

Vittoria Assicurazioni

SOCIETÀ PER AZIONI (SpA) - JOINT STOCK COMPANY
REGISTERED OFFICES: VIA CALDERA 21 - 20153 MILAN - ITALY
SHARE CAPITAL: EUR 65,766,210.00 FULLY PAID IN
TAX CODE & MILAN COMPANIES REGISTER NO. 01329510158 - R.E.A. 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

87th year of business

2008 Annual Report & Accounts

Board of Directors
12 March 2009



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

Call of General Meeting

The shareholders of Vittoria Assicurazioni SpA are called to attend the ordinary General Meeting (AGM) to be held at Hotel Melià – Via Masaccio, 19 – Milan, on Friday, 24 April 2009, at 10:30 a.m. on the first call and, if necessary, on Monday, 27 April 2009, at the same time and place on the second call, to discuss and vote on the following:

AGENDA

1. Financial statements for the year ending on 31 December 2008 and reports of the Board of Directors and of the Board of Statutory Auditors; related resolutions;
2. Appointments to fill vacant seats on the Board of Statutory Auditors pursuant to Article 17 of the Articles of Association;
3. Authorisation to obtain directors' and officers' (D&O) liability insurance; related resolutions.

The Reports of the Board of Directors regarding the agenda topics, including the 2008 statutory financial statements and annual corporate governance report will be lodged at the registered office and the stock market operating company Borsa Italiana S.p.A. by the statutory deadlines, and will be available to anyone who so requests. These documents will be available on the company website at www.vittoriaassicurazioni.com.

Pursuant to Article 17 of the Articles of Association, the resolutions envisaged at item 2 on the agenda will be approved by relative majority vote, insofar as they involving filling seats on the Board of Statutory Auditors due to resignation by a statutory auditor who had been elected from the majority list. Pursuant to law and the articles of association, the holders of ordinary shares are entitled to attend the General Meeting if they have delivered the notice pursuant to Article 2370 Italian Civil Code at the offices of the Company no later than two business days before the General Meeting.

The holders of ordinary shares that have not yet been dematerialised must deliver their stock certificates to an intermediary authorised to register them on the centralised dematerialised management system and request that the aforementioned notice pursuant to Article 2370 Italian Civil Code be sent to Vittoria Assicurazioni S.p.A.

For the Board of Directors

Roberto Guarena
Chief Executive Officer

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BOARD OF DIRECTORS

Luigi GUATRI Giorgio Roberto COSTA	Honorary Chairman Chairman
Andrea ACUTIS Carlo ACUTIS	Executive Deputy Chairman Executive Deputy Chairman
Roberto GUARENA	Managing Director
Adriana ACUTIS BISCARETTI di RUFFIA	Director
Francesco BAGGI SISINI	Independent director
Tiberto BRANDOLINI d'ADDA	Independent director
Marco BRIGNONE	Independent director
Arnaud HELLOUIN de MENIBUS	Director
Pietro Carlo MARSANI	Independent director
Giorgio MARSIAJ	Independent director
Edgar MÜLLER-GOTTHARD	Independent director
Lodovico PASSERIN d'ENTREVES	Independent director
Luca PAVERI FONTANA	Director
Robert RICCI	Independent director
Giuseppe SPADAFORA	Independent director
Mario RAVASIO	Secretary

BOARD OF STATUTORY AUDITORS

Angelo CASÒ	President
Ferruccio ARALDI Giovanni MARITANO	Standing statutory auditor Standing statutory auditor
Sergio VASCONI	Substitute statutory auditor

GENERAL MANAGEMENT

Cesare CALDARELLI Mario RAVASIO	Joint General Manager Joint General Manager
Enrico CORAZZA Antonio MASSOCCO Piero Angelo PARAZZINI	Central Manager Central Manager Central Manager

INDEPENDENT AUDITOR

BDO Sala Scelsi Farina
Società di Revisione per Azioni
(joint-stock auditing company)

APPOINTMENTS AND REMUNERATION COMMITTEE

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

INTERNAL CONTROL COMMITTEE

Pietro Carlo MARSANI	Independent non-executive president
Francesco BAGGI SISINI	Independent non-executive member
Giuseppe SPADAFORA	Independent non-executive member

FINANCE COMMITTEE

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

REAL ESTATE COMMITTEE

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

In accordance with CONSOB (Italian securities & exchange commission) communication no. 97001574 of 20 February 1997 and given that the company Articles of Association delegate to the Chairman of the Board of Directors powers of legal representation of the company for transactions with third parties and in court and, with the approach established by the Board of Directors, to the Deputy Chairman and Managing Director, a brief description is provided below of the nature of the powers given by the Board of Directors, to be exercised on a disjoined basis, to:

The DEPUTY CHAIRMAN Carlo Acutis
and to the MANAGING DIRECTOR

- Purchase, exchange and sell buildings up to a maximum of € 10 (ten) million per transaction.
- Stipulate tender contracts and sign projects and specifications related to the company's buildings.
- Purchase and sell, without any limit on the amount, government securities or securities guaranteed by the government, non-convertible bonds and similar securities and units in CIUs (collective investment undertakings) that mainly invest in bonds.
- Purchase and sell, give and carry over shares, convertible bonds, investments in companies and bodies, units of closed-end funds and credit instruments in general up to a maximum of € 10 (ten) million, reduced to € 5 (five) million when the investments and divestments relate to investments in insurance companies or other companies with a corporate purpose directly related or functional to that business. The right to purchase and sell majority investments in other companies and bodies is in any case the prerogative of the Board of Directors, except for those transactions involving real estate companies within the limit of € 10 million per transaction.
- Purchase and sell units of CIUs, excluding closed-end funds, that invest in the equity segment, up to the maximum amount of € 15 (fifteen) million.
- Purchase and sell, without any limit on amount, debt and equity securities for the benefit of life policyholders who bear related risk and those arising from pension fund management.
- Grant loans and financing up to the amount of € 5 (five) million in all other cases, with the right to agree on all guarantees, including mortgages.

The right to issue sureties and endorsements on behalf of third parties is in any case the prerogative of the Board of Directors except for those for lease contracts related to the company's normal operations.

Directors' report

Shareholders,

The financial statements for our 87th financial year submitted for your approval show a net profit of € 37,939 thousand (+4.0% compared with the net profit of € 36,495 thousand for the previous year), equivalent to an ROE of 16.0% (18.8% in 2007).

On 17 November 2008, as reported in the section “Assets and dividend policy” of the 2007 consolidated financial statements, which stated that a significant increase in return for Shareholders was realistic given the Company’s primary level of capitalisation, your Company executed the bonus issue resolved by the Extraordinary Shareholders’ Meeting on 27 June 2008, granting one new bonus share for each outstanding share, with the same eligibility for dividend payment. Therefore, consistently with the strategic objectives to be pursued over the coming years, a motion will be made at the General Meeting held to approve the financial statements that it declare a dividend of € 0.17 per share, for a total of € 11,180,256 with an increase of 101.3% for the year as compared with the € 5,553,235 in dividends paid in FY 2007.

Declaration of this dividend, which contrasts sharply with the exceptional turbulence currently prevailing on the financial markets, appears even more positive in light of the fact that the Company has decided not to avail itself of the waivers introduced by Decree Law 185 of 29 November 2008 (converted into Law 2 of 28 January 2009). This law allows the companies that have not adopted IAS/IFRS to recognise the financial instruments not held as financial fixed assets at the value reported on the last annual financial statements or, when available, the last approved half-year report, rather than at their current market value.

In regard to the financial year at 31 December 2008, your Company has decided, taking advantage of favourable tax treatment, to revalue its real estate by recognising a specific reserve under Shareholders’ Equity for € 10,887 thousand, net of the prescribed income taxes of € 318 thousand as prescribed by Article 15(20) of Decree Law 185 of 29 November 2008, converted with amendments by Law 2 of 28 January 2009. The revaluation was made according to independent expert appraisals, and the related estimates are aligned with the current market values. In order to enjoy the benefits of this law, the affected property must not be sold before 2014.

Before examining the key events of the financial year, note should be made that shareholders’ equity totalled € 259,677 thousand (+20.6% as compared with the € 215,362 thousand at 31 December 2007), which when compared with the components of shareholders’ equity that cover the solvency margin, gives a ratio of 2.1 compared with 1.9 in the previous year.

