

Their main breakdown is shown below:

- capital gains on sale of Italian Government Bonds classified in the non-current sector amounting to € 13,298 thousand, coming from Non-Life business management for € 10,111 thousand and from Life business management for € 3,187 thousand;
- extraordinary income for € 1,658 thousand allocated for € 106 thousand to the life business and € 1,552 to the Non-Life business.

### III.11 - Extraordinary charges

	31/12/2014	31/12/2013	Change
	392	185	+207

This item contains charges relating to sale of long-term investments and other losses arising from the sale of assets classified in the general balance-sheet Class F - Other assets, and mainly refers to incidental costs and charges amounting to € 319 thousand (€ 149 thousand in the previous year).

### III.14 - Taxation

	31/12/2014	31/12/2013	Change
	46,627	56,741	-10,114

Current taxes set aside relate to the IRES and IRAP estimate for the current year, which was calculated in accordance with current tax rules and by applying to the relevant taxable bases the nominal rates of 7.66% for IRAP and 30.7% for IRES.

The taxes for the previous year included an additional IRES equal to 8.5%, resulting in increased taxes of € 16,266 thousand, in accordance with the new tax rules according to article 2(2) of Legislative Decree no. 133/2013, converted into law by Law 5/2014.

Reconciliation between the tax charge recognised in the financial statements and theoretical tax charge is shown below:

(in thousands of Euros)						
	Taxable base		Tax		Tax rate	
	IREs	IRAP	actual	theoretical	actual	theoretical
<b>IREs</b>						
Profit before taxation	121,562			33,430		27.50%
+ Temporary differences deductible in future years	90,531					
- Temporary differences taxable in future years	226					
+ Use of temporary differences	-33,942					
Permanent differences:						
+ Non-deductible interest and taxes	1,975					
+ Non-deductible accruals, costs and expenses	4,498					
+ Investment Portfolio	11,671					
+ Tax-exempt income and Dividends	-787					
+ Other deductible items	-5,288					
<b>Taxable base</b>	<b>189,994</b>					
Current IRES			52,248			
<b>IRAP</b>						
Profit before taxation		121,562		8,291		6.82%
- Profit & Loss items not taxable/deductible for IRAP purpose		-10,023				
Life insurance business profit & loss + Non-life insurance business profit & loss		111,539				
+ Permanent taxable differences		37,110				
+ Permanent deductible differences		-11,808				
Theoretical taxable base		136,841				
+(Increase - Decrease) of temporary differences		6,898				
<b>Taxable base</b>		<b>143,739</b>				
Current IRAP			9,803			
<b>Total current Tax relating to 2014</b>			<b>62,051</b>			
<b>Deferred tax assets</b>						
Taxable base for deferred tax assets of the previous year	284,331	16,334				
(Increase - Decrease) in deferred tax assets during the current year	52,362	7,127				
<b>Taxable base for deferred tax assets of the current year</b>	<b>336,693</b>	<b>23,461</b>				
Deferred IRES assets on (Increase - Decrease)			14,399			
Deferred IRAP assets on (Increase - Decrease)			486			
<b>Total deferred tax assets relating to 2014</b>			<b>14,885</b>			
<b>Deferred tax liabilities</b>						
Taxable base for provision for deferred tax liabilities of the previous year	4,702					
(Increase - Decrease) in the provision for deferred tax liabilities during the current year	-1,960					
Adjustments to the provision for deferred tax liabilities of the previous year						
<b>Taxable base for provision for deferred tax liabilities of the current year</b>	<b>2,742</b>					
Deferred IRES liabilities on (Increase - Decrease)			-539			
Deferred IRAP liabilities on (Increase - Decrease)			0			
<b>Total deferred tax liabilities relating to 2014</b>			<b>-539</b>			
Total IRES relating to 2014			37,310		30.69%	
Total IRAP relating to 2014			9,317		7.66%	
<b>Total tax relating to 2014</b>			<b>46,627</b>	<b>41,721</b>	<b>38.36%</b>	<b>34.32%</b>

The above schedule compares taxes related to local financial statements, apart from variances due to tax rules application in determining IRES and IRAP amounts with taxes related to tax rules compliance.



Schedules of deferred taxes pursuant to article 2427 of the civil code, are shown as follows:

**SCHEDULE OF DEFERRED TAXES PURSUANT TO  
ARTICLE 2427 OF THE CIVIL CODE**

(in thousands of euros)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	Taxable base	tax rate	Taxable base	tax rate	Tax
<b>2013 deferred tax assets</b>					
Exchange rate fluctuations	2		-		1
Depreciation of tangible assets	4,314		377		1,211
Provisions for bad debts	51,686		14,113		15,176
Directors' fees	1,371		-		377
Goodwill	1,845		1,845		633
Change in life technical reserves (as per law decr. 78/2010)	1,252		-		344
Change in non-life claims reserves (as per law decr. 209/2002)	222,862		-		61,288
Provision for risk and charges	1,000		-		275
Taxable earnings entering in future accounts (real estate free rent period)	-		-		-
	<b>284,332</b>	<b>27.50%</b>	<b>16,335</b>	<b>6.82%</b>	<b>79,305</b>
<b>2014 use to deferred tax assets</b>					
Exchange rate fluctuations	2		-		1
Depreciation of tangible assets	2,268		-		624
Provisions for bad debts	6,209		3,528		1,948
Directors' fees	886		-		244
Goodwill	-		-		-
Change in life technical reserves (as per law decr. 78/2010)	-		-		-
Change in non-life claims reserves (as per law decr. 209/2002)	28,796		-		7,919
Provision for risk and charges	359		-		99
Taxable earnings entering in future accounts (real estate free rent period)	-		-		-
	<b>38,520</b>	<b>27.50%</b>	<b>3,528</b>	<b>6.82%</b>	<b>10,834</b>
<b>2014 increase in deferred tax assets</b>					
Exchange rate fluctuations	-		-		-
Depreciation of tangible assets	448		-		123
Provisions for bad debts	11,939		10,426		3,994
Directors' fees	1,306		-		359
Goodwill	229		229		79
Change in life technical reserves (as per law decr. 78/2010)	1,907		-		524
Change in non-life claims reserves (as per law decr. 209/2002)	67,360		-		18,524
Provision for risk and charges	6,316		-		1,737
Taxable earnings entering in future accounts (real estate free rent period)	1,289		-		354
	<b>90,794</b>	<b>27.50%</b>	<b>10,655</b>	<b>6.82%</b>	<b>25,695</b>
<b>2014 deferred tax assets</b>					
Exchange rate fluctuations	-		-		0
Depreciation of tangible assets	2,494		377		712
Provisions for bad debts	57,416		21,011		17,222
Directors' fees	1,791		-		493
Goodwill	2,074		2,074		712
Change in life technical reserves (as per law decr. 78/2010)	3,159		-		869
Change in non-life claims reserves (as per law decr. 209/2002)	261,426		-		71,892
Provision for risk and charges	6,957		-		1,913
Taxable earnings entering in future accounts (real estate free rent period)	1,289		-		354
	<b>336,606</b>	<b>27.50%</b>	<b>23,462</b>	<b>6.82%</b>	<b>94,167</b>

SCHEDULE OF DEFERRED TAXES PURSUANT TO  
ARTICLE 2427 OF THE CIVIL CODE

(in thousands of euros)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	Taxable base	tax rate	Taxable base	tax rate	Tax
<b>2013 deferred tax liabilities</b>					
Division by instalments of realised gains on Investment Portfolio	4,698		-		1,292
Exchange rate fluctuations	3		-		1
	<b>4,701</b>	<b>27.50%</b>	-	<b>6.82%</b>	<b>1,293</b>
<b>2014 use to deferred tax liabilities</b>					
Division by instalments of realised gains on Investment Portfolio	2,184		-		600
Exchange rate fluctuations	3		-		1
	<b>2,187</b>	<b>27.50%</b>	-	<b>6.82%</b>	<b>601</b>
<b>2014 increase in deferred tax liabilities</b>					
Division by instalments of realised gains on Investment Portfolio	219		-		60
Exchange rate fluctuations	7		-		2
	<b>226</b>	<b>27.50%</b>	-	<b>6.82%</b>	<b>62</b>
<b>2014 deferred tax liabilities</b>					
Division by instalments of realised gains on Investment Portfolio	2,733		-		752
Exchange rate fluctuations	7		-		2
	<b>2,740</b>	<b>27.50%</b>	-	<b>6.82%</b>	<b>754</b>

## Part C: Other information

### Solvency margin

As regards the solvency margin, completion of regulatory schedules, issued by the ISVAP (now IVASS) with its Regulation no. 19 of 14 March 2008, reveals the following amounts (in €'000):

	(€/000)		
	Non - life business	Life business	Total
Required Solvency Margin	163,230	53,803	217,033
Solvency Margin Assets	351,556	86,256	437,812
Surplus/Deficit	188,326	32,453	220,779
Ratio	2.2	1.6	2.0

If consolidated companies and Yam Invest NV had been equity-accounted using the method typical of consolidated accounts, instead of at historical cost, net capital relating to available equity (i.e. excluding the portion assigned to Life segregated accounts) would have been € 24,385 thousand higher.

As a result of the above considerations, the items forming shareholders' equity increased from € 437,812 thousand to € 462,197 thousand. This, compared with the required amount of solvency margin of € 217,033 thousand, leads to a ratio of 2.13.

	(€/000)	
Required Solvency Margin		217,033
Solvency Margin Assets	437,812	
Higher net equity of consolidated companies	<u>24,385</u>	
Solvency Margin Assets		462,197
Ratio		2.13

## Assets allocated to coverage of technical reserves

### Non-Life Business

(€ million)			
	31/12/13	31/12/14	Change
<b>Technical Reserves (A)</b>	<b>1,295.4</b>	<b>1,408.2</b>	<b>112.8</b>
Securities issued or secured by Governments			914.1
Bonds or other similar securities			2.4
Shares traded in a regulated market			10.3
Shares not traded in a regulated market			39.7
Real Estate			199.3
Closed-end mutual fund shares are not traded on a regulated market, reserved funds and hedge funds			15.3
Receivables			131.0
Bank accounts			95.1
Othe assets			1.0
<b>Total Assets Allocated (B)</b>			<b>1,408.2</b>
<b>% of coverage (B/A)</b>			<b>100.0%</b>

### Life Business

(€ million)			
	31/12/13	31/12/14	Change
<b>Mathematical and Other Technical Reserves</b>	<b>815.2</b>	<b>947.7</b>	<b>132.5</b>
Reserve for payable amounts	22.3	28.8	6.5
<b>Technical Reserves (A)</b>	<b>837.5</b>	<b>976.5</b>	<b>139.0</b>
Securities issued or secured by Governments			848.8
Bonds or other similar securities			10.7
Shares not traded in a regulated market			4.6
Real Estate			60.3
Closed-end mutual fund shares are not traded on a regulated market, reserved funds and hedge funds			5.9
Receivables			9.0
Bank accounts			34.9
Othe assets			2.3
<b>Total Assets Allocated (B)</b>			<b>976.5</b>
<b>% of coverage (B/A)</b>			<b>100.0%</b>

(€ million)			
	31/12/07	31/12/14	Change
Technical Reserves when investment risk is borne by policyholders	65.1	61.8	-3.3
<b>Total Assets Allocated</b>	<b>65.1</b>	<b>61.8</b>	<b>-3.3</b>

## Finance expense allocated to balance sheet assets

Pursuant to the first paragraph, point 8, of Article 2427 of the Italian Civil Code, we declare that no finance expense was capitalised in the year in amounts posted in balance sheet assets.

## Employees

The cost of salaries, related social security charges, severance indemnity provisioning, and of miscellaneous personnel-related expenses are shown in Appendix 32.

Employees on the payroll as at 31 December 2014 numbered 522 heads (506 heads to 31 December 2013). The average number of employees on the payroll during the year, by category and calculated according to in-force presence, was as follows:

	31/12/2014	31/12/2013
Managers	24	24
Officers	147	146
Administrative staff	344	329
<b>Total</b>	<b>514</b>	<b>499</b>

## Disclosure of auditing fees

As required by Article 149/12 of CONSOB Regulation 11971 of 14 May 1999, below we report the fees relating to FY2013 for services rendered to the Company by the auditing company Deloitte & Touche SpA – and by entities forming part of its network.

Type of services rendered	(€/000)	
	Auditing company	Entities forming part of its network
Independent audit services*	215	-
Verifications for issue of attestations**	56	-
Other services	-	25

\* of which € 35 thousand related to audit services provided by Vaimm Sviluppo Srl

\*\* related to segregated funds, unit linked and pension fund

## Breakdown of direct insurance premiums by business category and geographical area

The breakdown of the company's premiums – all referring to the Italian portfolio - by official Ministerial business line is shown in Appendices 19 and 20.

The following table shows the geographical breakdown of premiums, calculated on the basis of agency locations.

Regions	Agencies	Non-Life Business		Life Business	
		Premiums	%	Premiums	%
(€/000)					
<b>NORTH</b>					
Emilia Romagna	34	78,258		17,982	
Friuli Venezia Giulia	4	7,934		1,691	
Liguria	15	47,385		4,613	
Lombardy	104	236,481		89,709	
Piedmont	47	81,082		12,448	
Trentino Alto Adige	7	10,580		2,499	
Valle d'Aosta	1	3,778		492	
Veneto	37	59,223		11,204	
<b>Total</b>	<b>249</b>	<b>524,721</b>	<b>50.7</b>	<b>140,638</b>	<b>56.1</b>
<b>CENTRE</b>					
Abruzzo	12	51,240		7,720	
Lazio	27	102,418		25,385	
Marche	17	36,021		5,033	
Tuscany	46	107,726		14,082	
Umbria	15	47,966		10,178	
<b>Total</b>	<b>117</b>	<b>345,371</b>	<b>33.4</b>	<b>62,398</b>	<b>24.9</b>
<b>SOUTH AND ISLANDS</b>					
Basilicata	3	8,815		1,456	
Calabria	2	5,052		52	
Campania	9	35,409		3,429	
Molise	2	3,044		1,311	
Puglia	6	28,286		37,291	
Sardinia	10	36,770		560	
Sicily	11	45,410		3,478	
<b>Total</b>	<b>43</b>	<b>162,786</b>	<b>15.8</b>	<b>47,577</b>	<b>19.0</b>
<b>Total ITALY</b>	<b>409</b>	<b>1,032,878</b>	<b>100.0</b>	<b>250,613</b>	<b>100.0</b>
<b>France</b>	<b>0</b>	<b>101</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>OVERALL TOTAL</b>	<b>409</b>	<b>1,032,979</b>		<b>250,613</b>	

## Real estate assets

Real estate assets are listed in the following table (in € '000):