The principal components of company operations that contributed to the net profit for the year are illustrated as follows:

- an increase in the balance of premium accruals and liabilities (net of allocated income) in the Non-Life and Life Businesses, which totalled € 15,646 thousand at the end of the financial year, compared with € 13,828 thousand in the previous year;
- recognition during the period of dividends for € 27,581 thousand (including € 17,337 for the associated company Yarpa International Holding N.V.), consistently with the amounts for the previous financial year;
- the € 15,034 thousand write-down for the equity investment in Cam Finanziaria S.p.A., after it was marked to market at 31 December 2008.

A total of € 630,718 thousand in premiums were recognised, down 0.9% from the previous year.

Direct insurance premiums written amounted to € 114,509 and are broken down as follows:

- 61.4% of single premiums, equal to € 70,263 thousand (€ 93,019 thousand at 31 December 2007);
- 38.6% of annual premiums, equal to € 44,426 thousand (€ 48,068 thousand at 31 December 2007);

The 18.8% decrease in premiums is mainly attributable to the concentration of development of products with a greater technical content, which generated a lower volume of premiums but are more profitable, and obviously to the impact of the negative economic and financial situation in the final months of the year.

The yields of segregated accounts are illustrated as follows, in order of importance:

- Vittoria Rendimento Mensile: gross return of 4.91%
- Vittoria Valore Crescente: gross return of 5.14%
- Vittoria Liquinvest: gross return of 4.90%

Direct Non-Life (i.e. property and casualty) insurance premiums amounted to € 515,706 thousand, with a 4.2% YoY increase. The loss ratio (claims/premiums ratio) and the combined ratio of retained insurance business were 72.1% and 99.1%, compared with 71.3% and 98.9% the previous year.

Motor premiums written increased by 3.7%; more specifically, the land vehicle hulls branch rose by 3.5%, due to consolidation of the commercial agreements in place. The Motor TPL line reported a 3.6% increase in premiums, equal to the acquisition of 9.01% of the vehicles insured per year; this penalisation of the possible higher volume of premiums is the consequence of application of Bersani Decree regulations, which required placing the new cars purchased by the family not in the theoretically more balanced average class as before, but in the more favourable risk class earned by the family, without any technical reference to the new car.

Contributing to this growth were the constant attention dedicated to affinity groups and strengthening of the commercial organisation through the opening of new sales outlets.

Direct Non-Marine premiums increased by 6.2%. The result was achieved through the constant attention dedicated to this segment, which the Company considers to be strategic insofar as it is aimed at improving the portfolio mix.

Premiums for Speciality lines (i.e. marine and transport, aviation, and credit and suretyship) decreased by 5.6%. This decrease stemmed in part from the severe risk selection criteria applied during underwriting.

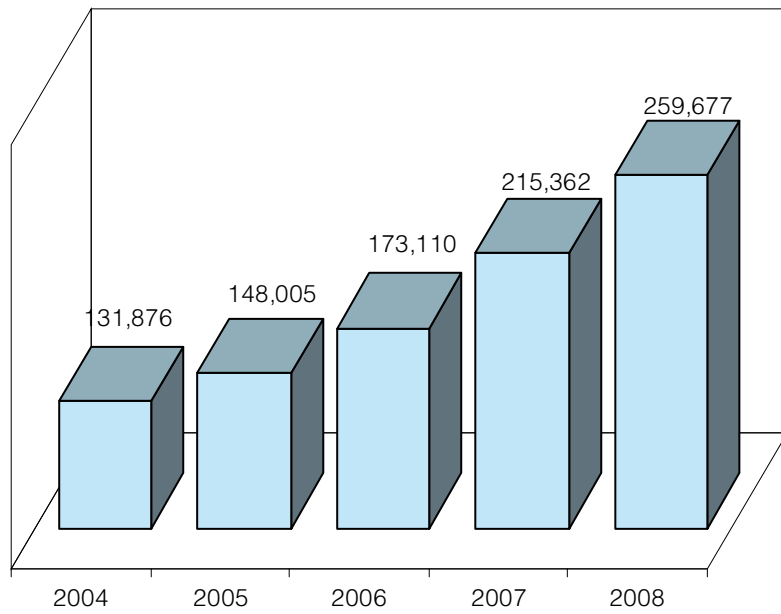
Overhead costs as a percentage of premiums during the year increased from 9.3% to 10.0%, due to launch of the five-year plan to upgrade the in-house organisation in support of the planned development of the agency and sub-agency sales networks and to organise the Company for reinforcement of the Non-Marine and Life Businesses.

Investments totalled € 1,528,233 thousand (+1.1%), and are broken down as follows: € 69,467 thousand for investments with the risk borne by policyholders and € 1,458,766 thousand for investments with the risk borne by the Company. Ordinary income from investments with risk borne by the Company totalled € 63,712 thousand, for a decrease of 6.7%.

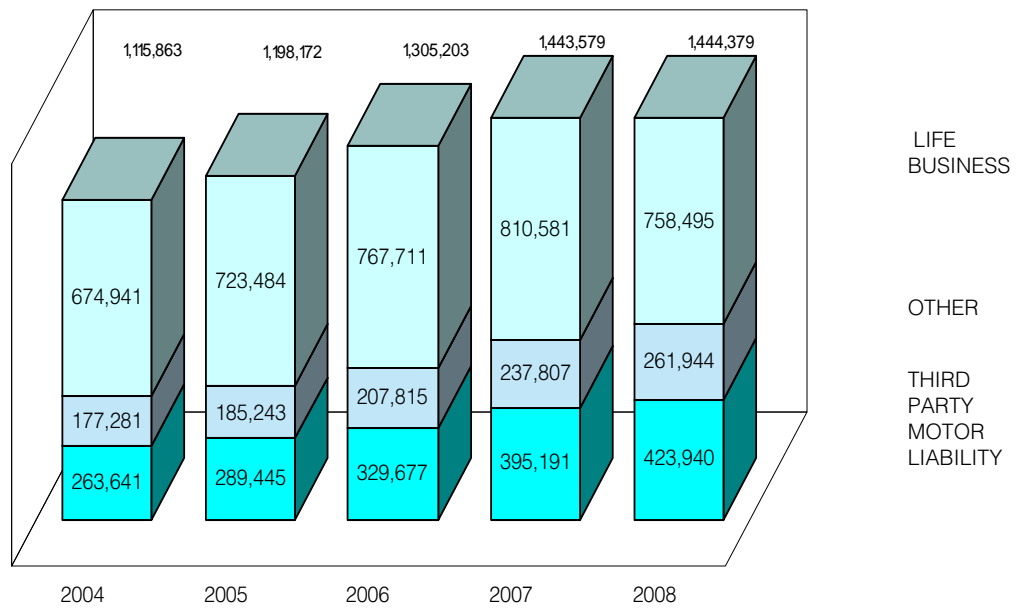
The 2008 conversion period of the "Vittoria Assicurazioni – Fixed Floater 2001/2016" bond closed on 30 October. The face value of the converted bonds was € 1,041,682, which caused share capital to increase from € 32,666,088 to € 32,883,105 and the additional paid-in capital from € 30,272,954 to € 31,097,618.

As shown in the consolidated financial statements, equity attributable to the company's shareholders was € 333,846 thousand, up 4.1% from the € 320,770 thousand for the previous year. The ratio of the Group's shareholders' equity to the required solvency margin was 2.76, unchanged from the previous year.

SHAREHOLDERS' EQUITY (in thousands of euros)



TECHNICAL PROVISIONS, LIFE AND NON-LIFE
(net of reinsurers' share)
(in thousands of euros)



Review of operating performance

The following table compares, for each line, premiums written in FYs 2008 and 2007 and their contribution to the total portfolio mix:

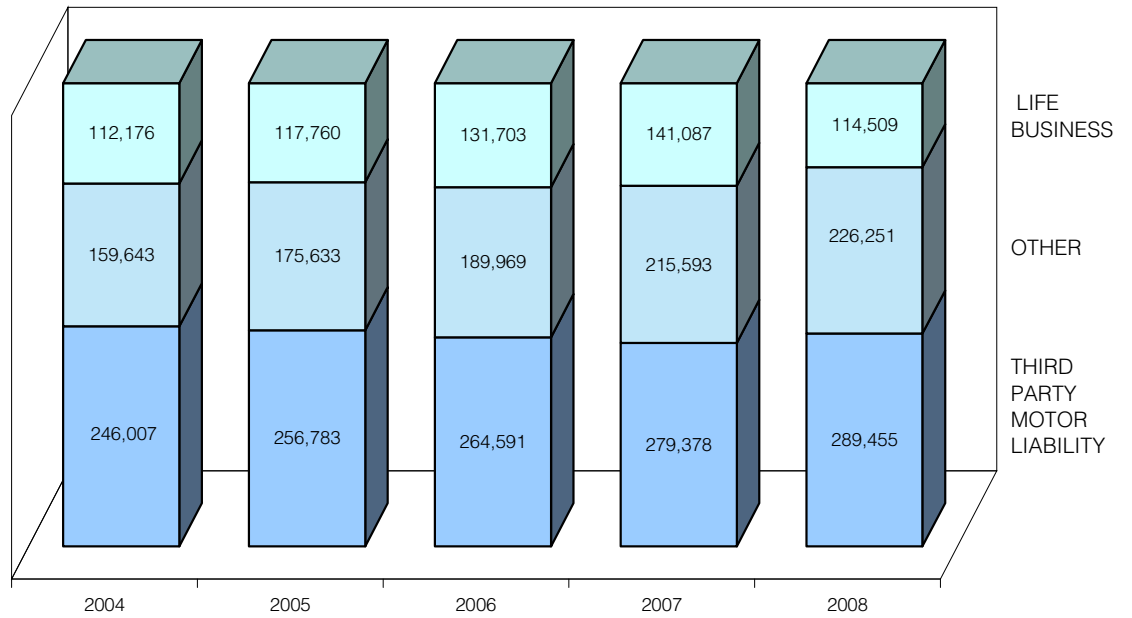
COMPARISON BETWEEN GROSS PREMIUMS WRITTEN IN 2008 AND 2007 DIRECT AND INDIRECT BUSINESS

	(in thousand of euros)					
	Year 2008	Year 2007	YoY change %	% of total book		
				2008	2007	
Domestic direct business						
Life business						
I Whole- and term life	91,682	114,262	- 19.8	14.5	18.0	
II Marriage and birth insurance	-	-	n.v	-	-	
III. Unit-linked policies	2,405	6,169	- 61.0	0.4	1.0	
IV Health (long-term care)	332	324	2.5	0.1	-	
V Capitalisation	18,089	19,079	- 5.2	2.9	3.0	
VI Unit trust management	2,001	1,253	59.7	0.32	0.2	
Total Life business	114,509	141,087	-18.8	18.2	22.2	
Non-Life business						
Accident	28,539	27,455	4.0	4.5	4.3	
Health	8,357	8,495	-1.6	1.3	1.3	
Fire and natural events	25,434	27,973	-9.1	4.0	4.4	
Miscellaneous damage	30,461	17,055	78.6	4.8	2.7	
General TPL (third-party liability)	29,694	26,822	10.7	4.7	4.2	
Pecuniary losses	25,134	31,068	-19.1	4.0	4.9	
Legal protection	2,541	2,490	2.1	0.4	0.4	
Total non-marine lines (exc. specialty and motor)	150,160	141,358	6.2	23.7	22.2	
Railway rolling stock	2	2	0.0	0.0	0.0	
Aircraft hulls	841	835	0.7	0.1	0.1	
Marine hulls	1,117	1,086	2.9	0.2	0.2	
Cargo insurance	1,831	1,619	13.1	0.3	0.3	
Aviation TPL	64	121	-47.1	0.0	0.0	
Credit insurance	1	1	0.0	0.0	0.0	
Bond insurance	8,237	9,149	-10.0	1.3	1.4	
Total specialty lines	12,093	12,813	-5.6	1.9	2.0	
Third-party motor liability	289,455	279,378	3.6	45.9	43.9	
Third-party marine liability	421	392	7.4	0.1	0.1	
Motor vehicle hulls	58,874	56,873	3.5	9.3	8.9	
Support and assistance	4,703	4,157	13.1	0.8	0.6	
Total motor lines	353,453	340,800	3.7	56.1	53.5	
Total Non-Life business	515,706	494,971	4.2	81.7	77.7	
Total direct business	630,215	636,058	-0.9	99.9	99.9	
Domestic indirect business						
Life business	1	1	0.0	0.0	0.0	
Non-Life business	502	467	7.5	0.1	0.1	
Total indirect business	503	468	7.5	0.1	0.1	
Grand Total	630,718	636,526	-0.9	100.0	100.0	

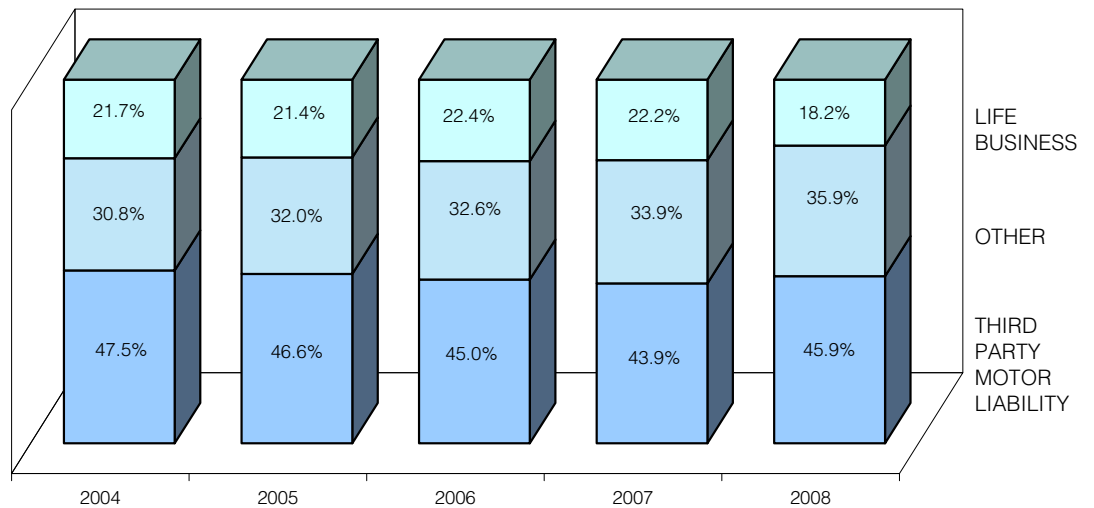
The following charts highlight premium volume and portfolio breakdown in the last five FYs.

Italian Direct Business

WRITTEN PREMIUMS (€/000)



PORTFOLIO MIX



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 FY2008 are summarised in the following table, where they are compared with data for the previous FY:

LIFE Business - 2008 Results - Net of reinsurance				(in thousands of euros)		
	2008 Results			2007 Results		
	Non - linked	Linked	Total	Non - linked	Linked	Total
Premium Income	107,842	4,406	112,248	131,489	7,422	138,911
Other technical Income/(Costs)	-30	539	509	-5	899	894
Change in Technical Provisions	17,017	26,529	43,546	-53,761	18,405	-35,356
Claims paid	-124,128	-10,091	-134,219	-77,405	-23,460	-100,865
Overheads	-19,627	-472	-20,099	-24,343	-673	-25,016
Investment Income	27,023	-20,395	6,628	32,952	-1,975	30,977
Operating Profit before Tax	8,097	516	8,613	8,927	618	9,545
Extraordinary Investment Income	-	-	-	697.00	-	697.00
Profit before Tax	8,097	516	8,613	9,624	618	10,242

* 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.

In FY2008 the funds relating to segregated accounts achieved the following returns:

	Average rate of return	Total investments
Vittoria Rendimento Mensile	4.91%	325,636
Vittoria Valore Crescente	5.14%	255,376
Vittoria Liquinvest	4.90%	9,963

The rate of return allocated to policyholders complies with the specific contractual terms stipulated.

As done in previous years, in 2008 acquisition commissions on long-term policies and incentives paid to agents for new business were deferred, i.e. capitalised, and amortised within the total limit of associated loading of premiums, depending on contracts' duration and in any case over a period not exceeding 10 years.

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 2008, compared with the previous FY's figures, for Classes I (whole/term life), IV (long-term care), and V (capital redemption).

	31/12/2008	31/12/2007
Claims	9,880	2,789
Accrued sums and annuities	49,785	52,316
Surrenders	65,289	28,689
Total	124,954	83,794

The amount of surrenders shown for FY 2007 was reclassified for € 777 thousand in accrued principal and yields, pursuant to ISVAP Regulation no. 22 of 4 April 2008, which requires that the coupons paid be recognised according to the policy conditions under Accrued capital sums and annuities.