	AS AT 31 DECEMBER 2014						(€/000)
	Historical value	Monetary	Fiscally-driven	Law 02/2009	Law 147/2013	Accumulated depreciation	T o t a l
		revaluations	and voluntary	Revaluations	Revaluations	and impairment	2014
			revaluations			losses at 31/12/2014	
<b>BUILDINGS HELD FOR INVESTMENT</b>							
<b>Operating buildings</b>							
Milano - Via V. Colonna 2	306	0	0	477	21	(68)	737
Milano - Via I. Gardella 2	97,983	0	0	0	8,301	(11,776)	94,508
PERUGIA - Via Pellas 44	151	11	0	189	0	(196)	155
<b>Total operating buildings</b>	<b>98,440</b>	<b>11</b>	<b>0</b>	<b>666</b>	<b>8,322</b>	<b>(12,040)</b>	<b>95,400</b>
<b>Buildings used by third parties</b>							
Acqui - Piazza Matteotti 25	53	10	77	63	0	(19)	184
Alessandria - P.za Carducci 1	79	79	0	102	0	(60)	200
Asti - C. So Alfieri 130	50	57	0	264	0	(136)	235
Biella - Piazza V. Veneto 16	17	43	34	274	0	(188)	180
Brescia - Via Saffi 1	121	67	0	395	0	(193)	390
Busto Arsizio - Via C. Tosi 8	80	31	0	197	0	(118)	190
Como - V. Le Rosselli 13	116	22	77	549	0	(439)	325
Cremona - P. Za Roma 7	104	24	23	271	0	(192)	230
Cuneo - Piazza Europa 26	62	75	0	420	0	(242)	315
Ferrara - Via Don Minzoni 17	98	10	93	287	0	(116)	371
Gallarate - P. Za Risorgimento 10	34	7	44	98	0	(20)	163
Livorno - Via Grande 225	128	5	0	187	0	(160)	160
Lodi - C. So V. Emanuele II° 12	13	10	41	209	0	(113)	160
Milano - Via Ariosto 21	2,485	0	0	609	212	(279)	3,027
Milano - Via B. D'Alviano 2	22	46	62	532	0	(163)	498
Milano - Via Correggio 3	145	0	0	95	86	(26)	300
Milano - Palazzo A	48,534	0	0	0	0	(2,121)	46,412
Milano - Palazzo C	37,827	0	0	0	0	(1,747)	36,080
Milano - Area Commerciale	6,069	0	0	0	0	(57)	6,012
Modena - Via Ganaceto 39	33	13	46	553	0	(295)	350
Napoli - Via S. Carlo 26	63	45	155	1,197	0	(287)	1,173
Parma - Via Longhi 1	87	42	62	439	0	(150)	480
Perugia - Via Pellas 44 - AG	122	7	0	126	0	(78)	178
Pisa - Piazza Toniolo 10	87	41	52	343	0	(276)	247
Pistoia - Via S. Fedi 67	75	39	0	176	0	(118)	172
Pontedera - C. So Matteotti 108	61	41	0	205	0	(64)	244
Rovigo - C. So Del Popolo 4	63	24	0	121	0	(91)	117
Sondrio - Via C. Alessi 16	54	15	0	97	0	(62)	104
Terni - Via Beccaria 22	17	28	0	195	0	(22)	218
Trieste - Via Torrebianca 18	15	36	21	136	0	(18)	190
Udine - Via Carducci 4	39	72	0	247	0	(150)	208
Varese - Via Mazzini 1	158	71	41	289	0	(174)	385
Venezia Mestre - Via Verdi 4	47	65	26	330	0	(272)	196
Verona - C. So Porta Nuova 53	245	257	129	1,062	0	(708)	985
Vicenza - C. So Palladio 155	84	76	36	280	0	(45)	431
<b>Total buildings used by third parties</b>	<b>97,284</b>	<b>1,358</b>	<b>1,019</b>	<b>10,348</b>	<b>298</b>	<b>(9,196)</b>	<b>101,111</b>
<b>TOTAL BUILDINGS HELD FOR INVESTMENT</b>	<b>195,724</b>	<b>1,369</b>	<b>1,019</b>	<b>11,014</b>	<b>8,620</b>	<b>(21,236)</b>	<b>196,510</b>
<b>TOTAL BUILDINGS</b>	<b>195,724</b>	<b>1,369</b>	<b>1,019</b>	<b>11,014</b>	<b>8,620</b>	<b>(21,236)</b>	<b>196,510</b>

(€/000)

	31/12/2014	31/12/2013
<b>Net profit for the year</b>	74,935	62,467
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	118,751	127,990
premium reserve	13,530	18,468
life business technical reserves	124,362	72,186
Increase (-) Decrease (+) in receivables from policyholders	8,289	609
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-13,785	4,707
Net increase (-) decrease (+) in intangible assets	3,882	4,083
Increase in specific provisions	1,436	-451
Employees' leaving entitlement:		
accruals	2,176	2,191
utilisation	-2,294	-2,269
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-39,043	-23,785
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	-11,402	-3,087
Adjustments to securities	21,819	8,283
Adjustments to class D securities	-125	-523
<b>Cash flow from operating activities</b>	<b>302,531</b>	<b>270,869</b>
Disposal of fixed assets	4,993	-
Sale of bonds and other fixed-interest securities	455,728	262,315
Sale of investments	175	3,923
Sale of unit trusts	14,702	2,035
Sale of class D	11,204	1,731
Repayment of loans and borrowings	28,103	3,384
<b>Cash flow arising from disinvesting activities</b>	<b>514,905</b>	<b>273,388</b>
<b>Cash flow generated</b>	<b>817,436</b>	<b>544,257</b>



	(€/000)	
	31/12/2014	31/12/2013
Buildings	7,050	8,175
Fixed-interest securities	582,920	460,865
Investments	140,734	26,886
Unit trusts	11,198	8,034
Class D investments	7,775	5,901
Loans to third parties	26,729	3,224
Previous year's dividend distributed	12,128	11,454
<b>Total application of funds</b>	<b>788,534</b>	<b>524,539</b>
Increase/decrease in liquid funds	28,902	19,718
<b>Cash flows used / generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>817,436</b>	<b>544,257</b>
Liquid funds at the beginning of the year	145,691	125,973
Liquid funds at the end of the year	174,593	145,691

## Investments in subsidiaries

### Vittoria Immobiliare SpA

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 112,418,835 - % equity interest: 100.00%.

This company is active in the real estate trading sector and is also a holding company for investments in companies operating in the real estate management, brokerage and promotion sectors.

The draft financial statements reviewed by the Board of Directors on 10 March 2015 show shareholders' equity of € 101,355 thousand, including € 15,665 thousand of net loss for the year. The consolidated financial statements, prepared for the purposes of parent company consolidation, show consolidated shareholders' equity of € 93,304 thousand, including the year's net loss of € 14,156 thousand.

### Immobiliare Bilancia Srl ["Srl" = private limited liability company]

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 6,650,000 - % equity interest: 100.00%.

A company active in real estate trading.

The draft financial statements reviewed by the Board of Directors on 26 February 2015 show shareholders' equity of € 33,073 thousand, including the year's net loss of € 22 thousand.

### Immobiliare Bilancia Prima Srl

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 3,000,000 - % equity interest: 100.00%.

A company active in real estate trading.

The draft financial statements reviewed by the Board of Directors on 26 February 2015 show shareholders' equity of € 47,932 thousand, including the year's net loss of € 207 thousand.

### Acacia 2000 S.r.l.

Registered offices in Milan - Via Gardella 2

Share capital: € 150,000 - 15.00% directly owned and 70.00% via Vittoria Immobiliare SpA

A company active in real estate development trading.

The draft financial statements reviewed by the Board of Directors on 6 March 2015 show shareholders' equity of € 71,632 thousand, including the year's net loss of € 1,049 thousand.

### VAIMM Sviluppo S.r.l.

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 2,000,000 - % equity interest: 100.00%.

A company active in real estate development trading.

The draft financial statements reviewed by the Board of Directors on 26 February 2015 show shareholders' equity of € 15,803 thousand, including the year's net loss of € 2,630 thousand.

### VP Sviluppo 2015 S.r.l.

Registered offices in Milan - Via Gardella 2

Share capital: € 2,000,000 - % equity interest: 100.00%.

A company active in real estate development.

The draft financial statements reviewed by the Board of Directors on 26 February 2015 show shareholders' equity of € 18,664 thousand, including the year's net loss of € 971 thousand.

### Vittoria Properties Srl

Registered offices in Milan - Via Gardella 2

Share capital: € 8,000,000 - % equity interest: 100.00%

A company active in the management and letting of its property assets.

The draft financial statements reviewed by the Board of Directors on 26 February 2015 show shareholders' equity of € 17,702 thousand, including the year's net loss of € 326 thousand.

#### **Interbilancia Srl**

Registered offices in Milan – Via Gardella 2

Share capital: € 80,000 - % equity interest: 100.00%

A holding company for investments in companies active in the service sector.

Draft financial statements reviewed by the Board of Directors on 10 March 2015 show shareholders' equity of € 1,859 thousand including the year's net profit of € 110 thousand.

### **Investments in associate companies**

#### **S.In.t. SpA**

Registered offices in Turin – Via Bertola 34

Share capital: € 900,000 - % equity interest: 48.19%

Draft financial statements as at 31 December 2014 show shareholders' equity of € 945 thousand, including the year's net loss of € 18 thousand.

#### **Yarpa SpA**

Registered offices in Genoa – Via Roma 3

Share capital: € 38,201,600 - % equity interest: 27.31%

The associate is a company offering corporate financial services – from pool loans up to consulting services for the purchase or sale of companies. Its subsidiary Yarpa Investimenti SGR manages the Italian closed-end investment funds "Maestrale" and "RP3 Fund" and the closed-end real estate funds "Rosso Mattone" and "Ambiente". At 31 December 2014, shareholders' equity of the Group amounted to € 42,214 thousand.

#### **Touring Vacanze Srl**

Registered offices in Milan – Corso Italia 10

Share capital: € 12,900,000 - % equity interest: 37.00%

A real estate management company.

#### **Consorzio Movincom S.c.r.l.**

Registered offices in Turin – Via Bertola 34

Share capital: € 103,000 - % equity interest: 29.14%

A company that operates in payment for goods and services via mobile phone.

Draft financial statements as at 31 December 2014 show shareholders' equity of € 54 thousand, including the year's net profit of € 67 thousand.

#### **Movincom Servizi SpA**

Registered offices in Turin – Via Bertola 34

Share capital: € 4,500,000 - % equity interest: 46.65%

This is the operating company of the Consortium Movincom. Draft financial statements as at 31 December 2014 show shareholders' equity of € 3,850 thousand, including the year's net loss of € 2,281 thousand.

### **Litigation**

Litigation existing at the end of the period is related to the normal operation linked to the claims management.

## Tax situation

In 2014 the company confirmed and exercised its option for the National Tax Consolidation Regime (article 117 and subsequent articles of the Decree No. 917 of 22 December 1986) with the subsidiaries Immobiliare Bilancia S.r.l., Immobiliare Bilancia Prima S.r.l., Acacia 2000 S.r.l., VAIMM Sviluppo S.r.l., Vittoria Properties S.r.l., Vittoria Immobiliare S.p.A., Gestimmobili S.r.l., Interimmobili S.r.l., Interbilancia S.r.l., VRG Domus S.r.l. and Valsalaria S.r.l..

The option for the National Tax Consolidation Regime with respect to these companies will persist also in 2015.

In accordance with Law no. 2/2009, in 2008 the parent company revalued the buildings, obtaining a greater value which will be recognised for IRES and IRAP purposes (depreciation purpose from 2013 tax period and in relation to possible disposal from 2014) by paying a substitute tax on the gains recorded, equal to 3% for depreciable property and equal to 1.5% for non-depreciable property. The value recorded in the balance sheet was aligned to the fair value (determined by an independent evaluation expert) in 2008.

Against these greater values recognised in the balance sheet, the parent company recorded in equity a reserve equal to the revaluation less the substitute tax.

For further details concerning the revaluation appreciation recorded and the evaluation principles, please refer to this Notes to the consolidated financial statements.

In accordance with Law no. 147/2013, at the end of 2013 the company revalued the residential buildings in Milan and the building housing its registered office. The revaluation was declared in the UNICO 2014 tax return for the 2013 tax period. As a result, the parent company will pay a substitute tax on the gains recorded and the gains will be recognised for IRES and IRAP purposes. This recognition will take effect from the 2016 tax period, unless the assets are disposed of, in which case the recognition will be postponed until 2017. The substitute tax is 16% for depreciable property and 12% for non-depreciable property.

The value recognised in the balance sheet was aligned to the fair value, determined by an independent evaluation expert. Against these greater values recognised in the balance sheet, the parent company recorded in equity a reserve equal to the revaluation less the substitute tax.

With reference to 2014, the parent company exercised its option to settle VAT in the context of the Group of companies pursuant to the Ministerial Decree dated 13th December 1979, together with the following controlled subsidiaries: Vittoria Immobiliare, Gestimmobili S.r.l., Interimmobili S.r.l., Acacia 2000 S.r.l., VRG Domus S.r.l., Vittoria Properties S.r.l., Immobiliare Bilancia S.r.l. and Immobiliare Bilancia Prima S.r.l..

Also for 2015 the parent company exercised this option, together with the above subsidiaries, in addition to the subsidiary Vaimm Sviluppo S.r.l. and Valsalaria S.r.l..

In 2009, the company was subject to a tax inspection by the Italian Tax Authorities for fiscal years 2004, 2005 and 2006, from which disputes related to IRES, IRAP and VAT have ensued.

Between 2009 and 2011 higher assessments for all three years under inspection were notified with details of higher IRES and IRAP, fines and interest for an overall amount of 101 thousand euro; regarding VAT, the higher tax rate, the fines and interest amount to 387 thousand euro.

The company has settled its tax obligations related to IRES and IRAP for all three years.

Regarding VAT, the parent company has appealed against the assessments for the three years (2004, 2005 and 2006), obtained a favourable judgement in the first and second instance.

Appeals of the Tax Authorities with the Supreme Court of Cassation are pending, waiting for court meeting.

The Board of Directors

Milan, 10 March 2015

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181	Annex 11	Assets - List of assets relating to unit-linked and index-linked policies (caption D.I)
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185	Annex 15	Liabilities - Changes in provisions for contingencies and other charges (caption E) and employees' leaving entitlement (caption G.VII)
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191	Annex 20	Summarised life business premiums and reinsurance balance
192	Annex 21	Income on investments (captions II.2 and III.3)
193	Annex 22	Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management (caption II.3)
194	Annex 23	Capital and financial charges (captions II.9 and III.5)
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202	Annex 30	Intercompany relationships
204	Annex 31	Summarised direct insurance premiums accounted for
205	Annex 32	Personnel expenses and directors' and statutory auditors' fees

Company VITTORIA ASSICURAZIONI S.p.A.

## BALANCE SHEET - NON-LIFE BUSINESS

## ASSETS

		Current assets	
A. SHARE CAPITAL PROCEEDS TO BE RECEIVED			1
of which: called-up	2		
B. INTANGIBLE ASSETS			
1. Acquisition commissions to be amortised	4	1,812	
2. Other acquisition costs	6		
3. Start-up and capital costs	7		
4. Goodwill	8		
5. Other deferred costs	9	22,773	10
C. INVESTMENTS			
I - Land and buildings			
1. Operating buildings	11	73,568	
2. Buildings used by third parties	12	59,190	
3. Other buildings	13		
4. Other property rights	14		
5. Assets under construction and payments on account	15		16
II - Investments in group and other companies:			
1. Equity investments in:			
a) parent companies	17		
b) subsidiaries	18	218,284	
c) related companies	19		
d) associated companies	20	19,971	
e) other companies	21	29,615	22
2. Bonds issued by:			
a) parent companies	23		
b) subsidiaries	24		
c) related companies	25		
d) associated companies	26		
e) other companies	27		28
3. Loans to:			
a) parent companies	29		
b) subsidiaries	30		
c) related companies	31		
d) associated companies	32	6,000	
e) other companies	33		34
		6,000	35
	to carry forward		273,870
			24,585

Previous year

			181
182			
184	3,071		
186			
187			
188			
189	25,213		190 28,284
191	76,606		
192	57,685		
193			
194			
195	4,299	196 138,590	
197			
198	89,604		
199			
200	16,571		
201	28,600	202 134,775	
203			
204			
205			
206			
207		208	
209			
210	285		
211			
212	6,000		
213		214 6,285	215 141,060
	to carry forward		28,284

## BALANCE SHEET - NON-LIFE BUSINESS

## ASSETS

Current year

		brought forward		24,585		
C. INVESTMENTS (continues)						
III	- Other financial investments:					
	1. Equity investments					
	a) Listed shares	36				
	b) Unlisted shares	37				
	c) Quotas	38	39			
	2. Unit trust units		40	15,255		
	3. Bonds and other fixed-interest securities					
	a) listed	41	905,752			
	b) unlisted	42	82			
	c) convertible bonds	43	44	905,834		
	4. Loans					
	a) secured loans	45	2,800			
	b) loans on policies	46				
	c) other loans	47	1,623	48	4,423	
	5. Shares in investment pools			49		
	6. Deposits with banks			50		
	7. Other financial investments			51		
			52	925,512		
IV	- Deposits with ceding companies			53	54	1,332,140
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES						
I - NON-LIFE BUSINESSES						
	1. Premium reserve		58	16,007		
	2. Claims reserve		59	37,846		
	3. Profit participation and reimbursement reserve		60			
	4. Other technical reserves		61	62	53,853	
					1,410,578	
					to carry forward	