The increase in surrenders stems principally from recall by institutional investors of several annual premium capitalisation contracts for about € 40.6 million.

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 € 10,090 thousand vs. € 23,460 thousand in FY2007.

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 risk premium
 - Pure office premiums – treaties set up in 1996 and 1997.
- Ceded premiums amounted to Euro 2,263 thousand in 2008.

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.

Non-Life business

Technical result

The following table shows – in total and by categories – the technical results of direct and indirect business, net of related outward reinsurance, equalisation (i.e. smoothing) reserves –as indicated in Appendices 25 and 26 of the Explanatory Notes – 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.

Non Life Business - 2008 Results				(in thousands of euros)	
	Technical results of direct business net of outwards	Technical results of indirect business net of outwards	Change in equalisation provisions	2008 Technical result	2007 Technical result
Non - Marine lines	-4,090	132	-105	-4,063	6,697
Specialty business	-699	23	-6	-682	-1,529
Motor business	12,562	0	-177	12,385	2,548
Total Non Life Business	7,772	155	-287	7,640	7,716

Technical performance shows a loss ratio and a combined ratio for retained business of 72.1% and 99.1% respectively, as compared with 71.3% and 98.9% in FY2007. Based on this, the following considerations can be made for the various lines.

NON-MARINE BUSINESS

The Non-Marine Businesses reported a 6.2% overall increase in premium revenues, confirming their growing importance in the company's portfolio. The balance of premium accruals and liabilities was negative, in contrast with the positive balance for the same period of the previous year, due to worsening results as illustrated below:

Accident insurance: this line's premiums grew by 4.0%, less than the previous year's increase (+6.2%). The balance of direct premium accruals and liabilities improved from the previous year, due to the contraction in the average cost of claims generated, even if full implementation of driver injury coverage in the automobile segment caused an increase in reported claims.

Health insurance: this line reported a 1.6% decrease in premiums against 8.1% growth from the previous year, mainly associated with restructuring of the portfolio. The loss (claims/premium) ratio remained virtually the same as in 2007, due to an average cost that was in line with the previous year and a slight increase in premiums for the period.

Fire and natural elements: this business reported a reduction in accrued premiums (-9.1%) due to non-renewal of two agreements for fire coverage connected with the granting of home loans. Net of this effect, development continued in the company's preferred segments, personal and SME coverage, consistently with the severe risk selection criteria. The line's balance of premium accruals and liabilities worsened due to the increase in claims.

Other asset damage: premium revenues in this business, which includes coverage against losses from theft, hail, and damage to electronic and technological devices, increased by 78.6%, compared with 7.7% in the previous year. This increase stems mainly from the contribution of about € 12.8 million for coverage against hail damage. The balance of premium accruals and liabilities worsened from the previous year due to the increased frequency and average cost of claims.

General TPL: premiums increased by 10.7% due to the contribution made by group plans. However, the balance of premium accruals and liabilities was negative, mainly due to an increase in the average cost of claims, stemming from the coverage included in the blanket building policy and theft/fire policy.

Pecuniary loss: the macroeconomic situation in the second half of the year led to review of underwriting policies, with a consequent slowdown in premiums and worsening of the balance of premium accruals and liabilities.

Legal protection: premiums in this line grew by 2.1%, since sale of the coverage was almost totally connected with car insurance. The balance of premium accruals and liabilities was positive.

SPECIALTY BUSINESS

These lines reported a decrease of 5.6%, with improvement in the balance of premium accruals and liabilities from previous years. In particular:

Credit & suretyship: premiums written decreased by 10.0%, due to the general economic situation, and especially the slowdown in the public works sector; a more selective underwriting policy initiated in previous years is gradually bringing this line back up to the breakeven point.

Aircraft hulls – Aircraft TPL: accrued premiums in these lines decreased by 5.3%, due to the reduction in subscription in the General Aviation and Space Risk TPL sector. The balance of premium accruals and liabilities in the Aircraft Hulls and Aircraft line did not change, remaining positive.

Ship hulls (sea, lake, and river) and railway rolling stock: premiums grew by 2.9% from the previous year with a positive balance of premium accruals and liabilities that was in line with previous years.

Cargo (goods in transit): this business reported a 13.1% increase in premium accruals. Careful risk selection during the policy writing phase, and attentive management of recoveries made it possible to maintain a positive balance of premium accruals and liabilities.

MOTOR BUSINESS

These lines reported 3.7% growth in accrued premiums, with an overall positive balance in premium accruals and liabilities. In particular:

Third-party liability for land motor vehicles and for watercraft (sea, lake, and river): premiums written grew by 3.6% due to the growth in number of vehicles insured per year, offset by a contraction in average premiums due to a stall in insurance rates and the impact of the no claims bonus (“bonus/malus”) clause. Corporate policies in this segment continue to be focused on accentuating customisation, in order to further improve retention of policyholders. The introduction of direct payment of claims brought down the average total cost of claims. Major investments continue to be made in company information technology and operating procedures in order adequately to deal with the problems resulting from application of this new regulation (“CARD”), as well as the creation of new databases that will permit increasingly detailed analyses for fair calculation of rates. The balance of premium accruals and liabilities improved, since the average cost remained substantially stable at 2007 levels and the increase in claims was less than the growth of vehicles insured per year.

Land motor vehicle: accrued premiums increased by 3.5%, up from the previous year (+3.0%). Previous policy-writing rules remained in effect. In addition to dedicating special attention to matching supplemental guarantees to Motor TPL and further development of “Affinity Groups,” these rules aimed to consolidate collaboration, through Group agencies, with the sales networks of newly registered vehicles and related services. The balance of premium accruals and liabilities were in line with the previous year, although it was subject to major claims resulting from atmospheric events (hail) during the summer season.

Assistance: accrued premiums rose by 13.1%, down slightly from the previous year. The balance of premium accruals and liabilities was consistent with the previous years.

Claims

Reported claims

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

	(€/000)					
	31/12/08		31/12/07		Change %	
	number	total cost	number	total cost	number	total cost
Accident insurance	6,366	17,384	5,971	15,645	6.6	11.1
Health insurance	3,831	5,401	3,587	4,962	6.8	8.8
Fire and natural events	5,515	18,468	4,435	13,675	24.4	35.0
Miscellaneous damages	9,426	16,402	8,274	13,950	13.9	17.6
Third-party general liability	6,751	24,863	6,822	21,052	-1.0	18.1
Pecuniary losses	4,302	13,711	849	3,151	406.7	335.1
Legal protection	180	91	180	92	0.0	-1.1
Total non-motor businesses	36,371	96,320	30,118	72,527	20.8	32.8
Third-party aviation liability	5	423	10	2,335	-50.0	-81.9
Third-party marine liability	24	257	32	250	-25.0	2.8
Cargo insurance	438	1,342	431	1,697	1.6	-20.9
Third-party aviation liability	2	1	4	24	-50.0	-95.8
Bond insurance	121	2,504	115	3,138	5.2	-20.2
Total Special businesses	590	4,527	593	7,448	-0.5	-39.2
Third-party motor liability	66,392	217,101	64,400	198,790	3.1	9.2
Third-party marine liability	34	164	53	332	-35.8	-50.6
Motor vehicle hulls	21,921	38,394	18,800	32,792	16.6	17.1
Support and assistance	10,081	1,033	7,979	1,107	26.3	-6.7
Total motor businesses	98,428	256,692	91,232	233,021	7.9	10.2
Total non-life businesses	135,389	357,539	121,943	312,996	11.0	14.2

For Motor TPL claims (land vehicles and watercraft) occurring from 1 February 2007 onwards, the regulation concerning the Inter-insurer Agreement for Direct Compensation (knock-for-knock system – Italian acronym = CARD) is applied for settlement of damages, in compliance with the requirements of the Italian Insurance Code.

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

Branch	Claim handling Type	(€/000)			
		31/12/08		31/12/07	
		Number	Total cost	Number	Total cost
Motor TPL - land	K-for-K - liable	45,979	87,012	36,757	82,146
Motor TPL - land	K-for-K - originator	55,377	135,168	44,126	99,219
Motor TPL - land	Non K-for-K claims	20,413	107,737	27,643	116,644
Motor TPL - watercraft	Non K-for-K claims	34	164	53	332
Total Motor T.P.L. claims handled		121,803	330,080	108,579	298,341

The company received 73,563 reports of claim events to be managed as originator (70,082 reports of claim in 2007), against which it will complete recoveries from other insurers for a total of € 112,815 thousand (€ 90,334 thousand in 2007), 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 31/12/08			Claims recovered from reinsurers	Claims paid 31/12/07			Change gross claims %
	Current year	Previous years	Total		Current year	Previous years	Total	
Accident insurance	4,229	9,317	13,546	1,239	3,570	9,122	12,692	6.7
Health insurance	3,437	2,233	5,670	30	3,330	2,063	5,393	5.1
Fire and natural events	7,768	4,562	12,330	1,317	5,012	4,763	9,775	26.1
Miscellaneous damages	21,739	3,004	24,743	11,632	9,174	3,916	13,090	89.0
Third-party general liability	4,938	10,524	15,462	295	4,950	11,074	16,024	-3.5
Pecuniary losses	2,522	2,790	5,313	-	611	573	1,184	348.7
Legal protection	3	24	27	23	1	20	21	28.1
Total non-motor businesses	44,636	32,454	77,090	14,536	26,648	31,531	58,179	32.5
Third-party aviation liability	367	622	989	858	1,100	45	1,145	-13.6
Third-party marine liability	31	122	152	7	63	58	121	25.9
Cargo insurance	189	754	944	359	176	574	750	25.8
Third-party aviation liability	-	7	7	2	-	121	121	-94.6
Bond insurance	1,523	6,337	7,860	2,960	5,107	3,338	8,445	-6.9
Total Special businesses	2,110	7,841	9,952	4,185	6,450	4,136	10,586	-6.0
Third-party motor liability	87,913	145,806	233,720	14,653	73,745	120,425	194,170	20.4
Third-party marine liability	47	428	476	-	119	116	235	102.4
Motor vehicle hulls	22,259	8,602	30,861	413	18,211	8,839	27,050	14.1
Support and assistance	1,259	906	2,165	1,427	1,029	365	1,394	55.3
Total motor businesses	111,478	155,743	267,221	16,493	93,104	129,745	222,849	19.9
Total non-life businesses	158,225	196,038	354,263	35,214	126,202	165,412	291,614	21.5

The additional cost borne in 2007 for the road-accident victim guarantee fund was € 6.804 thousand vs. € 6,561 thousand in the previous year.

Claims settlement speed

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	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Accident insurance	59.43	60.02	80.05	74.90
Health insurance	84.37	85.42	73.62	62.70
Motor vehicle hulls	83.55	85.57	88.58	82.98
Fire and natural events	80.03	86.00	76.53	75.77
Miscellaneous damages - theft	85.97	87.02	86.48	85.88
Third-party motor liability	75.11	73.14	71.03	70.99
Third-party general liability	66.08	66.44	39.67	40.81

Claims reserve run-off – Direct business

The claims reserve existing at the beginning of FY2008, 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 6,504 thousand, i.e. 1.3% of opening reserves, as highlighted in the following table:

Direct Risks	(€/000)	
	2008	2007
Claims reserve brought forward	504,071	460,548
Amounts paid in the year related to claims occurred in previous years	-200,897	-171,319
Balance of claims recovered or to be recovered by policyholders	2,183	4,386
Claims reserve carried forward	-311,862	-299,981
Balance of portfolio transfers	0	0
Aggregate loss development table	-6,504	-6,366
% of incidence on claims reserve brought forward	-1.3%	-1.4%

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	Claims excess
	Pure premium for general aviation
Aviation hulls	Pure premium for flight risks
	Pure premium for general aviation
Marine hulls	Voluntary-mandatory
Cargo (goods in transit)	Voluntary-mandatory
Fire and natural events	Claims excess
Miscellaneous damage	Pure premium for hail, multi-risk
Motor TPL	Claims excess
Aviation TPL	Pure premium for general aviation
General TPL	Claims excess
	Pure premium for general aviation
Suretyship	Pure premium
Legal protection	Pure premium
Assistance	Pure premium

The Land motor TPL pure premium treaty was not renewed in FY 2008, but it continues to be managed with the codes for FY 2007. The pure premium treaty for general aviation was not renewed when it expired on 30 September 2008.

Premiums ceded in the FY totalled € 30,257 thousand.

Inward reinsurance

Acceptance of risks relating to indirect business mainly arises from participation in syndicates and from business in Class 05 - Aircraft hulls/space risks.

Insurance risk management and analysis

Insurance risk management

Objectives

The company's insurance business is managed according to the following objectives:

- Diversification of types of insurance cover offered;
- Careful and correct pricing of policies;
- Diversification of risks based on customer segmentation (households, individuals, professionals, small business operators, SMEs and large companies) giving preference to net retention of personal and SME risks, without however neglecting larger companies whose policies are covered by adequate reinsurance;
- Diversification of sales channels (agents, bancassurance agreements, and brokers);
- Selective risk underwriting policy and continuous monitoring of risk trends;
- Organisation of an agency network capable of timely and professional response to customer needs;
- Strengthening of the affinity-group approach;
- Enhancement of customer loyalty via the sale of integrated products and services;
- Increase of the Non-Life market share, dedicating special attention to the non-motor segment, and increase of Life new-business growth rates;
- Consolidation of acquired portfolio;
- Consolidation of technical profitability and further improvement of the combined ratio, which shows the degree of coverage of charges relating to claims, sales costs and overhead costs in the non-life business;
- Constant updating of the New Age system, taking changes in headquarters and agency management processes into account, in order to monitor the insurance book, risk concentration and adequacy of claims settlement speed on an ongoing basis, paying special attention to changes in the insurance market.

Policies

The Group intends pursue the above objectives by applying the following policies:

- Strengthening of the agency network throughout Italy, thus ensuring the diversification of risk by geographical area and at the same time paying the utmost attention to areas with anomalous claims rate trends;
- Reinforcement of the agency network in terms of continuous training for both agents and their staff;
- Creation of trans products for policyholders;
- Incentive campaigns for agents to assure the ideal mix of types of cover marketed;
- Use of outward reinsurance pursuing a policy of technical balance in mass risks and protection against peak and catastrophe claims;
- Limitation of costs, above all thanks to use of the new integrated headquarters/agency operating system, which improves the combined ratio;
- Presence of dedicated non-life actuaries, separate from those of the life business, thus permitting not only correct risk pricing (adjustment to the expected claims rate) but also development of customised tariffs with innovative content. The greatest degree of customisation has been achieved in the Motor TPL line with the company's lead product. The corporate sector, which includes large companies, has always featured pricing based on policyholder reliability and risk levels to be underwritten.

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.

Financial and actuarial assumptions for Life insurance products

The assumptions used for valuation of the products sold, as regards both their financial and demographic aspects, are applied taking regulatory constraints into account (e.g., maximum limits for financial cover) and the latest information on demographic trends (e.g., mortality and/or survivorship) and portfolio trends (e.g. cancellations and surrenders, etc.).

When a new product is being created, certain assumptions are adopted (first-order technical bases) which, compatibly with the factors just mentioned, are initially screened, during development of appropriate actuarial valuations, using profit-testing techniques. The latter require the adoption of assumptions other than those previously defined as first-order assumptions. These further assumptions relate to:

- Macro-economic assumptions: trends in market interest rates, inflation, cash flow discount rates, etc.;
- Second-order assumptions: mortality and expected portfolio trends, and assets' rate of return, etc.;
- 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.

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. The following table shows the balance sheet transactions in place as at reporting date, by Standard & Poor's rating.

(€/000)					
S&P Rating	Current and deposit accounts	Technical reserves of inward & outward reinsurance	Total net balance sheets amounts	% breakdown	
AAA	88	546	634	1.8%	
AA	185	2,330	2,515	7.3%	
AA-	-12,158	21,718	9,560	27.6%	
A+	-8,551	13,283	4,732	13.7%	
A	-174	1,573	1,399	4.0%	
A-	-10,199	18,316	8,117	23.4%	
BBB	3	-	3	0.0%	
Not rated	951	6,749	7,700	22.2%	
Totale	-29,855	64,515	34,660	100.0%	

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 2008, non-life business accounts for approximately 82% of total company premiums, with 46.0% 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 and in market trends. 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.

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 approximately twice 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 approximately twice the amount of the worst claim that has ever occurred in this line.