Previous year

brought forward		28,284	
216	-----		
217	-----		
218	219		
	220	22,223	
221	909,198		
222	109		
223	224	909,307	
225	3,834		
226			
227	1,338	228	
		229	
		230	
		231	
		232	936,702
		233	
		234	1,216,352
		238	15,902
		239	51,097
		240	
		241	
		242	66,999
	to carry forward		1,311,635

## BALANCE SHEET - NON-LIFE BUSINESS

## ASSETS

Current year

		brought forward	Current year		1,410,578
E. RECEIVABLES					
I	- Receivables relating to direct insurance due from:				
	1. Policyholders				
a)	premiums for the year	71	48,762		
b)	premiums for previous years	72	605	73	49,367
	2. Insurance brokers and agents			74	93,110
	3. Current account companies			75	6,541
	4. Amounts to be recovered from policyholders and third parties	76	35,545	77	184,563
II	- Receivables relating to reinsurance due from:				
	1. Insurance and reinsurance companies	78	4,015		
	2. Reinsurance brokers and agents	79		80	4,015
III	- Other receivables			81	41,255
F. OTHER ASSETS					
I	- Tangible assets and inventory:				
	1. Office furniture and machines and internal transport systems	83	6,696		
	2. Registered chattel property	84	128		
	3. Plant and machinery	85	373		
	4. Inventory and other assets	86		87	7,197
II	- Liquid funds				
	1. Bank and postal accounts	88	139,087		
	2. Cheques on hand and cash-in-hand	89	13	90	139,100
III	- Own shares or quotas			91	
IV	- Other assets				
	1. Suspense reinsurance accounts	92			
	2. Sundry assets	93	109,860	94	109,860
	of which: giro account with life business	901			256,157
G. PREPAYMENTS AND ACCRUED INCOME					
	1. Interest			96	10,842
	2. Rent instalments			97	796
	3. Other prepayments and accrued income			98	2,301
				99	13,939
<b>TOTAL ASSETS</b>				100	<b>1,910,507</b>

Previous year

brought forward			1,311,635
251	55,905		
252	830	253	56,735
		254	82,183
		255	5,190
		256	39,772
		257	183,880
		258	3,684
		259	
		260	3,684
		261	34,142
		262	221,706
		263	5,814
		264	147
		265	481
		266	
		267	6,442
		268	113,592
		269	188
		270	113,780
		271	
		272	
		273	76,657
		274	76,657
		275	196,879
		276	11,355
		277	895
		278	2,895
		279	15,145
		280	1,745,365
903			

BALANCE SHEET - NON-LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	39,427
II	- Share premium reserve	102	19,032
III	- Revaluation reserves	103	16,582
IV	- Legal reserve	104	7,885
V	- Statutory reserves	105	
VI	- Reserves for purchase of own shares and shares of parent company	106	
VII	- Other reserves	107	231,052
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit/(loss) for the year	109	73,863
		110	387,841
B. SUBORDINATED LIABILITIES			111
C. TECHNICAL RESERVES			
I	- NON-LIFE BUSINESSES		
	1. Premium reserve	112	378,278
	2. Claims reserve	113	1,025,149
	3. Profit participation and reimbursement reserve	114	
	4. Other technical reserves	115	409
	5. Equalisation reserves	116	5,207
		117	1,409,043
	to carry forward		1,796,884

Previous year

		281	39,427
		282	19,032
		283	16,585
		284	7,885
		285	
		286	
		287	185,561
		288	
		289	57,619
		290	326,109
		291	
		292	365,137
		293	926,043
		294	
		295	409
		296	4,713
		297	1,296,302
			1,622,411
	to carry forward		

BALANCE SHEET - NON-LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year			
		brought forward			1,796,884
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES					
1.	Pension and similar provisions		128		
2.	Provision for taxation		129	299	
3.	Other provisions		130	4,016	131 4,315
F. DEPOSITS FROM REINSURERS					
G. PAYABLES AND OTHER LIABILITIES					
I	- Payables arising from direct insurance business due to:				
1.	Insurance brokers and agents	133	6,411		
2.	Current account companies	134	2,460		
3.	Guarantee deposits and premiums paid by policyholders	135			
4.	Guarantee funds in favour of policyholders	136	1,632	137	10,503
II	- Payables arising from reinsurance business due to:				
1.	Insurance and reinsurance companies	138	7,133		
2.	Reinsurance brokers and agents	139		140	7,133
III	- Bond issues			141	
IV	- Due to banks and other financial institutions			142	
V	- Secured debts			143	
VI	- Sundry loans and other financial payables			144	
VII	- Employees' leaving entitlement			145	2,860
VIII	- Other sums payable				
1.	Policyholders' tax due	146	22,771		
2.	Other sums payable to taxation authorities	147	2,480		
3.	Social security charges payable	148	2,161		
4.	Sundry payables	149	29,743	150	57,155
IX	- Other liabilities				
1.	Suspense reinsurance accounts	151			
2.	Commissions on premiums under collection	152	13,847		
3.	Other liabilities	153	8,597	154	22,444
	of which: giro account with life business	902			155 100,095
		to carry forward			1,910,502

Previous year

brought forward			1,622,411
		308	
		309	558
		310	2,041
			311
			2,599
			312
			9,543
313	4,352		
314	1,326		
315			
316	2,305	317	7,983
318	13,185		
319		320	13,185
		321	
		322	
		323	
		324	
		325	2,843
326	20,919		
327	19,657		
328	2,154		
329	25,797	330	68,527
331			
332	13,678		
333	4,588	334	18,266
904			335
			110,804
	to carry forward		1,745,357

BALANCE SHEET - NON-LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
brought forward			1,910,502
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest		156	
2. Rent instalments		157	
3. Other accrued expenses and deferred income		158	5
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			<b>1,910,507</b>

BALANCE SHEET - NON-LIFE BUSINESS  
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM AND CONTINGENCY ACCOUNTS

		Current year	
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM AND CONTINGENCY ACCOUNTS			
I	- Guarantees given		
1. Sureties			161
2. Endorsements			162
3. Other personal guarantees		163	7,634
4. Collateral			164
II	- Guarantees received		
1. Sureties			165
2. Endorsements			166
3. Other personal guarantees			167
4. Collateral			168
III	- Guarantees given by third parties in the interest of the Company		169
IV	- Commitments		170
V	- Third party assets		171
VII	- Securities held by third parties		173
VIII	- Other memorandum and contingency accounts		174



Previous year

brought forward		1,745,357
	336	
	337	
	338	8
	339	8
	340	1,745,365

Previous year

	341	
	342	
	343	7,634
	344	
	345	13,484
	346	
	347	
	348	1,660
	349	
	350	21,231
	351	5,271
	353	969,332
	354	

Company VITTORIA ASSICURAZIONI S.p.A.

## BALANCE SHEET - LIFE BUSINESS

## ASSETS

		Current year	
A. SHARE CAPITAL PROCEEDS TO BE RECEIVED			1
of which: called-up	2		
B. INTANGIBLE ASSETS			
1. Acquisition commissions to be amortised	3	5,675	
2. Other acquisition costs	6		
3. Start-up and capital costs	7		
4. Goodwill	8	625	
5. Other deferred costs	9	5,359	10
			11,659
C. INVESTMENTS			
I - Land and buildings			
1. Operating buildings	11	21,831	
2. Buildings used by third parties	12	41,921	
3. Other buildings	13		
4. Other property rights	14		
5. Assets under construction and payments on account	15		16
			63,752
II - Investments in group and other companies:			
1. Equity investments in:			
a) parent companies	17		
b) subsidiaries	18	53,257	
c) related companies	19		
d) associated companies	20		
e) other companies	21	53,257	22
2. Bonds issued by:			
a) parent companies	23		
b) subsidiaries	24		
c) related companies	25		
d) associated companies	26		
e) other companies	27		28
3. Loans to:			
a) parent companies	29		
b) subsidiaries	30		
c) related companies	31		
d) associated companies	32		
e) other companies	33		34
			35
			53,257
	to carry forward		
			11,659

Previous year			
			181
182			
183	5,239		
186			
187			
188	1,080		
189	5,525		
		190	11,844
191	22,707		
192	42,365		
193			
194			
195	543	196	65,615
197			
198	57,398		
199			
200			
201	202	57,398	
203			
204			
205			
206			
207	208		
209			
210			
211			
212			
213	214	215	57,398
	to carry forward		11,844

## BALANCE SHEET - LIFE BUSINESS

## ASSETS

		Current year	
		brought forward	11,659
C. INVESTMENTS (continues)			
III	- Other financial investments		
	1. Equity investments		
	a) Listed shares	36	
	b) Unlisted shares	37	
	c) Quotas	38	39
	2. Unit trust units	40	13,149
	3. Bonds and other fixed-interest securities:		
	a) listed	41	856,616
	b) unlisted	42	1,377
	c) convertible bonds	43	44
	4. Loans		857,993
	a) secured loans	45	
	b) loans on policies	46	2,445
	c) other loans	47	48
	5. Shares in investment pools		2,445
	6. Deposits with banks		49
	7. Other financial investments	51	52
IV	- Deposits with ceding companies		873,587
		53	175
			54
			990,771
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I	- Investments relating to index-linked policies		55
			46,251
II	- Investments relating to pension fund management		56
			15,572
			57
			61,823
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	63	6,609
	2. Complementary insurance premium reserve	64	
	3. Reserve for amounts payable	65	
	4. Profit participation and reimbursement reserve	66	
	5. Other technical reserves	67	39
	6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	69
			6,648
		to carry forward	
			1,070,901

Valori dell'esercizio precedente

brought forward			11,844
216	-----		
217	-----		
218	-----	219	-----
		220	9,685
221	722,948	-----	
222	4,841	-----	
223	-----	224	727,789
225	-----		
226	2,784	-----	
227	-----	228	2,784
		229	-----
		230	-----
		231	-----
		232	740,258
		233	4,620
		234	867,891
		235	51,193
		236	13,934
		237	65,127
		243	6,136
		244	-----
		245	-----
		246	-----
		247	28
		248	-----
		249	6,164
	to carry forward		951,026

## BALANCE SHEET - LIFE BUSINESS

## ASSETS

		Current year			
		brought forward		1,070,901	
<b>E. RECEIVABLES</b>					
I	- Receivables relating to direct insurance due from:				
	1. Policyholders				
	a) premiums for the year	71	5,311		
	b) premiums for previous years	72	1,286	73	6,597
	2. Insurance brokers and agents			74	10,776
	3. Current account companies			75	
	4. Amounts to be recovered from policyholders and third parties	76		77	17,373
II	- Receivables relating to reinsurance due from:				
	- 1. Insurance and reinsurance companies	78	236		
	- 2. Reinsurance brokers and agents	79		80	236
III	- Other receivables			81	10,604
<b>F. OTHER ASSETS</b>					
I	- Tangible assets and inventory:				
	1. Office furniture and machines and internal transport systems	83	930		
	2. Registered chattel property	84			
	3. Plant and machinery	85	39		
	4. Inventory and other assets	86		87	969
II	- Liquid funds				
	1. Bank and postal accounts	88	35,494		
	2. Cheques on hand and cash-in-hand	89		90	35,494
III	- Own shares or quotas			91	
IV	- OTHER ASSETS				
	1. Suspense reinsurance accounts	92			
	2. Sundry assets	93	4,530	94	4,530
	of which: giro account with non-life business	901		95	40,993
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>					
	1. Interest			96	10,957
	2. Rent instalments			97	
	3. Other prepayments and accrued income			98	293
				99	11,250
<b>TOTAL ASSETS</b>				100	1,151,357

Previous year					
	brought forward				951,026
251	7,518				
252		253	7,518		
		254	8,514		
		255			
		256		257	16,032
		258	152		
		259		260	152
				261	9,728
				262	25,912
		263	855		
		264			
		265	43		
		266		267	898
		268	31,912		
		269		270	31,912
				271	
		272			
		273	3,787	274	3,787
		903		275	36,597
				276	9,111
				277	
				278	425
				279	9,536
				280	1,023,071

BALANCE SHEET - LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
<b>A. SHAREHOLDERS' EQUITY</b>			
I	- Subscribed share capital or equivalent fund	101	27,952
II	- Share premium reserve	102	14,323
III	- Revaluation reserves	103	1,611
IV	- Legal reserve	104	4,680
V	- Statutory reserves	105	
VI	- Reserves for purchase of own shares and shares of parent company	106	
VII	- Other reserves	107	48,277
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit (loss) for the year	109	1,072
		110	97,915
<b>B. SUBORDINATED LIABILITIES</b>			
		111	
<b>C. TECHNICAL RESERVES</b>			
<b>II - LIFE BUSINESSES</b>			
	1. Mathematical reserves	118	939,383
	2. Complementary insurance premium reserve	119	111
	3. Reserve for amounts payable	120	28,764
	4. Profit participation and reimbursement reserve	121	2
	5. Other technical reserves	122	8,429
		123	976,689
<b>D. TECHNICAL RESERVES WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND RESERVES ARISING FROM PENSION FUND MANAGEMENT</b>			
I	- Reserves arising from index- linked policies	125	46,251
II	- Reserves arising from pension fund management	126	15,572
		127	61,823
to carry forward			1,136,427



Previous year

		281	27,952	
		282	14,323	
		283	1,611	
		284	4,438	
		285		
		286		
		287	43,671	
		288		
		289	4,848	290 96,843
				291
298	809,688			
299	134			
300	22,370			
301	29			
302	9,924			303 842,145
		305	51,193	
		306	13,934	307 65,127
	to carry forward			1,004,115

BALANCE SHEET - LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
brought forward			1,136,427
<b>E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES</b>			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	455
3.	Other provisions	130	131 455
<b>F. DEPOSITS FROM REINSURERS</b>			
			132 6,648
<b>G. PAYABLES AND OTHER LIABILITIES</b>			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133 572	
2.	Current account companies	134 300	
3.	Guarantee deposits and premiums paid by policyholders	135 68	
4.	Guarantee funds in favour of policyholders	136	137 940
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138 120	
2.	Reinsurance brokers and agents	139	140 120
III	- Bond issues		141
IV	- Due to banks and other financial institutions		142
V	- Secured debts		143
VI	- Sundry loans and other financial payables		144
VII	- Employees' leaving entitlement		145 378
VIII	- Other sums payable		
1.	Policyholders' tax due	146 169	
2.	Other sums payable to taxation authorities	147 518	
3.	Social security charges payable	148 246	
4.	Sundry payables	149 3,395	150 4,328
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152 244	
3.	Other liabilities	153 1,817	154 2,061 155 7.827
	of which: giro account with non-life business	902	
to carry forward			1,151,357

Previous year

brought forward		1,004,115
	308	
	309	734
	310	311 734
		312 6,164
313	1,155	
314	201	
315	91	
316	317 1,447	
318	203	
319	320 203	
	321	
	322	
	323	
	324	
	325 511	
326	122	
327	3,020	
328	384	
329	3,829	330 7,355
331		
332	867	
333	1,669	334 2,536 335 12,052
904		
to carry forward		1,023,065

BALANCE SHEET - LIFE BUSINESS  
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year
brought forward		1,151,357
H. ACCRUED EXPENSES AND DEFERRED INCOME		
1. Interest	156	
2. Rent instalments	157	
3. Other accrued expenses and deferred income	158	159
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>160      1,151,357</b>

BALANCE SHEET - LIFE BUSINESS  
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM AND CONTINGENCY ACCOUNTS

		Current year
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM AND CONTINGENCY ACCOUNTS		
I	- Guarantees given	
	1. Sureties	161
	2. Endorsements	162
	3. Other personal guarantees	163      12,866
	4. Collateral	164
II	- Guarantees received	
	1. Sureties	165
	2. Endorsements	166
	3. Other personal guarantees	167
	4. Collateral	168
III	- Guarantees given by third parties in the interest of the company	169
IV	- Commitments	170
V	- Third party assets	171
VI	- Assets pertaining to pension funds managed in favour and on behalf of third parties	172      15,572
VII	- Securities held by third parties	173      918,503
VIII	- Other memorandum and contingency accounts	174

Previous year		
brought forward		1,023,065
	336	
	337	
	338	6 339 6
		340 1,023,071

		Previous year
		341
		342
		343 12,866
		344
		345
		346
		347
		348
		349
		350
		351
		352 13,934
		353 786,542
		354



Company VITTORIA ASSICURAZIONI S.p.A.Year 2014

## Allocation of the net profit (loss) for the year between non-life and life businesses

	Non-life businesses	Life businesses	Total
<b>Result of technical account</b> .....	1 112,721	21 -1,181	41 111,540
Income on investments .....	+ 2 41,393		42 41,393
Capital and financial charges .....	- 3 23,607		43 23,607
Income on investments transferred from the life business technical account .....	+ 24		44
Income on investments transferred to the non-life business technical account .....	- 5 13,937		45 13,937
<b>Operating result</b> .....	6 116,570	26 -1,181	46 115,389
Other income .....	+ 7 3,112	27 1,842	47 4,954
Other expense .....	- 8 12,143	28 1,704	48 13,847
Extraordinary income .....	+ 9 11,747	29 3,711	49 15,458
Extraordinary expense .....	- 10 317	30 75	50 392
<b>Profit (loss) before taxation</b> .....	11 118,969	31 2,593	51 121,562
Taxation on profit for the year .....	- 12 45,106	32 1,521	52 46,627
<b>Net profit (loss) for the year</b> .....	13 73,863	33 1,072	53 74,935

Year 2014

Company VITTORIA ASSICURAZIONI S.p.A.