Space risk exposure

The outward reinsurance programme has made it possible to limit maximum net theoretical exposure per risk, with more than 80% of the portfolio underwritten outwardly reinsured. Furthermore, the portfolio underwritten has a maximum effective exposure 60% lower than theoretical exposure.

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.

Commercial organisation

In FY 2008 the company redefined its commercial organisation model to bring it into line with the current operating situation and consequently make it more effective. This led to a general restructuring intended to reinforce the agency commercial organisation.

The implemented measures reassigned staff responsibilities, so that everyone could perform his or her individual duties better, and reinforced the network of Territorial Inspectors, who are broken down into two different groups with specific objectives:

- the Commercial Inspectors responsible for providing agencies with assistance in view of improving their sales performance in qualitative and quantitative terms through participation in work scheduling and the planning of commercial campaigns, as well as increasing area coverage.
- the Technical Inspectors responsible for providing agencies with support when underwriting risks, restructuring portfolios and updating products and insurance solutions.

Furthermore, dialogue continued with the Agents Group in order to reach mutually acceptable solutions for higher profitability and territorial presence.

Organised, ongoing activity to develop the sales network also began, in view of opening 16 new agencies and reorganising another 31, while the decision was taken to close six agencies.

Consequently, the company had 251 general agencies and 378 professional sub-agencies at 31 December 2008.

Work continued on the insurance promoter network that supported the agencies in developing a select portfolio. During the year, an in-depth organisational analysis indicated that the organisational model, agencies and scope of action should be modified, in view of creating a more efficient network to realise company objectives. Consequently, there were 22 insurance salesmen (producers and sub-agents provided by the promoter network).

The commercial operating context was dominated by the initial consequences resulting from implementation of Law 40/2007 (former "Bersani Decree"), which abolished exclusive mandates and imposed an annual rather than multi-year term on non-marine policies. These consequences underscored the need to focus efforts on measures aimed at consolidating the portfolio through retention of existing customers and acquiring new ones by applying modular rates and agreements for homogeneous groups.

These efforts were also supported at the training level by applying the commitment introduced by the 2008 ISVAP regulation governing brokers with broader and more pro-active aims in order to expand the sales network in qualitative terms.

In regard to communication, the identity and benchmark values of the "Vittoria System" were reaffirmed by publicising the company brand in numerous media and advertising channels, and new supporting measures were implemented for sales and promotional tools to be promoted, complementing the marketed insurance solutions.

The company also confirmed the use of its own institutional website as its own official information tool, updating it in real time.

Products

The commitment to create new products and revise existing products was maintained. Work during the year can be summarised as follows:

New Products

Life Business:

- "Unit-Linked Multiasset Funds": single premium unit-linked life insurance policy. This product is distinguished by the wide choice of funds in which the investment can be diversified and active management of asset allocation;
- "Zero Dubbi" (Zero Doubts): a capitalisation policy that is characterised by the provision for early redemption of the guaranteed principal at maturity for a portion of the contracts written;
- "Life insurance with a single premium and annual coupon": life insurance policy offered exclusively to the Vittoria policyholders whose policies have expired.

Non-Marine Lines:

- "Business and Professional Line": this is a new line dedicated to the needs of professionals operating in diversified business sectors. The line offers a specific product for each sector. The first extensively revised product is aimed at production and crafts firms.
- "Vittoria Formula Mutui": this is a solution tailor-made to cover the building on which a mortgage loan has been granted;
- "Multirischi Alberghi": this is an exclusive product created by our experts for improved protection of hotels;
- "Family protection": this product expands previously offered insurance solutions with special conditions for the reimbursement of medical expenses, in the case of a nuclear family with just one policyholder and if three points of Permanent Invalidity are assigned.

Revised Products

Life Business

- "Savings Line": the image and communication of the following products have been revised: Life Insurance with free payments, Financial Contract for capitalisation with single premium, Life insurance with regular payments, and Life Insurance with adjustable payments;
- "Investment Line": the image and communication of the unit-linked product was revised, with its yield tied to the performance of the two internal funds, Vittoria Azionario Europa and Vittoria Obbligazionario Euro;
- "Vittoria Formula lavoro": updating of the documentation for the Vittoria Formula Lavoro open-ended pension fund.

Non-Marine Lines:

The conditions of insurance for the following products have been revised: TPL Sundry Risks, TPL Industry and Building Trade, TPL Products, and TPL Vittoria Formula Professioni (Professions). The clause regulating the cumulative accidents policy was rewritten. A new version of the policy was prepared and the contractual documents for the industrial plant environmental liability policy and the posthumous ten-year indemnity policy were revised.

Motor Lines:

The "Vittoria Formula Strada" and "Vittoria Formula Strada InCamper" products were revised.

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 € 62,877 thousand vs. € 58,888 thousand in 2007, with an increase of 6.8% 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.

(in thousands of euros)			
	31/12/2008	31/12/2007	Change %
Personnel expenses	34,093	32,148	6.1
Other costs	23,896	22,076	8.2
Depreciations	4,888	4,664	4.8
Gross Operating Costs	62,877	58,888	6.8

Overhead costs as a percentage of total direct insurance premiums were 10.0% (vs. 9.3% in 2007).

The amount is due to the impact of the new costs stemming from the Bersani Decree for making disclosures to policyholders and to implementation of the five-year plan that calls for development and reinforcement of the in-house organisation set up to support the expected increase in agency and sub-agency sales networks, and to organise the company for greater development in the Non-Marine and Life businesses

Operating costs – direct business

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

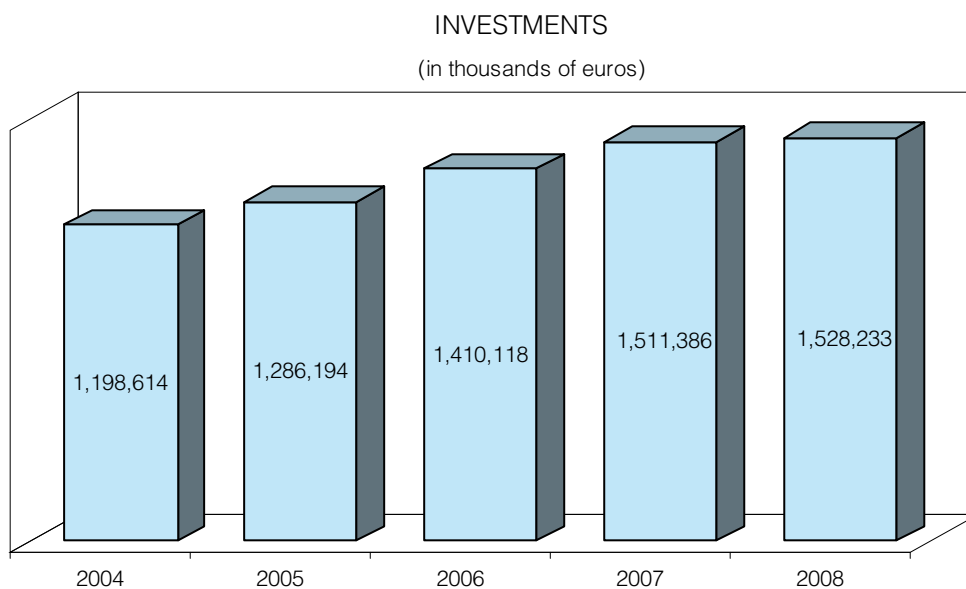
(in thousands of euros)			
	31/12/2008	31/12/2007	Change %
Operating Costs, net of expenses transferred to acquisition, claims handling and investment management expenses	42,463	38,859	9.3
- Acquisition and collection costs	100,957	103,927	-2.9
- Other acquisition costs (net of operating expenses)	9,291	7,565	22.8
Total Acquisition Costs	110,248	111,492	-1.1
Total Overheads	152,711	150,351	1.6
Percentage of Premiums Written	24.2%	23.6%	

Investments

Investments reached a value of € 1,528,233 thousand with an increase of 1.1% YoY.