## Assets - Changes in intangible assets (caption B) and land and buildings (caption C.I)

		Intangible assets B	Land and buildings C.I
Gross opening book value .....	+ 1	106,684	31 211,531
Increase of the year .....	+ 2	9,781	32 2,207
for: acquisitions or increases .....	3	9,781	33 2,207
write-backs .....	4		34
revaluations .....	5		35
other variations .....	6		36
Decrease of the year .....	- 7	383	37 2,511
for: sales or decreases .....	8	383	38 167
permanent write-downs .....	9		39 2,293
other variations .....	10		40 51
<b>Gross closing book value (a) .....</b>	11	116,082	41 211,227
Amortisation and depreciation:			
Opening book value .....	+ 12	66,557	42 7,326
Increase of the year .....	+ 13	13,299	43 7,460
for: amortisation/depreciation charge of the year .....	14	13,299	44 7,460
other variations .....	15		45
Decrease of the year .....	- 16	19	46 69
for: disposals .....	17	19	47 18
other variations .....	18		48 51
<b>Closing book value (b) (*) .....</b>	19	79,837	49 14,717
<b>Book value (a - b) .....</b>	20	36,245	50 196,510
Current value .....			51 201,345
Total revaluations .....	22		52
Total write-downs .....	23		53 2,293
(*) of which resulting from fiscally-driven entries .....	24		54



Company VITTORIA ASSICURAZIONI S.p.A.Year 2014Assets - Changes in investments in group and other companies: equity investments  
(caption C.II.1), bonds (caption C.II.2) and loans (caption C.II.3)

		Equity investments C.II.1	Bonds C.II.2	Loans C.II.3
Opening book value .....	+	1 192,173	21	41 6,285
Increase of the year .....	+	2 140,734	22	42 25,096
for: acquisitions, subscriptions or lending .....		3 140,734	23	43 25,096
write-backs .....		4	24	44
revaluations .....		5		
other variations .....		6	26	46
Decrease of the year: .....	-	7 11,780	27	47 25,381
for: sales or repayments.....		8 70	28	48 25,381
write-downs .....		9 11,605	29	49
other variations .....		10 105	30	50
<b>Book value</b> .....		11 321,127	31	51 6,000
Current value .....		12 385,891	32	52
Total revaluations .....		13		
Total write-downs.....		14 11,605	34	54

Caption C.II.2 includes:

Listed bonds .....	61
Unlisted bonds .....	62
<b>Book value</b> .....	63
of which: convertible bonds .....	64

Company

**Vittoria Assicurazioni S.p.A.**

## Assets - Information on subsidiaries (\*)

Number	Type	Listed or unlisted	Business activity	Name and registered offices	Currency
	(1)	(2)	(3)		
1	b	NQ	2	VITTORIA IMMOBILIARE S.p.A. - Galleria San Babila 4/B - 20122 Milano	242
1	b	NQ	2	VITTORIA IMMOBILIARE S.p.A. - Galleria San Babila 4/B - 20122 Milano	242
2	d	NQ	9	SINT S.p.A. - Via Bertola 34 - 10122 Torino	242
3	d	NQ	2	YARPA S.p.A. - Via Roma 3 - 16121 Genova	242
3	d	NQ	2	YARPA S.p.A. NON INT LIB - Via Roma 3 - 16121 Genova	242
4	e	NQ	2	GRUPPO G.P.A. S.p.A. in Liquidazione - Via Melchiorre Gioia 124 - 20125 Milano	242
5	e	Q	2	CAM FINANZIARIA S.p.A. - Via G.Negri 8 - 20123 Milano	242
5	e	Q	2	CAM FINANZIARIA S.p.A. - Via G.Negri 8 - 20123 Milano	242
6	e	NQ	3	BANCA PASSADORE & C. S.p.A. - Via E.Vernazza 27 - 16121 Genova	242
7	e	NQ	3	BCC VALDOSTANA Soc.Coop. - Fraz.Taxel 26 - 11020 Gressan AO	242
8	e	NQ	3	ROVIGO BANCA Credito Cooperativo - Via Casalini n.10 - 45100 Rovigo	242
9	e	NQ	9	DOWNALL ITALIA S.r.l. - Piazza Sicilia 6 - 20146 Milano	242
10	e	NQ	9	SOFIGEA S.r.l. in liq. - Via S.Nicola da Tolentino 72 - 00187 Roma	242
11	e	NQ	9	U.C.I. S.cons.r.l. - Corso Sempione 39 - 20145 Milano	242
12	e	NQ	2	MEDINVEST INTERNATIONAL S.C.A. - 26-28 Rives de Clausen - L-2165 Lussemburgo	242
13	b	NQ	2	INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
14	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
14	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
15	d	NQ	9	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	242
16	b	NQ	4	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
17	b	NQ	4	IMMOBILIARE BILANCIA PRIMA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
18	b	NQ	4	IMMOBILIARE BILANCIA TERZA S.r.l. in Liquid. - Galleria San Babila 4/B - 20122 Milano	242
19	e	NQ	3	BCC APUANA Sc in LIQUIDAZIONE - Viale Eugenio Chiesa n.4 - 54100 Massa	242
20	e	Q	3	MEDIOBANCA S.p.A. - P.tta E.Cuccia 1 - 20121 Milano	242
21	e	NQ	9	MEDIORISCHI S.r.l. - Via Melchiorre Gioia 124 - 20125 Milano	242
22	b	NQ	9	VITTORIA SERVICE S.r.l. in Liq. - Via Ignazio Gardella n.2 - 20149 Milano	242
23	d	NQ	7	CONSORZIO MOVINCOM S.c.r.l. - Via Bertola 34 - 10122 Torino	242
24	e	NQ	2	YAM INVEST N.V. - Herengracht 514 - 1017 CC Amsterdam	242
25	e	NQ	3	BCC DI SIGNA Soc.Coop. - Piazza Michelacci 1-2 - 50058 Signa FI	242
26	e	NQ	3	BCC DI CARUGATE E INZAGO Soc.Coop. - Via De Gasperi 11 - 20061 Carugate	242
27	e	NQ	3	BCC DEL VOMANO Soc.Coop. - Via Pellicchia, 14 - 64100 Teramo	242
28	e	NQ	2	NUOVE PARTECIPAZIONI S.p.A. - Via Lodovico Mancini n.5 - 20129 Milano	242
29	e	NQ	3	BCC ROMAGNA Soc.Coop. - Via Leopoldo Lucchi, 135 - 47521 Cesena FC	242
30	d	NQ	9	MOVINCOM SERVIZI SpA - Via Bertola 34 - 10122 Torino	242
31	b	NQ	4	ACACIA 2000 S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242

(\*) List of group companies and other companies held either directly or through trustee or nominee.

## (1) Type

- a = Parent companies
- b = Subsidiaries
- c = Related companies
- d = Associated companies
- e = Other companies

(2) Indicate Q for listed securities and NQ for unlisted securities

## (3) Business activity

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real estate company
- 5 = Trust
- 6 = Trust management company
- 7 = Consortium
- 8 = Manufacturing company
- 9 = Other

(4) Amounts in original currency

(5) Indicate total holding percentage

Share capital		Shareholders' equity (**)	Net profit or loss for the last year (**)	Percentage held (5)		
Amount (4)	Number of shares			(4)	(4)	Direct %
112,418,835	261,818	101,354,650	-15,665,371	25.09		25.09
112,418,835	261,818	101,354,650	-15,665,371	74.91		74.91
900,000	900,000	945,918	18,313	48.19		48.19
38,201,600	81,280,000			6.75		6.75
38,201,600	81,280,000			20.57		20.57
8,528,000	16,400,000			9.74		9.74
407,638,188	783,919,592					
407,638,188	783,919,592					
50,000,000	50,000,000			2.76		2.76
6,088,176	1,179,879			0.32		0.32
2,113,909	81,870			0.12		0.12
100,000	100,000			10.00		10.00
47,664,600	47,664,600			1.46		1.46
510,000	1,000,000			0.79		0.79
9,962,680	7,663,600			3.91		3.91
80,000	80,000			100.00		100.00
6,650,000	6,650,000	33,072,675	21,672	67.48		67.48
6,650,000	6,650,000	33,072,675	21,672	32.52		32.52
12,900,000	12,900,000	14,593,855	20,222	37.00		37.00
8,000,000	8,000,000	17,702,477	-326,137	100.00		100.00
3,000,000	3,000,000	47,932,292	-206,984	100.00		100.00
100,000	100,000	8,668	-13,868			
5,723,556	28,594			0.67		0.67
430,564,606	861,129,212			0.14		0.14
120,360	120,360					
100,000	100,000	12,280	-80,483			
103,000	103,000	54,426	-67,276	29.14		29.14
63,083,168	63,083,168			18.75		18.75
11,906,273	230,563			0.39		0.39
43,593,569	1,688,679			0.11		0.11
5,180,800	51,808			0.97		0.97
249,314,516	249,314,516			5.59		5.59
15,040,925	601,637			0.33		0.33
4,500,000	4,500,000	3,849,789	-2,280,859	46.65		46.65
150,000	150,000	71,632,318	-1,048,608	15.00	70.00	85.00

(\*\*) To be compiled only for subsidiary and associated companies

Company **Vittoria Assicurazioni S.p.A.**

Assets - Information on subsidiaries (\*)

Number	Type (1)	Listed or unlisted (2)	Business activity (3)	Name and registered offices	Currency
32	e	NQ	2	PORTA ROMANA 4 S.r.l. - Corso di Porta Romana 6 - 20122 Milano	242
33	b	NQ	4	VAIMM SVILUPPO S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
34	b	NQ	4	VP SVILUPPO 2015 S.r.l. unipersonale - Via Ignazio Gardella n.2 - 20149 Milano	242

(\*) List of group companies and other companies held either directly or through trustee or nominee.

(1) Type

- a = Parent companies
- b = Subsidiaries
- c = Related companies
- d = Associated companies
- e = Other companies

(2) Indicate Q for listed securities  
and NQ for unlisted securities

(3) Business activity

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real estate company
- 5 = Trust
- 6 = Trust management company
- 7 = Consortium
- 8 = Manufacturing company
- 9 = Other

(4) Amounts in original currency

(5) Indicate total holding percentage

Share capital		Shareholders' equity (**)	Net profit or loss for the last year (**)	Percentage held (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
100,000	100,000	0	0	6.45	0.00	6.45
2,000,000	2,000,000	15,803,246	-2,629,818	100.00	0.00	100.00
1,000,000	1,000,000	18,664,139	-971,258	100.00	0.00	100.00

(\*\*) To be compiled only for subsidiary and associated companies

## Assets - Changes in investments in group and other companies: equity investments

Number (1)	Type (2)	Name (3)	Increase of the year			
			Acquisitions		Other increases	
			Quantity	Amount		
1	B	V	VITTORIA IMMOBILIARE S.p.A. - Galleria San Babila 4/B - 20122 Milano			
1	B	D	VITTORIA IMMOBILIARE S.p.A. - Galleria San Babila 4/B - 20122 Milano	141,818		65,000
2	D	D	SINT S.p.A. - Via Bertola 34 - 10122 Torino			
3	D	D	YARPA S.p.A. - Via Roma 3 - 16121 Genova			
3	D	D	YARPA S.p.A. NON INT LIB - Via Roma 3 - 16121 Genova			2,200
4	E	D	GRUPPO G.P.A. S.p.A. in Liquidazione - Via Melchiorre Gioia 124 - 20125 Milano			
5	E	V	CAM FINANZIARIA S.p.A. - Via G.Negri 8 - 20123 Milano	13,198,166		
5	E	D	CAM FINANZIARIA S.p.A. - Via G.Negri 8 - 20123 Milano	2,329,088		
6	E	D	BANCA PASSADORE & C. S.p.A. - Via E.Vernazza 27 - 16121 Genova			
7	E	D	BCC VALDOSTANA Soc.Coop. - Fraz.Taxel 26 - 11020 Gressan AO			
8	E	D	ROVIGO BANCA Credito Cooperativo - Via Casalini n.10 - 45100 Rovigo			
9	E	D	DOWNALL ITALIA S.r.l. - Piazza Sicilia 6 - 20146 Milano			
10	E	D	SOFIGEA S.r.l. in liq. - Via S.Nicola da Tolentino 72 - 00187 Roma			
11	E	D	U.C.I. S.cons.r.l. - Corso Sempione 39 - 20145 Milano			
12	E	D	MEDINVEST INTERNATIONAL S.C.A. - 26-28 Rives de Clausen - L-2165 Lussemburgo			
13	B	D	INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	16,000	260	1,300
14	B	V	IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano			
14	B	D	IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano			
15	D	D	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	774,000	1,200	
16	B	D	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			
17	B	D	IMMOBILIARE BILANCIA PRIMA S.r.l. - Galleria San Babila 4/B - 20122 Milano			16,253
18	B	D	IMMOBILIARE BILANCIA TERZA S.r.l. in Liquid. - Galleria San Babila 4/B - 20122 Milano			
19	E	D	BCC APUANA Sc in LIQUIDAZIONE - Viale Eugenio Chiesa n.4 - 54100 Massa			
20	E	D	MEDIOBANCA S.p.A. - P.tta E.Cuccia 1 - 20121 Milano			
21	E	D	MEDIORISCHI S.r.l. - Via Melchiorre Gioia 124 - 20125 Milano			
			<b>Total C.II.1</b>			
	a		Parent companies			
	b		Subsidiaries			
	c		Related companies			
	d		Associated companies			
	e		Other companies			
			<b>Total D.I</b>			
			<b>Total D.II</b>			

(1) It should match that indicated in Annex 6

 (2) Type  
 a = Parent companies  
 b = Subsidiaries  
 c = Related companies  
 d = Associated companies  
 e = Other companies

(3) Indicate:

 D investment allocated to the non-life business (caption C.II.1)  
 V investments allocated to the life business (caption C.II.1)  
 V1 investments allocated to the life business (caption D.I)  
 V2 investments allocated to the life business (caption D.2)  
 Even if it is only a portion, the investment should be identified with the same number