Their breakdown is shown in the table below:

(in thousands of euros)			
Investments	31/12/2008	31/12/2007	Change %
Land and buildings	18,837	8,198	129.8
Investments in group and other companies			
- Equity investments	223,432	209,564	6.6
- Loans	3,162	2,455	28.8
Other financial investments:			
- Unit trust units	6,785	11,855	-42.8
- Bonds and other fixed-interest securities	1,183,659	1,173,845	0.8
- Loans	12,487	9,710	28.6
- Deposits with banks	10,000	-	0.0
Deposits with ceding companies	404	426	-5.2
Total investments where the company bears the risk	1,458,766	1,416,053	3.0
Investments benefiting life policyholders bearing the risk	69,467	95,333	-27.1
Total investments	1,528,233	1,511,386	1.1
Bank accounts and cash-in-hand	33,976	46,301	-26.6

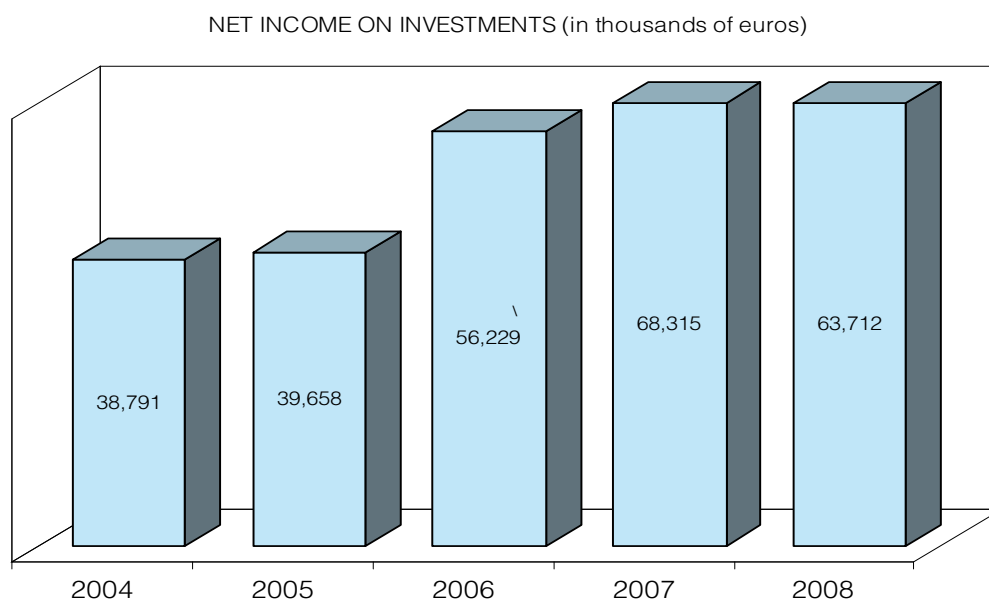


The weight average ordinary return of bonds and other fixed-income securities was 4.3% (4.4% in FY2007).

(in thousands of euros)

	31/12/08		31/12/07		Change %
	Amount	% of breakdown	Amount	% of breakdown	
Income on investments (net of related costs)					
Income on equity investments	27,384	33.9	27,042	35.9	1.3%
Income on other investments:					
- land and buildings	57	0.1	78	0.1	-26.9%
- bonds and other fixed-interest securities	53,633	66.4	48,912	65.0	9.7%
- income on unit trust units	96	0.1	223	0.3	-57.0%
- interest on loans	731	0.9	559	0.7	30.8%
- interest on deposits with ceding companies	-1,117	-1.4	-1,517	-2.0	-26.4%
Total income	80,784	100.0	75,297	100.0	7.3
Adjustments to investment values:					
- equity investments	-15,034	84.0	-6,689	95.9	
- bonds and other fixed-interest securities	-2,870	16.0	-288	4.1	
Total adjustments to investment values:	-17,904	100.0	-6,977	100.0	
Profit on sale of investments:					
- bonds and other fixed-interest securities	128	15.4	-5	100.0	
Total profit on sale of investments	832	100.0	-5	100.0	
Total income on investments where the company bears the risk	63,712		68,315		-6.7
Net income on investments benefiting life policyholders bearing the risk	-20,395		-1,974		
Total	43,317		66,341		-34.7

The following chart highlights the income earned from capital and financial investments in the last five FYs.



Property assets

The book value of real estate at 31 December 2008 was € 18,837 thousand, including € 783 thousand for operating buildings used by the Company, € 13,314 thousand for buildings loaned free of charge to agencies and € 4,740 thousand for buildings used by third parties.

The increase from 31 December 2007 was € 10,639 thousand and resulted from the revaluation of property (Law 2/2009) for € 11,206 thousand and sale for € 1,000 thousand of a property unit located in Turin at Via Pietro Micca 21 and carried with a book value of € 567 thousand.

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

Investments in the fixed income portfolio consist mainly of fixed-rate Italian government securities totalling € 214,801 thousand with maximum maturities of 10 years, including € 160,284 thousand held as fixed assets. The portfolio also increased by € 798 thousand for acquisitions from policy redemptions pursuant to Article 41(2) Legislative Decree 209 of 7 September 2005.

During the financial year, Italian adjustable rate government securities with a maturity of less than three years were sold for € 19,585 thousand, realising losses of € 202 thousand and gains of € 351 thousand.

Furthermore, € 357 thousand were received as a partial advance on liquidation of the Swissair bond in default, recognising € 308 thousand as a gain.

In the collective investment undertakings segment, units in a money market fund were sold for € 4,762 thousand, realising gains for € 704 thousand.

Closed real estate investment trusts were partially redeemed for € 307 thousand, assigned to the long-term investment segment.

During the year, equity holdings held as long-term investments, excluding subsidiaries, associated companies and affiliates, were the following:

- Liguria S.r.l.: € 515 thousand collected as partial redemption of share capital;
- Cam Finanziaria S.p.A.: the investment was marked to market at 31 December 2008, recognising write-downs of € 15,034 thousand; € 2,219 thousand were collected during the year as a distribution of capital reserves, which were discounted from the value of the equity investment;
- Gpa S.p.A. Group: 776,959 shares were acquired for a countervalue of € 4,027 thousand, raising its equity stake from 5.0% to 9.738%;
- Downhall Italia S.r.l.: 4,919 units were acquired for a countervalue of € 492 thousand, raising its equity stake from 5.08% to 9.999%;
- Mediorischi S.p.A.: 4,744 shares were acquired for a countervalue of € 233 thousand, raising its equity stake from 5.35% to 9.999%.
- Immobiliare Adamello S.r.l. (Touring Club Italiano Group): € 60 thousand were paid to cover losses;
- Yam Invest N.V.: an 18.75% interest in this company is owned, following the takeover and merger of Yarpa International Holding B.V., in which a 25% interest was previously held.

Transactions involving subsidiaries, associates and affiliates regarded:

- Vittoria Immobiliare S.p.A.: the rights offering was subscribed for € 2,966 thousand;
- Gima Finance S.A.: € 6,630 thousand were paid as additional paid-in capital;
- Immobiliare Bilancia S.r.l.: € 8,625 thousand were paid, including € 1,150 thousand as a capital increase and € 7,475 thousand as additional paid-in capital;
- Laumor Holdings Sarl: € 4,008 thousand were paid as additional paid-in capital; during the year the company paid € 319 thousand as reimbursement of additional paid-in capital;
- White Finance S.A.: € 2,392 thousand as reimbursement of additional paid-in capital;

- Lauro 2000 S.r.l.: € 10,000 thousand paid in, including € 2,500 thousand for capital increase and € 7,500 thousand as additional paid-in capital;
- Consorzio Movincom S.c.r.l.: a shareholding of € 1 thousand was subscribed;
- Yarpa International Holding B.V.: € 2,688 thousand collected as reimbursement for additional paid-in capital;
- Laumor B.V.: the equity investment was eliminated due to liquidation, recognising a loss of € 5 thousand and € 1 thousand as the residual receivable.

Pursuant to Article 2428(3, 4), it is certified that Vittoria Assicurazioni S.p.A. did not carry out any transaction in its own name or through trust companies or intermediaries that involved its own shares and those of the company.

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

As at 31 December 2008 these investments amounted to € 69,467 thousand with a decrease of - 27.1% YoY. Of the total € 21,386 thousand related to unit-linked policies linked to funds outside the company, € 25,065 thousand to unit-linked policies linked to the company's internal funds, € 17,442 thousand to index-linked policies and € 5,574 thousand to the Vittoria Formula Lavoro open-ended pension fund.

Overall net return was negative by € 20,395 thousand (€ 1,974 thousand in 2007).

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.

Structured products to hedge reserves relating to index-policies can be purchased, in compliance with supervisory regulations.