Decrease of the year		Other decreases	Book value (4)		Acquisition cost	Current value
Sales			Quantity	Amount		
Quantity	Amount					
		4,141	65,703	30,610	30,610	30,610
		6,014	196,115	91,366	91,366	91,366
			433,710	440	440	440
			5,482,802	2,685	2,685	2,685
			16,715,859	6,728	6,728	6,728
			1,596,959			
13,198,166						
2,329,088						
			1,377,848	3,540	3,540	8,612
			3,800	41	41	41
			100	3	3	3
			9,999	13	13	13
			695,819	705	705	705
			7,879	4	4	4
		424	300,000	1	1	1
			80,000	1,638	1,638	1,638
			4,487,398	22,647	22,647	22,647
			2,162,602	10,914	10,914	10,914
			4,773,000	7,797	7,797	7,797
			8,000,000	18,016	18,016	18,016
			3,000,000	44,346	44,346	44,346
100,000		59				
		20	193	30	30	30
			1,225,350	10,354	10,354	8,296
12,035	5					

(4) Insert (\*) if stated with the equity method (only for types b and d)

Assets - Changes in investments in group and other companies: equity investments

Number (1)	Type (2)		Name (3)	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
22	B	D	VITTORIA SERVICE S.r.l. in Liq. - Via Ignazio Gardella n.2 - 20149 Milano			
23	D	D	CONSORZIO MOVINCOM S.c.r.l. - Via Bertola 34 - 10122 Torino			
24	E	D	YAM INVEST N.V. - Herengracht 514 - 1017 CC Amsterdam			
25	E	D	BCC DI SIGNA Soc.Coop. - Piazza Michelacci 1-2 - 50058 Signa FI			
26	E	D	BCC DI CARUGATE E INZAGO Soc.Coop. - Via De Gasperi 11 - 20061 Carugate			
27	E	D	BCC DEL VOMANO Soc.Coop. - Via Pellecchia, 14 - 64100 Teramo			
28	E	D	NUOVE PARTECIPAZIONI S.p.A. - Via Lodovico Mancini n.5 - 20129 Milano			
29	E	D	BCC ROMAGNA Soc.Coop. - Via Leopoldo Lucchi, 135 - 47521 Cesena FC			
30	D	D	MOVINCOM SERVIZI SpA - Via Bertola 34 - 10122 Torino			1,026
31	B	D	ACACIA 2000 S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	22,500	11,500	2,250
32	E	D	PORTA ROMANA 4 S.r.l. - Corso di Porta Romana 6 - 20122 Milano	6,450	1,490	
33	B	D	VAIMM SVILUPPO S.r.l. - Galleria San Babila 4/B - 20122 Milano	2,000,000	12,886	6,000
34	B	D	VP SVILUPPO 2015 S.r.l. unipersonale - Via Ignazio Gardella n.2 - 20149 Milano	1,000,000	5,283	14,086
			<b>Total C.II.1</b>		32,618	108,116
	a		Parent companies			
	b		Subsidiaries			
	c		Related companies		29,928	104,889
	d		Associated companies			
	e		Other companies		1,200	3,226
			<b>Total D.I</b>		1,490	
			<b>Total D.II</b>			

(1) It should match that indicated in Annex 6

(2) Type  
a = Parent companies  
b = Subsidiaries  
c = Related companies  
d = Associated companies  
e = Other companies

(3) Indicate:  
D investment allocated to the non-life business (caption C.II.1)  
V investments allocated to the life business (caption C.II.1)  
V1 investments allocated to the life business (caption D.I)  
V2 investments allocated to the life business (caption D.2)  
Even if it is only a portion, the investment should be identified with the same number



Year **2014**

Decrease of the year		Other decreases	Book value (4)		Acquisition cost	Current value
Sales			Quantity	Amount		
Quantity	Amount					
100,000	65		30,010	44	44	44
			11,828,094	6,594	6,594	60,700
			900	46	46	46
			1,818	46	46	46
			500	50	50	50
			13,929,850	6,673	6,673	14,318
			2,000	50	50	50
		1,026	2,099,156	2,276	2,276	2,276
			22,500	13,750	13,750	13,750
		26	6,450	1,464	1,464	1,464
			2,000,000	18,886	18,886	18,886
			1,000,000	19,369	19,369	19,369
	70	11,710		321,127	321,127	385,891
	65	10,213		271,541	271,541	271,541
		1,026		19,971	19,971	19,971
	5	470		29,615	29,615	94,379

(4) Insert (\*) if stated with the equity method (only for types b and d)

Assets - Allocation based on the use of other financial investments: equity investments, unit trust units, bonds and other fixed-interest securities, shares in investment pools and other financial investments (captions C.III.1, 2, 3, 5, 7)

## I - Non-life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:	21	17,913	61		81	101
a) listed shares	22		62		82	102
b) unlisted shares	23		63		83	103
c) quotas	24		64		84	104
2. Unit trust units	25	17,913	65		85	105
3. Bonds and other fixed-interest securities	26	783,396	66	227,894	86	1,011,290
a) listed government securities	27	779,218	67	227,894	87	1,007,112
a2) other listed securities	28	4,096	68		88	4,096
b1) unlisted government securities	29		69		89	
b2) other unlisted securities	30	82	70		90	82
c) convertible bonds	31		71		91	
5. Shares in investment pools	32		72		92	
7. Other financial investments	33		73		93	

## II - Life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:	141		181		301	221
a) listed shares	142		182		302	222
b) unlisted shares	143		183		303	223
c) quotas	144		184		304	224
2. Unit trust units	145	14,602	185		305	14,602
3. Bonds and other fixed-interest securities	146	817,498	186	139,874	306	957,372
a) listed government securities	147	792,016	187	139,874	307	931,890
a2) other listed securities	148	24,105	188		308	24,105
b1) unlisted government securities	149		189		309	
b2) other unlisted securities	150	1,377	190		310	1,377
c) convertible bonds	151		191		311	
5. Shares in investment pools	152		192		312	
7. Other financial investments	153		193		313	

Assets - Changes in other financial investments - investment portfolio: equity investments, unit trust units, bonds and other fixed-interest securities, shares in investment pools and other financial investments (captions C.III.1, 2, 3, 5, 7)

	Equity investments C.III.1	Unit trust units C.III.2	Bonds and other fixed-interest securities C.III.3	Shares in investment pools C.III.5	Other financial investments C.III.7
Opening book value .....	21	31,908 41	1,363,763 81		101
Increase of the year: .....	22	11,198 42	758,726 82		102
for: acquisitions .....	23	6,743 43	383,915 83		103
write-backs .....	24	44			104
transfers from the trading portfolio.....	25	45	338,595 85		105
other variations .....	26	4,455 46	36,216 86		106
Decrease of the year: .....	27	14,702 47	720,185 87		107
for: sales .....	28	1,358 48	107,476 88		108
write-downs .....	29	49			109
transfers to the trading portfolio .....	30	50	338,595 90		110
other variations .....	31	13,344 51	274,114 91		111
<b>Book value .....</b>	32	28,404 52	1,402,304 92		112
Current value .....	33	32,515 53	1,600,894 93		113

Year 2014Company VITTORIA ASSICURAZIONI S.p.A.

Assets - Changes in loans and deposits with banks (captions C.III.4, 6)

		Loans C.III.4	Deposits with banks C.III.6
Opening book value .....	+	1 7,956	21
Increase of the year .....	+	2 1,633	22
for: lending .....		3 1,633	
write-backs .....		4	
other variations .....		5	
Decrease of the year: .....	-	6 2,722	26
for: repayments .....		7 2,722	
write-downs.....		8	
other variations .....		9	
<b>Book value .....</b>		10 6,867	30

Assets - List of assets relating index-linked policies (caption D.I)  
 Unit trust code: Unit trust description:

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Land and buildings .....	21	41	61	
II. Investments in group and other companies:				
1. Equity investments .....	22	42	62	
2. Bonds .....	23	43	63	
3. Loans .....	24	44	64	
III. Unit trust units .....	24,550 25	27,693 45	22,092 65	22,524
IV. Other financial investments:				
1. Equity investments .....	8,776 26	8,616 46	9,459 66	9,188
2. Bonds and other fixed-interest securities .....	7,130 27	12,718 47	8,996 67	15,755
3. Bank deposits .....	28	48	68	
4. Other financial investments .....	25 29	20 49	19 69	19
V. Other assets .....	4,542 30	6 50	4,542 70	6
VI. Liquid funds .....	1,228 31	2,140 51	1,228 71	2,140
.....	32	52	72	
.....	33	53	73	
<b>Total .....</b>	<b>46,251 34</b>	<b>51,193 54</b>	<b>46,336 74</b>	<b>49,632</b>

Company **Vittoria Assicurazioni S.p.A.**Year **2014**

Assets - List of assets arising from pension fund management (caption D.II)

Code: Pension fund description

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group and other companies:				
1. Equity investments	21	41	61	
2. Bonds	22	42	62	
II. Other financial investments:				
1. Equity investments	23	43	63	
2. Bonds and other fixed-interest securities	7,974 24	7,295 44	6,997 64	6,932
3. Unit trust units	6,879 25	6,128 45	5,079 65	4,555
4. Bank deposits	26	46	66	
5. Other financial investments	27	47	67	
III. Other assets	-61 28	-124 48	-61 68	-124
IV. Liquid funds	780 29	635 49	780 69	635
	30	50	70	
	31	51	71	
<b>Total</b>	15,572 32	13,934 52	12,795 72	11,998

Company VITTORIA ASSICURAZIONI S.p.A.Year 2014Liabilities - Changes in premium reserve (caption C.I.1) and claims reserve  
(caption C.I.2) of non-life business

Type	Year	Previous year	Change
<b>Premium reserve:</b>			
Unearned premium reserve .....	1 374,614	11 364,476	21 10,138
Reserve for current risks: .....	2 3,664	12 661	22 3,003
<b>Book value</b> .....	3 378,278	13 365,137	23 13,141
<b>Claims reserve:</b>			
Reserve for claims settlement and direct expenses ....	4 893,433	14 809,118	24 84,315
Reserve for settlement costs .....	5 60,618	15 55,687	25 4,931
IBNR reserve .....	6 71,097	16 61,237	26 9,860
<b>Book value</b> .....	7 1,025,148	17 926,042	27 99,106

Company VITTORIA ASSICURAZIONI S.p.A.Year 2014Liabilities - Changes in the mathematical reserves (caption C.II.1) and  
profit participation and reimbursement reserve(caption C.II.4)

Type	Year	Previous year	Change
Pure premium reserve .....	1 926,297	11 796,860	21 129,437
Premiums carried forward .....	2 10,284	12 10,879	22 -595
Mortality risk reserve .....	3	13 1	23 -1
Integration reserves .....	4 2,802	14 1,948	24 854
<b>Book value</b> .....	5 939,383	15 809,688	25 129,695
Profit participation and reimbursement reserve.....	6 2	16 29	26 -27



Company VITTORIA ASSICURAZIONI S.p.A.

Year 2014

Liabilities - Changes in provisions for contingencies and other charges (caption E) and employees' leaving entitlement (caption G.VII)

		Employees' leaving entitlement and similar provisions	Provision for taxation	Other accruals	Employees' leaving entitlement
Opening book value .....	+	1	1.293	2.041	3.355
Accruals of the year.....	+	2	62	2.197	2.176
Other increases .....	+	3			
Utilisation of the year .....	-	4	601	222	124
Other decreases .....	-	5			
<b>Book value .....</b>		6	754	4.016	3.237

## List of assets and liabilities relating to group and other companies

## I: Assets

	Parent companies	Subsidiaries	Related companies	Associated companies	Other companies	Total
Equity investments .....	1	2	3	4	5	6
Bonds .....	7	8	9	10	11	12
Loans .....	13	14	15	16	17	18
Shares in investment pools.....	19	20	21	22	23	24
Bank deposits .....	25	26	27	28	29	30
Other financial investments .....	31	32	33	34	35	36
Deposits with ceding companies .....	37	38	39	40	41	42
Investments relating to index-linked policies.....	43	44	45	46	47	48
Investments relating to pension fund management .....	49	50	51	52	53	54
Receivables relating to direct insurance business.....	55	56	57	58	59	60
Receivables relating to reinsurance business .....	61	62	63	64	65	66
Other receivables .....	67	68	69	70	71	72
Bank and postal accounts.....	73	74	75	76	77	78
Sundry assets .....	79	80	81	82	83	84
<b>Total</b> .....	85	86	87	88	89	90
of which: subordinated assets .....	91	92	93	94	95	96



Company VITTORIA ASSICURAZIONI S.p.A.Year 2014

List of classes I, II, III and IV of "guarantees, commitments and other memorandum and contingency accounts"

	Year	Previous year
I. Guarantees given:		
a) sureties and endorsements given in the interest of parent companies, subsidiaries and related companies .....	1	31
b) sureties and endorsements given in the interest of associated companies and other group companies .....	2	32
c) sureties and endorsements given in the interest of third parties .....	3	33
d) other personal guarantees given in the interest of parent companies, subsidiaries and related companies .....	4	20,500 34
e) other personal guarantees given in the interest of associated and other group companies .....	5	35
f) other personal guarantees given in the interest of third parties .....	6	36 20,500
g) collateral against obligations of parent companies, subsidiaries and related companies .....	7	37
h) collateral against obligations of associated companies and other group companies .....	8	38
i) collateral against third party obligations .....	9	39
l) guarantees given against company's obligations .....	10	40
m) assets pledged as guarantee deposit against inwards reinsurance .....	11	41
<b>Total</b> .....	12	20,500 42 20,500
II. Guarantees received:		
a) from associated and other group companies .....	13	43
b) from third parties .....	14	15,617 44 15,144
<b>Total</b> .....	15	15,617 45 15,144
III. Guarantees given by third parties in the interest of the company:		
a) from associated and other group companies.....	16	46
b) from third parties .....	17	47
<b>Total</b> .....	18	48
IV. Commitments:		
a) purchase commitments with resale obligation .....	19	49
b) sale commitments with repurchase obligation .....	20	50
c) other commitments . .....	21	35,251 51 21,231
<b>Total</b> .....	22	35,251 52 21,231

## Commitments for derivative transactions

Derivative	Current year				Previous year			
	Purchase		Sale		Purchase		Sale	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
<b>Futures:</b>								
on shares	101	21	131	41	141	61	161	
on bonds	102	22	122	42	142	62	162	
on currencies	103	23	123	43	143	63	163	
on exchange rates	104	24	124	44	144	64	164	
other	105	25	125	45	145	65	165	
<b>Options:</b>								
on shares	106	26	126	46	146	66	166	
on bonds	107	27	127	47	147	67	167	
on currencies	108	28	128	48	148	68	168	
on exchange rates	109	29	129	49	149	69	169	
other	110	30	130	50	150	70	170	
<b>Swaps:</b>								
on currencies	111	31	131	51	151	71	171	
on exchange rates	112	32	132	52	152	72	172	
other	113	33	133	53	153	73	173	
<b>Other transactions</b>	114	34	134	54	154	74	174	
<b>Total</b>	0	0	0	0	0	0	0	0
	115	35	135	55	155	75	175	0

Notes: - Include only derivative transactions existing at the balance sheet date which imply a commitment for the company; where the derivative does not exactly match one of the above captions or relates to more than one caption, it should be included in the one more related; no offsetting is allowed if not related to purchase/sale transactions relating to the same derivative category (same contents, maturity, underlying asset, etc.).

- Derivatives involving two currency swaps should be stated only once, referring to the currency to be purchased. Derivatives involving both interest rate and currency swaps should only be included in currency swaps. Derivatives relating to interest rate swaps are classified as "purchases" or "sales", depending on whether or not they imply the fixed rate purchase or sale.

(1) Derivatives which involve or may involve capital forward exchanges should be stated at their regulated price; all other derivatives should be stated at their nominal value

(2) Indicate fair value of derivatives;

## Summarised non-life business technical account

	Gross premiums accounted for	Gross premiums earned	Gross claims charge	Management fees	Reinsurance balance
<b>Direct insurance:</b>					
Accident and health insurance (classes 1 and 2) .....	87,997 <sup>2</sup>	87,016 <sup>3</sup>	35,041 <sup>4</sup>	30,831 <sup>5</sup>	-902
Third-party motor liability (class 10) .....	627,686 <sup>7</sup>	620,519 <sup>8</sup>	442,225 <sup>9</sup>	110,344 <sup>10</sup>	-64
Hull insurance for motor vehicles (class 3) .....	96,350 <sup>12</sup>	95,475 <sup>13</sup>	59,749 <sup>14</sup>	26,272 <sup>15</sup>	-4,188
Marine, aviation and transport insurance (classes 4, 5, 6, 7, 11 and 12) .....	3,339 <sup>17</sup>	3,273 <sup>18</sup>	51 <sup>19</sup>	1,081 <sup>20</sup>	-1,730
Fire and miscellaneous damages (classes 8 and 9) .....	90,722 <sup>22</sup>	89,392 <sup>23</sup>	53,490 <sup>24</sup>	28,437 <sup>25</sup>	-5,537
Third-party general liability (class 13) .....	48,287 <sup>27</sup>	47,448 <sup>28</sup>	32,890 <sup>29</sup>	15,887 <sup>30</sup>	1,473
Credit and bond insurance (classes 14 and 15) .....	12,011 <sup>32</sup>	10,294 <sup>33</sup>	40,090 <sup>34</sup>	4,417 <sup>35</sup>	12,729
Pecuniary losses (class 16) .....	45,335 <sup>37</sup>	46,124 <sup>38</sup>	5,962 <sup>39</sup>	12,098 <sup>40</sup>	386
Legal protection (class 17) .....	4,303 <sup>42</sup>	4,181 <sup>43</sup>	326 <sup>44</sup>	1,142 <sup>45</sup>	-1,142
Support and assistance (class 18) .....	16,951 <sup>47</sup>	16,118 <sup>48</sup>	7,133 <sup>49</sup>	4,484 <sup>50</sup>	1,228
<b>Total direct insurance</b> .....	1,032,981 <sup>52</sup>	1,019,840 <sup>53</sup>	676,957 <sup>54</sup>	234,993 <sup>55</sup>	2,253
<b>Indirect insurance</b> .....	110 <sup>57</sup>	112 <sup>58</sup>	48 <sup>59</sup>	8 <sup>60</sup>	-1
<b>Total domestic portfolio</b> .....	1,033,091 <sup>62</sup>	1,019,952 <sup>63</sup>	677,005 <sup>64</sup>	235,001 <sup>65</sup>	2,252
<b>Foreign portfolio</b> .....	67 <sup>67</sup>	68 <sup>68</sup>	69 <sup>69</sup>	70 <sup>70</sup>	
<b>Total</b> .....	1,033,091 <sup>72</sup>	1,019,952 <sup>73</sup>	677,005 <sup>74</sup>	235,001 <sup>75</sup>	2,252

Company VITTORIA ASSICURAZIONI S.p.A.Year 2014

## Summarised life business premiums and reinsurance balance

	Direct insurance	Indirect insurance	Total
Gross premiums:	1 250,613	11 82	21 250,695
a) 1. individual policies .....	2 244,636	12 82	22 244,718
2. group policies .....	3 5,977	13	23 5,977
b) 1. periodic premiums .....	4 54,812	14 82	24 54,894
2. single premiums .....	5 195,801	15	25 195,801
c) 1. non-profit participation contracts.....	6 13,713	16 82	26 13,795
2. profit participation contracts.....	7 235,948	17	27 235,948
3. contracts where the investment risk is borne by policyholders and pension fund .....	8 952	18	28 952
Reinsurance balance .....	9 -251	19 -67	29 -318

Company VITTORIA ASSICURAZIONI S.p.A.Year 2014

## Income on investments (captions II.2 and III.3)

	Non-life business	Life business	Total
<b>Income on equity investments</b>			
Dividends and other income on equity investments in group companies .....	1 336	41	81 336
Dividends and other income on equity investments in other companies.....	2	42	82
<b>Total .....</b>	3 336	43	83 336
<b>Income on investments in land and buildings .....</b>	4 1,970	44 1,834	84 3,804
<b>Income on other investments:</b>			
Income on bonds issued by group companies.....	5	45	85
Interest on loans to group companies .....	6 171	46	86 171
Income on unit trust units .....	7	47 61	87 61
Income on bonds and other fixed-interest securities .....	8 38,500	48 34,503	88 73,003
Interest on loans .....	9 178	49 294	89 472
Income on shares of investment pools .....	10	50	90
Interest on bank deposits.....	11	51	91
Income on other financial investments .....	12	52	92
Interest on deposits with ceding companies.....	13	53	93
<b>Total .....</b>	14 38,849	54 34,858	94 73,707
<b>Adjustments to investment values:</b>			
Land and buildings .....	15	55	95
Equity investments in group companies.....	16	56	96
Bonds issued by group companies .....	17	57	97
Other equity investments .....	18	58	98
Other bonds .....	19	59 5	99 5
Other financial investments.....	20	60	100
<b>Total .....</b>	21	61 5	101 5
<b>Profits on sale of investments:</b>			
Profit on sale of land and buildings .....	22	62	102
Profit on sale of equity investments in group companies .....	23	63	103
Profit on sale of bonds issued by group companies .....	24	64	104
Profit on sale of other equity investments .....	25	65	105
Profit on sale of other bonds .....	26 238	66 239	106 477
Profit on sale of other financial investments.....	27	67	107
<b>Total .....</b>	28 238	68 239	108 477
<b>TOTAL .....</b>	29 41,393	69 36,936	109 78,329



Company VITTORIA ASSICURAZIONI S.p.A.Year 2014

Income and non-realised capital gains relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management (caption II.3)

## I. Investments relating to index-linked policies

	Amount
<b>Income on:</b>	
Land and buildings .....	1
Investments in group companies .....	2
Unit trust units .....	3 28
Other financial investments .....	4 390
- of which: bonds..... 5 151	
Other assets .....	6 1
<b>Total .....</b>	<b>7 419</b>
<b>Profit on sale of investments</b>	
Profit on sale of land and buildings .....	8
Profit on sale of investments in group companies .....	9
Profit on sale of unit trust units .....	10 801
Profit on sale of other financial investmentsi .....	11 762
- of which: bonds .....	12 606
Other income.....	13 3,570
<b>Total .....</b>	<b>14 5,133</b>
<b>Non-realised capital gains .....</b>	<b>15 2,128</b>
<b>TOTAL.....</b>	<b>16 7,680</b>

## II. Investments relating to pension fund management

	Amount
<b>Income on:</b>	
Investments in group companies.....	21
Other financial investments .....	22 406
- of which: bonds..... 23 324	
Other assets .....	24 55
<b>Total .....</b>	<b>25 461</b>
<b>Profit on sale of investments</b>	
Profit on sale of investments in group companies .....	26
Profit on sale of other financial investments.....	27 1
- of which: bonds .....	28
Other income.....	29
<b>Total .....</b>	<b>30 1</b>
<b>Non-realised capital gains .....</b>	<b>31 875</b>
<b>TOTAL .....</b>	<b>32 1,337</b>

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2014

## Capital and financial charges (captions II.9 and III.5)

	Non-life business		Life business		Total	
<b>Investment management and other charges</b>						
Charges relating to equity investments .....	1	465	31	43	61	508
Charges relating to investments in land and buildings.....	2	2,145	32	1,377	62	3,522
Bond charges .....	3	4,911	33	4,041	63	8,952
Charges relating to unit trust units.....	4	26	34	10	64	36
Charges relating to shares in investment pools .....	5		35		65	
Other financial investment charges .....	6		36		66	
Interest on deposits from reinsurers .....	7	149	37	234	67	383
<b>Total .....</b>	8	7,696	38	5,705	68	13,401
<b>Adjustments to investment values:</b>						
Land and buildings .....	9	7,262	39	2,492	69	9,754
Equity investments in group companies .....	10	7,464	40	4,141	70	11,605
Bonds issued by group companies .....	11		41		71	
Other equity investments.....	12		42		72	
Other bonds .....	13	435	43	30	73	465
Other financial investments .....	14		44		74	
<b>Total .....</b>	15	15,161	45	6,663	75	21,824
<b>Loss on sale of investments</b>						
Loss on sale of land and buildings .....	16		46		76	
Loss on sale of equity investments .....	17		47		77	
Loss on sale of bonds .....	18	750	48	107	78	857
Loss on sale of other financial investments .....	19		49		79	
<b>Total .....</b>	20	750	50	107	80	857
<b>TOTAL .....</b>	21	23,607	51	12,475	81	36,082

Company VITTORIA ASSICURAZIONI S.p.A.Year 2014

Capital and financial charges and non-realised capital losses relating to investments benefiting policyholders who bear the risk and investments stemming from pension fund management (caption II.10)

## I. Investments relating to index-linked policies

	Amount
<b>Management charges arising from:</b>	
Land and buildings .....	1
Investments in group companies .....	2
Unit trust units .....	3           94
Other financial investments .....	4           18
Other assets .....	5           266
<b>Total .....</b>	<b>6           378</b>
<b>Loss on sale of investments</b>	
Loss on sale of land and buildings .....	7
Loss on sale of investments in group companies .....	8
Loss on sale of unit trust units .....	9           3,435
Loss on sale of other financial investments .....	10           73
Other charges.....	11           20
<b>Total .....</b>	<b>12           3,528</b>
<b>Non-realised capital losses .....</b>	<b>13           981</b>
<b>TOTAL .....</b>	<b>14           4,887</b>

## II. Investments relating to pension fund management

	Amounts
<b>Management charges arising from:</b>	
Investments in group companies .....	21
Other financial investments .....	22           335
Other assets.....	23
<b>Total .....</b>	<b>24           335</b>
<b>Loss on sale of investments</b>	
Loss on sale of investments in group companies .....	25
Loss on sale of other financial investments .....	26           6
Other charges .....	27
<b>Total .....</b>	<b>28           6</b>
<b>Non-realised capital losses .....</b>	<b>29           26</b>
<b>TOTAL .....</b>	<b>30           367</b>

	Class 01		Class 02	
	Accident insurance		Health insurance	
	(name)		(name)	
<b>Direct insurance gross of outwards reinsurance</b>				
Gross premiums accounted for .....	+	1.00 76,094	1.00	11,903
Change in premium reserve (+ o -) .....	-	2.00 863	2.00	118
Charges relating to claims .....	-	3.00 27,816	3.00	7,225
Change in other technical reserves (+ or -) (1) .....	-	4.00	4.00	
Other technical captions, net (+ or -) .....	+	5.00 -1,394	5.00	-274
Management fees.....	-	6.00 26,928	6.00	3,903
<b>Direct insurance technical result (+ or -) .....</b>	<b>A</b>	7.00 19,093	7.00	383
<b>Outwards reinsurance result (+ or -) .....</b>	<b>B</b>	8.00 -812	8.00	-90
<b>Indirect insurance net result (+ o -) .....</b>	<b>C</b>	9.00 1	9.00	
Change in equalisation reserve (+ o -) .....	<b>D</b>	10.00	10.00	
Income on investments transferred from non-technical account .	<b>E</b>	11.00 558	11.00	108
<b>Result of technical account (+ or -) .....</b>	<b>(A + B + C - D + E)</b>	12.00 18,840	12.00	401

	Class 07		Class 08	
	Cargo insurance		Fire and natural events	
	(name)		(name)	
<b>Direct insurance gross of outwards reinsurance</b>				
Gross premiums accounted for .....	+	1.00 1,275	1.00	47,039
Change in premium reserve (+ or -) .....	-	2.00 14	2.00	682
Charges relating to claims.....	-	3.00 525	3.00	19,536
Change in other technical reserves (+ or -) (1).....	-	4.00	4.00	
Other technical captions, net (+ o -) .....	+	5.00 -39	5.00	-853
Management fees .....	-	6.00 514	6.00	15,590
<b>Direct insurance technical result (+ or -) .....</b>	<b>A</b>	7.00 183	7.00	10,378
<b>Outwards reinsurance result (+ or -) .....</b>	<b>B</b>	8.00 40	8.00	-4,158
<b>Indirect reinsurance net result (+ o -) .....</b>	<b>C</b>	9.00	9.00	3
Change in equalisation reserve (+ o -) .....	<b>D</b>	10.00 4	10.00	141
Income on investments transferred from non-technical account .	<b>E</b>	11.00 17	11.00	523
<b>Result of technical account (+ or -) (A + B + C - D + E)</b>		12.00 236	12.00	6,605

	Class 13		Class 14	
	Third-party general liability		Credit insurance	
	(name)		(name)	
<b>Direct insurance gross of outwards reinsurance</b>				
Gross premiums accounted for .....	+	1.00 48,287	1.00	859
Change in premium reserve (+ or -) .....	-	2.00 839	2.00	1,669
Charges relating to claims.....	-	3.00 32,890	3.00	10,595
Change in other technical reserves (+ or -) (1) .....	-	4.00	4.00	
Other technical captions, net (+ or -) .....	+	5.00 -968	5.00	1
Management fees .....	-	6.00 15,887	6.00	658
<b>Direct insurance technical result (+ or -) .....</b>	<b>A</b>	7.00 -2,297	7.00	-12,062
<b>Outwards reinsurance result (+ or -) .....</b>	<b>B</b>	8.00 1,473	8.00	
<b>Indirect reinsurance net result (+ o -) .....</b>	<b>C</b>	9.00 34	9.00	
Change in equalisation reserve (+ o -) .....	<b>D</b>	10.00	10.00	
Income on investments transferred from non-technical account .	<b>E</b>	11.00 1,239	11.00	249
<b>Result of technical account (+ or -) (A + B + C - D + E)</b>		12.00 449	12.00	-11,813

(1) This caption includes changes in "Other technical reserves" as well as changes in "Profit participation and reimbursement reserve"

account by line of business - Domestic portfolio

Class 03 Motor vehicle hulls (name)	Class 04 Railway truck hulls (name)	Class 05 Aviation hulls (name)	Class 06 Marine hulls (name)
1.00 96,350	1.00 2	1.00 1	1.00 1,228
2.00 875	2.00 -1	2.00	2.00 34
3.00 59,749	3.00	3.00 -29	3.00 -875
4.00	4.00	4.00	4.00
5.00 -225	5.00	5.00	5.00 -31
6.00 26,272	6.00 1	6.00 2	6.00 428
7.00 9,229	7.00 2	7.00 28	7.00 1,610
8.00 -4,188	8.00	8.00 -2	8.00 -1,694
9.00	9.00	9.00	9.00
10.00 289	10.00	10.00	10.00
11.00 646	11.00	11.00 1	11.00 9
12.00 5,398	12.00 2	12.00 27	12.00 -75

Class 09 Miscellaneous damages (name)	Class 10 Third-party motor liability (name)	Class 11 Third-party aviation liability (name)	Class 12 Third-party marine liability (name)
1.00 43,683	1.00 627,686	1.00 2	1.00 831
2.00 648	2.00 7,167	2.00	2.00 19
3.00 33,954	3.00 442,225	3.00 -75	3.00 505
4.00	4.00	4.00	4.00
5.00 -527	5.00 -4,449	5.00	5.00
6.00 12,847	6.00 110,344	6.00	6.00 136
7.00 -4,293	7.00 63,501	7.00 77	7.00 171
8.00 -1,379	8.00 -64	8.00 -72	8.00 -2
9.00 1	9.00	9.00	9.00
10.00 60	10.00	10.00	10.00
11.00 273	11.00 9,615	11.00	11.00 10
12.00 -5,458	12.00 73,052	12.00 5	12.00 179

Class 15 Bond insurance (name)	Class 16 Pecuniary losses (name)	Class 17 Legal protection (name)	Class 18 Support and assistance (name)
1.00 11,152	1.00 45,335	1.00 4,303	1.00 16,951
2.00 48	2.00 -789	2.00 122	2.00 833
3.00 29,495	3.00 5,962	3.00 326	3.00 7,133
4.00	4.00	4.00	4.00
5.00 -1,977	5.00 -129	5.00 -18	5.00 -42
6.00 3,759	6.00 12,098	6.00 1,142	6.00 4,484
7.00 -24,127	7.00 27,935	7.00 2,695	7.00 4,459
8.00 12,729	8.00 386	8.00 -1,142	8.00 1,228
9.00 13	9.00	9.00	9.00 6
10.00	10.00	10.00	10.00
11.00 258	11.00 374	11.00 14	11.00 45
12.00 -11,127	12.00 28,695	12.00 1,567	12.00 5,738

Summarised non-life business technical account  
Domestic portfolio

	Direct insurance risk		Transferred risks 2	Indirect insurance risk		Retained risks Total 5 = 1 + 2 + 3 + 4		
	Direct risk 1	Inwards reinsurance risks 3		Inwards reinsurance risks 4	Inwards reinsurance risks 4			
Premiums accounted for .....	1,032,981	11	36,018	21	110	31	41	997,073
Change in premium reserve (+ or -) .....	13,141	12	105	22	-2	32	42	13,034
Charges relating to claims .....	676,957	13	31,989	23	48	33	43	645,017
Change in other technical reserves (+ or -) (1) .....		14		24		34	44	
Other technical captions, net (+ or -) .....	-10,925	15		25		35	45	-10,925
Management fees .....	234,993	16	6,177	26	8	36	46	228,824
<b>Technical result (+ or -) .....</b>	96,965	17	-2,253	27	56	37	47	99,273
Change in equalisation reserves (+ or -) .....								
Income on investments transferred from non-technical account .....	13,933			29		6	48	494
<b>Result of technical account (+ or -) .....</b>	110,898	20	-2,253	30	62	40	50	112,718

(1) This caption includes changes in "Other technical reserves" as well as changes in "Profit participation and reimbursement reserve"

Year 2014

Company VITTORIA ASSICURAZIONI S.p.A.

## Life business - Summarised technical account by line of business - Domestic portfolio

	Class 01 Whole and term life insurance (name)	Class 02 Marriage and birth insurance (name)	Class 03 Insurance linked to unit trusts (name)
<b>Direct insurance gross of outwards reinsurance</b>			
Gross premiums accounted for	1 228,783		1 174
Charges relating to claims	2 103,674		2 7,777
Change in mathematical and other technical reserves (+ or -) (*)	3 131,928		3 -4,942
Other technical captions, net (+ or -)	4 551		4 311
Management fees	5 14,892		5 231
Income on investments net of the portion transferred to the non-technical account (**)	6 21,432		6 2,752
<b>Direct insurance result gross of outwards reinsurance (+ or -) A</b>	7 272		7 171
<b>Outwards reinsurance result (+ or -) B</b>	8 -175		
<b>Indirect insurance net result (+ or -) C</b>	9 66		
<b>Result of technical account (+ or -) (A + B + C)</b>	10 163		10 171

	Class 04 Health insurance (name)	Class 05 Capitalisation transactions (name)	Class 06 Unit trust Management (name)
<b>Direct insurance gross of outwards reinsurance</b>			
Gross premiums accounted for	1 581	1 19,959	1 1,116
Charges relating to claims	2 27	2 28,226	2 335
Change in mathematical and other technical reserves (+ or -) (*)	3 177	3 -4,831	3 1,813
Other technical captions, net (+ or -)	4	4 39	4 170
Management fees	5 89	5 1,253	5 110
Income on investments net of the portion transferred to the non-technical account (**)	6 -22	6 2,997	6 920
<b>Direct insurance result gross of outwards reinsurance (+ or -) A</b>	7 266	7 -1,653	7 -52
<b>Outward reinsurance result B</b>	8 76		8
<b>Indirect insurance net result (+ or -) C</b>	9		9
<b>Result of technical account (+ or -) (A + B + C)</b>	10 190	10 -1,653	10 -52

(\*) The caption "other technical reserves" includes "other technical reserves" and "technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management".

(\*\*) Algebraic sum of the items relating to the domestic line of business and portfolio included in captions II.2, II.3, II.9, II.10 and II.12 of the profit and loss account

Summarised life business technical account  
Domestic portfolio

	Direct insurance risks		Indirect insurance risks		Retained risks Total 5 = 1-2+3+4	
	Direct risks 1	Transferred risks 2	Inwards reinsurance risks 3	Outwards reinsurance risks 4		
Premiums accounted for .....	+ 250,613	11	1,235	21	41	249,460
Charges relating to claims.....	- 140,039	12	374	22	42	139,642
Change in mathematical and other technical reserves (+ or -) (*) .....	- 124,145	13	484	23	43	123,831
Other technical captions, net (+ or -) .....	+ 1,071	14		24	44	1,071
Management fees.....	- 16,575	15	126	25	45	16,463
Income on investments net of the portion transferred to the non-technical account (**).....	+ 28,079			26	46	28,224
<b>Result of technical account (+ or -) .....</b>	- 996	17	251	27	47	1,181

(\*) The caption "other technical reserves" includes "other technical reserves" and "technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management".

(\*\*) Algebraic sum of the items relating to the domestic portfolio included in captions II.2, II.3, II.9, II.10 and II.12 of the profit and loss account



Company VITTORIA ASSICURAZIONI S.p.A.Year 2014**Summarised life and non-life business technical accounts - foreign portfolio**

## Section I: Non-life businesses

		Total lines of business
<b>Direct insurance gross of outwards reinsurance</b>		
Gross premiums accounted for .....	+	1
Change in premium reserve (+ or -).....	-	2
Charges relating to claims .....	-	3
Change in other technical reserves (+ or -) (1).....	-	4
Other technical captions, net (+ or -).....	+	5
Management fees .....	-	6
<b>Direct insurance technical result (+ or -) .....</b>		<b>A</b> 7
<b>Outwards reinsurance result (+ or -) .....</b>		<b>B</b> 8
<b>Indirect insurance net result (+ or -).....</b>		<b>C</b> 9
Change in equalisation reserves (+ or -) .....		<b>D</b> 10
Income on investments transferred from non-technical account .....		<b>E</b> 11
<b>Result of technical account (+ or -) .....</b>		<b>(A + B + C - D + E)</b> 12

## Section II: Life business

		Total lines of business
<b>Direct insurance gross of outwards reinsurance</b>		
Gross premiums accounted for .....	+	1
Charges relating to claims .....	-	2
Change in mathematical and other technical reserves (+ or -) (2) .....	-	3
Other technical captions, net (+ or -) .....	+	4
Management fees .....	-	5
Income on investments net of the portion transferred to the non-technical account (3) .....	+	6
<b>Direct insurance result gross of outwards reinsurance (+ or -) .....</b>		<b>A</b> 7
<b>Outwards reinsurance result (+ or -) .....</b>		<b>B</b> 8
<b>Indirect insurance net result (+ or -) .....</b>		<b>C</b> 9
<b>Result of technical account (+ or -) .....</b>		<b>(A + B + C)</b> 10

(1) This caption includes changes in "Other technical reserves" as well as changes in "Profit participation and reimbursement reserve"

(2) The caption "other technical reserves" includes "other technical reserves" and "technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management".

(3) Algebraic sum of the items relating to the foreign portfolio included in captions II.3, II.2, II.3, II.9 and II.10 of the profit and loss account

## Intercompany relationships

## I: Income

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
	Parent companies	Subsidiaries	Related companies	Associated companies	Other companies	Total																																																																																														
<b>Income on investments</b>																																																																																																				
Income on land and buildings .....																																																																																																				
Dividends and other equity investments.....																																																																																																				
Bonds .....																																																																																																				
Loans.....																																																																																																				
Income on other financial investments .....																																																																																																				
Interest on deposits with ceding companies.....																																																																																																				
<b>Total .....</b>																																																																																																				
<b>Income and non-realised capital gains relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management .....</b>																																																																																																				
<b>Other income</b>																																																																																																				
Interest on receivables .....																																																																																																				
Recovery of administrative costs and charges .....																																																																																																				
Other income and recoveries.....																																																																																																				
<b>Total .....</b>																																																																																																				
<b>Profit on sale of investments (*) .....</b>																																																																																																				
<b>Extraordinary income .....</b>																																																																																																				
<b>TOTAL .....</b>																																																																																																				

Intercompany relationships

II: Expense

	Parent companies	Subsidiaries	Associated companies	Related companies	Other companies	Total
<b>Investment management charges and interest payable:</b>						
Charges relating to investors .....	92	93	94	95	96	
Interest on subordinated liabilities .....	98	99	100	101	102	
Interest on deposits from reinsurers.....	104	105	106	107	108	
Interest on payables arising from direct insurance business.....	110	111	112	113	114	
Interest on payables arising from reinsurance business.....	116	117	118	119	120	
Interest on sums due to banks and financial institutions.....	122	123	124	125	126	
Interest on secured debts.....	128	129	130	131	132	
Interest on other sums payable .....	134	135	136	137	138	
Losses on receivables.....	140	141	142	143	144	
Administrative and third party charges .....	146	147	148	149	150	
Other charges .....	152	153	154	155	156	
<b>Total .....</b>	158	159	160	161	162	
<b>Charges and non-realised capital losses on investments benefiting policyholders bearing the risk and investments stemming from pension fund management .....</b>	164	165	166	167	168	
<b>Loss on sale of investments (*) .....</b>	170	171	172	173	174	
<b>Extraordinary expense .....</b>	176	65 177	178	179	180	65
<b>TOTAL.....</b>	182	65 183	184	185	186	65

(\*) With reference to the counterparty

Company VITTORIA ASSICURAZIONI S.p.A.

## Summarised direct insurance premiums accounted for

	Non-life business		Life business		Total	
	Establishment	Freedom to provide services	Establishment	Freedom to provide services	Establishment	Freedom to provide services
Gross premiums accounted for:						
1 in Italy .....	1,032,879	5	250,613	15	1,283,492	25
2 in other EU countries .....	6	101	16	16	22	26
3 in non-EU countries.....	7		17	17	23	27
4 <b>Total</b> .....	1,032,879	8	250,613	18	1,283,492	28
		101				101

Company VITTORIA ASSICURAZIONI S.p.A.Year 2014

Personnel expenses and directors' and statutory auditors' fees

I: Personnel expenses

	Non-life business	Life business	Total
<b>Employees' expenses:</b>			
Domestic portfolio:			
- Wages and salaries .....	1 32,214 31	4,247 61	36,461
- Social security contributions .....	2 8,167 32	1,077 62	9,244
- Accruals to the employees' leaving entitlement and similar provisions .....	3 2,054 33	271 63	2,325
- Other personnel expenses.....	4 2,982 34	393 64	3,375
<b>Total .....</b>	5 45,417 35	5,988 65	51,405
Foreign portfolio:			
- Wages and salaries .....	6	66	
- Social security contributions.....	7	67	
- Other personnel expenses .....	8	68	
<b>Total .....</b>	9	69	
<b>Total.....</b>	10 45,417 40	5,988 70	51,405
<b>Consultants' fees:</b>			
Domestic portfolio .....	11 39,524 41	992 71	40,516
Foreign portfolio .....	12	72	
<b>Total.....</b>	13 39,524 43	992 73	40,516
<b>Total personnel expenses.....</b>	14 84,941 44	6,980 74	91,921

II: Allocation captions

	Non-life business	Life business	Total
Investment management charges.....	15 844 45	420 75	1,264
Charges relating to claims .....	16 51,697 46	76 76	51,697
Other acquisition costs .....	17 17,857 47	3,433 77	21,290
Other administrative costs .....	18 14,360 48	3,127 78	17,487
Administrative and third party charges .....	19	79	
Other technical captions .....	20 183 50	80 80	183
<b>Total .....</b>	21 84,941 51	6,980 81	91,921

III: Average number of employees for the year

	Number
Managers .....	91 24
White collars .....	92 490
Blue collars .....	93
Other .....	94
<b>Total.....</b>	95 514

IV: Directors and statutory auditors

	Number	Fees
Directors .....	96 17 98	2,664
Statutory auditors .....	97 4 99	222

## Companies in which an unquoted Shareholding higher than 10% is held

Participating interest through:	Registered Offices	%Ownership
Acacia 2000 S.r.l.	Milan	85.00%
Vittoria Assicurazioni S.p.A.		15.00%
Vittoria Immobiliare S.p.A.		70.00%
Aspevi Milano S.r.l.	Milan	100.00%
Interbilancia		100.00%
Aspevi Roma S.r.l.	Rome	100.00%
Interbilancia S.r.l.		100.00%
Consorzio Movincom S.c.r.l.	Turin	29.14%
Vittoria Assicurazioni S.p.A.		29.14%
Fiori di S.Bovio S.r.l.	Milan	40.00%
Vittoria Immobiliare S.p.A.		40.00%
Gestimmobili S.r.l.	Milan	100.00%
Vittoria Immobiliare S.p.A.		100.00%
Immobiliare Bilancia S.r.l.	Milan	100.00%
Vittoria Assicurazioni S.p.A.		100.00%
Immobiliare Bilancia Prima S.r.l.	Milan	100.00%
Vittoria Assicurazioni S.p.A.		100.00%
Interbilancia S.r.l.	Milan	100.00%
Vittoria Assicurazioni S.p.A.		100.00%
Interimmobili S.r.l.	Rome	80.00%
Vittoria Immobiliare S.p.A.		80.00%
Mosaico S.p.A.	Turin	45.00%
Vittoria Immobiliare S.p.A.		45.00%
Movincom Servizi S.p.A.	Turin	46.65%
Vittoria Assicurazioni S.p.A.		46.65%
Pama & Partners S.r.l.	Genoa	25.00%
Vittoria Immobiliare S.p.A.		25.00%
Plurico S.r.l.	Milan	70.00%
Interbilancia S.r.l.		70.00%
S.in.T. S.p.A.	Turin	48.19%
Vittoria Assicurazioni S.p.A.		48.19%
Spefin Finanziaria S.p.A.	Rome	21.00%
Interbilancia S.r.l.		21.00%
Touring Vacanze S.r.l.	Milan	37.00%
Vittoria Assicurazioni S.p.A.		37.00%
Vaimm Sviluppo S.r.l.	Milan	100.00%
Vittoria Assicurazioni S.p.A.		100.00%
Valsalaria S.r.l.	Rome	51.00%
Vittoria Immobiliare S.p.A.		51.00%
Valsalaria A. 11 S.r.l.	Rome	40.00%
Vittoria Immobiliare S.p.A.		40.00%
Vittoria Immobiliare S.p.A.	Milan	100.00%
Vittoria Assicurazioni S.p.A.		100.00%
Vittoria Properties S.r.l.	Milan	100.00%
Vittoria Assicurazioni S.p.A.		100.00%

Participating interest through:	Registered Offices	%Ownership
VP Sviluppo 2015 S.r.l. Vittoria Assicurazioni S.p.A.	Milan	100.00% 100.00%
VZ Real Estate S.r.l. Vittoria Immobiliare S.p.A.	Turin	49.00% 49.00%
VRG Domus S.r.l. Vittoria Immobiliare S.p.A.	Turin	100.00% 100.00%
Yam Invest NV Vittoria Assicurazioni S.p.A.	Amsterdam	18.75% 18.75%
Yarpa S.p.A. Vittoria Assicurazioni S.p.A.	Genoa	27.31% 27.31%





# Management attestation

**Attestation of local annual financial statements pursuant to Article 81/3 of CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented**

1. The undersigned Roberto Guarena (as Managing Director) and Luca Arensi (as the Manager Charged with preparing the financial reports), of Vittoria Assicurazioni S.p.A., taking into consideration Article 154-bis (subparagraph 3 and 4) of Italian Legislative Decree February 24th 1998 n.58, do hereby certify:

- the adequacy in relation to the Legal Entity features and
- the actual application

of administrative and accounting procedures for formation of financial statements during the period 1 January 2014 - 31 December 2014.

2. In this respect no remarks emerged besides what already reported in Director's report to the financial report as at 31 December 2014.

3. It is also attested that:

3.1 the financial statements as at 31 December 2014:

- a) Having been prepared in compliance with (a) the Italian Civil Code, (b) the requirements indicated in Italian Legislative Decree no. 173 of 26 May 1997, (c) the Italian Legislative Decree no. 209 of 7 September 2005, and (d) applicable ISVAP (Italian insurance regulator – now IVASS) ordinances, regulations, and circulars, are – to the best of their knowledge – such as to provide fair and true representation of the assets and liabilities, profit or loss, and financial position of the issuer.
- b) Match corporate books and accounting records

3.2 the directors' report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertain situation to which they are exposed.

Milan, 10th March 2015

Roberto Guarena  
*Managing Director*

Luca Arensi  
*Manager Charged with  
preparing the financial reports*

# Board of Statutory Auditors' Report

## VITTORIA ASSICURAZIONI S.p.A.

### Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Article 153 of the Legislative Decree No. 58/98

#### To the shareholders of Vittoria Assicurazioni S.p.A.

In the course of financial year 2014, we carried out the supervisory activities as required by Law, by Consob (the Italian stock exchange authority), by IVASS (the Italian Insurance Surveillance Institute), and by the so called "professional practices".

In particular, adhering to the tasks attributed to the Board of Statutory Auditors by the Legislative Decree 58/98, we hereby represent that:

- we participated in the meetings of the Board of Directors and obtained information on a quarterly basis on the activities carried out by the company and the company's subsidiaries and those operations that have a major effect on their economic and financial situation and their assets, ensuring that the resolutions adopted were compliant with the Law and the company mission and that they were not in conflict with resolutions adopted in Shareholders' Meetings;
- we checked, within the bounds of our responsibility, that the principles of correct administration were adhered to by the Directors in carrying out their duties, by means of direct observation, collection of information from the managers in charge of implementing the company's administrative requirements and through meetings with the External Auditor for the purpose of exchanging relevant information;
- during the financial year we monitored the adequacy of the internal accounting and administrative control systems as well as the reliability of the latter for the purpose of stating relevant events by:
  - ✓ obtaining information from the managers in charge of the various company functions, including the manager in charge of compiling company accounting records;
  - ✓ examining company documents and the reports of the "Internal Audit" and the "Compliance and Risk Management" functions;
  - ✓ meeting periodically with the External Auditor who notified us during the financial year the results of quarterly checks showing that accounting records had been regularly kept and through participation in the activities of the Control and Risks Committee.

Constant participation in the Control and Risks Committee enabled the Board of Statutory Auditors to coordinate with said Control and Risks Committee the execution of its Internal Control Committee functions and its auditing functions as provided by Article 19 of Legislative Decree 39/2010, and specifically to monitor:

- ✓ the financial disclosure process;
- ✓ the efficiency of the systems for internal control, internal audit and risk management;
- ✓ statutory auditing of annual single-company and consolidated accounts;
- ✓ aspects concerning the independence of the External Auditor, with particular reference to services provided by said External Auditor to the audited company other than the statutory audit itself.

During the financial year a consulting service costing 25,000 euros, other than the statutory audit, was commissioned to one of the companies belonging to Deloitte & Touche S.p.A. network, related to assistance in the area of factual methodologies about Capital Allocation available in the academic literature.

The independent auditor has given advance notification to the effect that the report pursuant to Article 19, Paragraph 3 of Legislative Decree 39/2010 will reveal neither essential issues that emerged during the audit nor significant shortcomings in the internal control system with reference to the financial information process.

Based on the work that was carried out, the internal control system therefore proved to be adequate on the whole, and there were no critical issues to report.

Furthermore, we hereby represent that:

- we performed the controls required by IVASS in relation to insurance books and registers, classification and valuation of the securities portfolio, use of financial derivatives, and checks as required by anti-money laundering regulations;
- we noted, during periodical checks, the proper and correct allocation of funds to cover technical reserves, as required by ISVAP (now IVASS) circular No. 176/1992, supplemented by Regulation 36 of 31<sup>st</sup> January 2011;
- we received the Quarterly Reports in accordance with ISVAP (now IVASS) Regulation 24 of 19<sup>th</sup> May 2008, on complaints prepared by the manager in charge of the Internal Audit of the Company that did not reveal any critical situations nor any organisational shortcomings;
- we met with the members of the Supervisory Body set up pursuant to Legislative Decree 231/01, which prepared the specific half-yearly reports for the Board of Directors, and there were no critical issues to report;
- we did not have specific meetings with the Boards of Statutory Auditors of the subsidiaries as we were updated directly by a member of this Board of Statutory Auditors who is also a member of the Boards of Statutory Auditors of the subsidiaries;
- we checked that the Company set up regulations, procedures and company structures aimed at monitoring and protecting insurance, financial, credit and business risks, as well as implementing new solvency regulation (Solvency II), as mentioned in the Management Report and the explanatory notes to the Financial Statements;
- we noted the proper operation of the procedures regarding related parties.

In addition, also in accordance with CONSOB recommendations, the Board of Statutory Auditors represents that:

- the information provided by the Board of Directors, also specifically regarding subsidiaries, intra-group transactions and transactions with related parties was deemed adequate;
- there were no atypical or unusual transactions with subsidiaries or with related parties or with other third parties as declared by the Directors in the Management Report;
- ordinary transactions with subsidiaries or with related parties were conducted at market conditions in the best interest of the company and were conducted in compliance with the specific procedure approved by the Board of Directors; said transactions are described in the Management Report with specification of their size and the economic effect on the company results;
- no particularly important events were reported after the end of the financial year;
- in 2014 there were 12 meetings of the Board of Statutory Auditors of which 6 were held jointly with the Control and Risks Committee and 7 meetings of the Board of Directors;
- the instructions given by the Company to subsidiaries are deemed adequate for the purpose of Article 114, Paragraph 2, of the Italian Legislative Decree 58/1998 ;
- we have expressed an opinion on the remuneration of Directors with specific duties as required by Law.

The Company adhered to the Self-Regulation Code for listed companies of the Committee for Corporate Governance. It adopted its terms and put it into practice as demonstrated by the relevant report prepared for the Shareholders' Meeting. The Company verified the independence of the Directors and we confirm proper application of the assessment criteria

and audit procedures used by the Board of Directors. We also confirm our independence as required by the Self-Regulation Code.

During the financial year, the Board of Statutory Auditors did not receive any reports pursuant to article 2408 of the Italian Civil Code and neither have any other reports been made. During the year, we reported to the competent supervisory authority irregularities and their consequences emerged following the tax dispute of which was given information in the financial statements of previous years.

In relation to the Financial Statements and the Consolidated Financial Statements, the Company compiled them in accordance with the national accounting principles (for Financial Statements), as required by Law, and the IAS/IFRS accounting standards endorsed by the EU for Consolidated Financial Statements.

With regard to these financial statements, independent auditor Deloitte & Touche S.p.A. today released audit reports which do not contain any references to deviations or limitation of scope.

As regards the 2014 Financial Statements and allocation of the year's profits, we agree with the proposal of the Board of Directors, which consists of setting aside the amount of 53,589 euros to the legal reserve, allocating 62,079,748 euros to the available reserve, and 12,801,996 euros for distribution of dividends.

Milan, 26<sup>th</sup> March 2015

FOR AND ON BEHALF OF THE BOARD OF STATUTORY  
AUDITORS

Alberto Giussani

Giovanni Maritano

Francesca Sangiani

# Report of Independent auditors

**AUDITORS' REPORT**  
**PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010**  
**AND WITH ARTICLE 102 OF LEGISLATIVE DECREE N. 209 OF SEPTEMBER 7, 2005**

**To the Shareholders of**  
**VITTORIA ASSICURAZIONI S.p.A.**

1. We have audited the financial statements of Vittoria Assicurazioni S.p.A. as of and for the year ended December 31, 2014. These financial statements prepared in accordance with applicable law and regulations are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with article 102 of the Legislative Decree N. 209/2005 and article 24 of Regulation ISVAP n. 22/2008, in performing our work we used the services of an independent actuary who expressed his opinion on the sufficiency of the technical provisions reported in the balance sheet of Vittoria Assicurazioni S.p.A. through the enclosed reports.

For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on March 28, 2014.

3. In our opinion, the financial statements of Vittoria Assicurazioni S.p.A. as of and for the year ended December 31, 2014 comply with the laws governing the criteria for their preparations, accordingly, they give a true and fair view of the financial position and the results of operations of Vittoria Assicurazioni S.p.A..



4. The Directors of Vittoria Assicurazioni S.p.A. are responsible for the preparation of Directors' Report and the annual report on corporate governance available on Vittoria Assicurazioni S.p.A.'s web site section "Governance" in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Directors' Report and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Directors' Report and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the financial statements of Vittoria Assicurazioni S.p.A. as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

*Signed by*  
Vittorio Frigerio  
Partner

Milan, Italy  
March 26, 2015

*This report has been translated into the English language solely for the convenience of international readers.*

*Principal*  
Prof. Gennaro Olivieri

*Partner scientifico*  
Prof.ssa Paola Fersini

*Partners*  
Giuseppe Melisi  
Annalisa Lenti

*Sede legale, amministrativa e operativa*

00193 Roma  
Via Alberico II, 35

Tel./Fax: +39 06 97614458

Partita IVA e Codice Fiscale:  
10741671001

**REPORT OF THE ACTUARY  
IN ACCORDANCE WITH ART. 102 AND 103 OF LEGISLATIVE DECREE NO. 209  
OF SEPTEMBER 7, 2005**


To the auditors  
Deloitte & Touche S.p.A.  
Via Tortona, 25  
20144 MILANO

OBJECT: VITTORIA ASSICURAZIONI S.p.A. – FINANCIAL STATEMENTS FOR THE  
YEAR ENDED DECEMBER 31, 2014

In accordance with my engagement, I have carried out an actuarial audit of the caption  
relating to the technical reserves life business included in the balance sheet liabilities of the  
financial statements of VITTORIA ASSICURAZIONI S.p.A. for the year ended December  
31, 2014.

In my opinion, these technical reserves taken as a whole, included in the balance sheet  
liabilities of the financial statements, are sufficient in accordance with relevant law and  
regulations and correct actuarial practices in compliance with the guidelines set out in article  
26, par. 1, of ISVAP Regulation no. 22 of April 4, 2008.

Rome, March 26, 2015

  
**Prof. Gennaro Olivieri**  
**Actuary**  
**Professor of Financial Mathematics**  
**Luiss Guido Carli University - Rome**

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*Principal*  
Prof. Gennaro Olivieri

*Partner scientifico*  
Prof.ssa Paola Fersini

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**REPORT OF THE ACTUARY  
IN ACCORDANCE WITH ART. 102 AND 103 OF LEGISLATIVE DECREE NO. 209  
OF SEPTEMBER 7, 2005**


To the auditors  
Deloitte & Touche S.p.A.  
Via Tortona, 25  
20144 MILANO

OBJECT: VITTORIA ASSICURAZIONI S.p.A. – FINANCIAL STATEMENTS FOR THE  
YEAR ENDED DECEMBER 31, 2014

In accordance with my engagement, I have carried out an actuarial audit of the caption relating to the technical reserves non-life business included in the balance sheet liabilities of the financial statements of VITTORIA ASSICURAZIONI S.p.A. for the year ended December 31, 2014.

In my opinion, these technical reserves taken as a whole, included in the balance sheet liabilities of the financial statements, are sufficient in accordance with relevant law and regulations and correct actuarial practices in compliance with the guidelines set out in article 26, par. 1, of ISVAP Regulation no. 22 of April 4, 2008.

Rome, March 26, 2015

 **Prof. Gennaro Olivieri**  
Actuary  
Professor of Financial Mathematics  
Luiss Guido Carli University - Rome

## SUMMARY OF SHAREHOLDERS' RESOLUTIONS

The April 24, 2015 took place the Ordinary Shareholders' Meeting.

The Shareholders' Meeting:

- took note of the report of the Board of Statutory Auditors and the external auditors, approved the annual Financial Statements for 2014 and the Report on operations, including the Report on Corporate Governance and Ownership Structure;
- approved the distribution of a dividend of € 0.19 per share to the number 67,378,924 shares outstanding;
- also it approved the Shareholders' Meeting Regulations and the Report on remuneration policies, as proposed by the Board of Directors.



## Company's development from incorporation

YEAR	PREMIUM				Retained	Technical reserves and payable amounts net of reinsurance	Investments	Capital income net of charges	Monetary revaluation reserves	Net profit	Equity reserves	Share capital fully paid-up
	Gross	Ceded										
1922			4	2	1	1	0	-	0	0	-	3
1930	6		3	3	2	4	0	-	0	0	0	3
1940	14		6	8	7	15	1	-	0	0	1	6
1950	424	165		259	176	301	14	61	3	3	8	62
1960	1,581	353		1,227	1,685	2,061	104	-	63	63	222	258
1970	4,525	844		3,681	6,800	5,814	319	-	25	25	425	258
1975	10,092	1,693		8,399	12,943	11,186	632	1,046	1	1	1,099	258
1980	24,693	5,436		19,257	30,174	22,649	2,140	271	718	718	2,979	1,033
1985	57,175	10,124		47,051	74,108	76,515	8,150	4,912	3,119	3,119	6,023	1,291
1990	112,689	11,074		101,616	168,239	198,395	18,440	781	4,704	4,704	43,691	15,494
1991	134,123	16,245		117,877	205,814	233,988	23,271	4,266	3,188	3,188	45,490	15,494
1992	154,447	19,140		135,307	244,818	260,910	27,683	3,931	4,168	4,168	45,731	15,494
1993	165,536	25,865		139,671	282,544	305,133	32,111	3,911	4,155	4,155	47,126	15,494
1994	178,889	23,968		154,921	329,168	352,350	29,155	3,911	4,147	4,147	48,638	15,494
1995	197,690	17,744		179,946	392,946	393,862	35,550	3,911	4,220	4,220	50,146	15,494
1996	221,584	20,185		201,399	467,309	460,189	39,109	3,911	4,264	4,264	51,595	15,494
1997	249,580	20,195		229,385	553,201	550,231	36,523	3,911	4,665	4,665	51,965	15,494
1998	289,033	54,849		234,184	614,684	653,252	44,466	3,911	6,322	6,322	54,012	15,494
1999	339,363	67,464		271,899	700,653	762,696	41,342	3,911	8,400	8,400	57,562	15,494
2000	391,485	79,638		311,847	818,799	898,521	34,209	3,911	6,835	6,835	63,038	15,494
2001	386,400	77,879		308,521	884,849	978,279	19,300	3,911	10,744	10,744	52,289	30,000
2002	407,054	83,605		323,449	934,347	1,027,554	21,975	3,911	12,806	12,806	59,733	30,000
2003	457,564	95,129		362,435	1,005,640	1,114,418	46,385	3,911	15,147	15,147	68,939	30,000
2004	519,268	94,965		424,303	1,115,862	1,234,421	47,511	3,911	17,779	17,779	80,186	30,000
2005	551,202	86,514		464,688	1,198,173	1,322,597	49,000	3,911	20,330	20,330	93,765	30,000
2006	587,489	75,717		511,772	1,305,203	1,451,137	67,146	3,911	27,437	27,437	111,310	30,452
2007	636,526	50,281		586,245	1,443,579	1,557,261	66,341	3,911	36,495	36,495	142,290	32,666
2008	630,718	32,798		597,920	1,444,379	1,561,805	43,317	3,911	37,939	37,939	155,972	65,766
2009	671,307	32,656		638,651	1,545,324	1,646,765	69,137	-	24,290	24,290	182,814	65,789
2010	817,539	37,645		779,894	1,658,527	1,750,118	55,295	-	29,256	29,256	198,146	67,379
2011	937,566	27,779		909,787	1,785,955	1,880,749	31,230	-	35,329	35,329	215,947	67,379
2012	1,018,323	30,757		987,566	1,911,766	2,031,532	52,065	-	57,482	57,482	239,822	67,379
2013	1,151,294	37,878		1,113,416	2,130,410	2,290,440	57,555	-	62,467	62,467	293,106	67,379
2014	1,283,786	37,252		1,246,534	2,387,053	2,559,151	46,010	-	74,935	74,935	343,444	67,379