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 31/12/2008	% of breakdown	Amount 31/12/2007	% of breakdown
DEBT SECURITIES	1,183,659	96.8%	1,173,845	95.4%
Listed treasury bonds:	1,081,149	88.4%	1,053,326	85.7%
Fixed-interest rate	710,495	58.1%	608,605	49.5%
Variable interest rate	370,654	30.3%	444,721	36.2%
Unlisted treasury bonds:	2,483	0.2%	2,649	0.2%
Fixed-interest rate	-	0.0%	-	0.0%
Variable interest rate	2,483	0.2%	2,649	0.2%
Listed corporate bonds:	84,341	6.9%	98,102	8.0%
Fixed-interest rate	76,345	6.2%	90,106	7.3%
Variable interest rate	7,996	0.7%	7,996	0.7%
Unlisted corporate bonds:	2,739	0.2%	7,260	0.6%
Fixed-interest rate	239	0.0%	260	0.0%
Variable interest rate	2,500	0.2%	7,000	0.6%
Bonds of supranational issuers:	12,947	1.1%	12,508	1.0%
Fixed-interest rate	12,947	1.1%	12,508	1.0%
Variable interest rate	-	0.0%	-	0.0%
of which				
Total fixed-interest securities	800,026	67.6%	711,479	60.6%
Total variable-interest securities	383,633	32.4%	462,366	39.4%
Total debt securities	1,183,659	100.0%	1,173,845	100.0%
of which				
Total listed securities	1,178,437	99.6%	1,163,936	99.2%
Total unlisted securities	5,222	0.4%	9,909	0.8%
Total debt securities	1,183,659	100.0%	1,173,845	100.0%
EQUITY INSTRUMENTS (*)	31,407	2.6%	44,362	3.6%
listed shares	15,778	1.3%	33,030	2.7%
unlisted equity instruments	15,629	1.3%	11,332	0.9%
OEIC UNITS	6,785	0.6%	11,855	1.0%
TOTAL	1,221,851	100.0%	1,230,062	100.0%

(*) excluding investments in participating interests

The fixed-income securities portfolio has a duration of 3.5 years.

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

(€/000)				
Investment nature	Amount 31/12/2008	% of breakdown	Amount 31/12/2007	% of breakdown
DEBT SECURITIES	1,183,659	96.8%	1,173,845	95.4%
FIXED INTEREST RATE SECURITIES	800,026		711,479	
of which Investment portfolio	755,637		706,564	
of which Trading portfolio	44,389		4,915	
VARIABLE INTEREST RATE SECURITIES	383,633		462,366	
of which Investment portfolio	50,517		55,286	
of which Trading portfolio	333,116		407,080	
EQUITY INSTRUMENTS (*)	31,407	2.6%	44,362	3.6%
OEIC UNITS	6,785	0.6%	11,855	1.0%
of which Investment portfolio	6,547		6,855	
of which Trading portfolio	238		5,000	
TOTAL	1,221,851	100.0%	1,230,062	100.0%

(*) 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 € 800,026 thousand (67.6% of the bond portfolio with investment risk borne by the company), of which € 755,637 thousand classified among investment securities (i.e. for long-lasting utilisation) and € 44,389 thousand among trading securities (for temporary utilisation).

The carrying value of floating-rate debt securities exposed to interest-rate risk on cash flows totalled € 383,633 thousand (32.4% of the bond portfolio with investment risk borne by the company), of which € 50,517 thousand classified among investment securities and € 333,116 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.

Fixed - interest securities		(in thousands of euros)	
Maturity	Amount	% of breakdown	
< 1 year	70,241	8.8%	
1<X<2	113,389	14.2%	
2<X<3	50,267	6.3%	
3<X<4	79,692	10.0%	
4<X<5	83,014	10.4%	
5<X<10	353,802	44.2%	
more	49,621	6.2%	
Total	800,026	100.0%	

Variable - interest securities		(in thousands of euros)	
Type of rate	Indexation	Amount	% of breakdown
Constant mat. Swap	Euroswap 10Y	32,487	8.5%
Constant mat. Swap	Euroswap 30Y	7,994	2.1%
variabile	3 months treasury bonds	4,983	1.3%
Variable	6 months treasury bonds	333,169	86.8%
Variable	other	5,000	1.3%
Total		383,633	100.0%

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 31/12/2008, investments in equity securities (excluding equity interests in subsidiaries, affiliates, and associates) amounted to € 31,407 thousand, of which € 15,778 thousand relating to listed stocks and € 15,629 thousand to unlisted stocks.

The company is not exposed to **foreign exchange risk** since, as at 31.12.2008, 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 31/12/2008, as shown in the previous section "Securities portfolio breakdown", financial assets listed in a regulated market accounted for over 95% 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 31/12/2008 nearly all corporate bonds held by the group were rated as investment grade.

(in thousands of euros)

Rating (Standard & Poor's)	Amounts	% of breakdown
AAA	232,768	19.7%
AA+ / AA-	50,754	4.3%
A+ / A-	867,982	73.3%
BBB+ / BBB-	32,154	2.7%
Total investment grade	1,183,658	100.0%
Non investment grade	1	0.0%
Totale	1,183,659	100.0%

“Victoria Assicurazioni SpA Fixed/Floater 2001/2016 subordinated bond issue convertible into ordinary shares” (ISIN: IT0003184758),

Below we list the main characteristics of the convertible subordinated bond issue, issuance of which was approved by the Extraordinary Meeting of Shareholders on 26 April 2001. The bonds are fully subscribed:

- Total nominal amount of € 18,000,000; residual nominal value of € 4,161,096.00 following exercise of bond conversion option as up to 31/12/2008;
- Originally consisting of 3,750,000 bonds with a nominal value of € 4.80 each, as at 31/12/2008 866,985 bonds remained;
- Nominal interest rate:
 - Fixed 5.5% until 31 December 2010 - annual coupons;
 - Variable 6-month Euribor plus a spread of 2.5%, six-monthly coupons as from 1 January 2011;
- The conversion right can be exercised in the years 2009 and 2010, in the period between 20 May (included) and 30 October (included) of each year. In the years 2011, 2012, 2013, and 2015 the conversion right can be exercised in the interval between 20 May (included) and 10 June (included) of each year. In any case exercise of conversion rights is suspended in the period that goes from the date of any meeting of the issuer's Board of Directors that has decided to summon the shareholders' meeting to approve year-end accounts “with dividend distribution” until the day after the dividend detachment date resolved by the shareholders' meeting;
- Maturity: 1 January 2016;
- convertibility into Vittoria Assicurazioni shares with regular dividend payments (2 shares for each bond starting from the conversions for 2009); the conversion ratio was raised from 1 to 2 shares for each bond following the Extraordinary Shareholders' Meeting resolution of 27 June 2008 approving the bonus issue of € 32,883,105, through issuance of 32,883,105 ordinary shares, to be granted free of charge on the basis of one new share for each outstanding share.
- Subordination clause: in the case of dissolution, liquidation, insolvency or compulsory liquidation of the company, the bonds will be repaid, in terms of residual principal and interest, only after all other company creditors (whether they be unsecured, secured, non-subordinated or with a subordination level lower than that of the bonds) have been satisfied.

Furthermore, the company has also reserved the right to proceed at any time, as from 1 January 2011, with early repayment of all outstanding bonds, with prior notice of at least one month to be notified to bondholders.

The bonds constitute subordinated liabilities calculated for the purposes of coverage of the issuer's solvency margin pursuant to Articles 44 and 45 of Italian Legislative Decree no. 209 of 7 September 2005.

Personal data protection code

(pursuant to Annex B, point 26, of Italian Legislative Decree no. 196 of 30 June 2003)

Vittoria Assicurazioni SpA issued an updated version of its Personal Data Security Policy, originally drawn up on 30 June 2003, within the deadline required by current regulations.

Information concerning adherence to codes of conduct

(pursuant to Article 89/2 of CONSOB resolution no. 11971 of 14/5/1999 as subsequently amended and supplemented)

The annual report on adherence of codes of conduct and on observance of consequent commits has been prepared according to the experimental format published by Borsa Italiana SpA on 6 February 2008.

The document can be consulted on the company's website at the following address:
www.vittoriaassicurazioni.com/investor/corp_govern.htm

Shares of Vittoria Assicurazioni S.p.A. and its subsidiaries held by directors, statutory auditors and strategically accountable managers as at 31 December 2008

(pursuant to Article 79 of CONSOB resolution no. 11971 of 14 May 1999 and subsequent amendments and additions)

Name	Company held	Number of shares held at the end of 2007	Number of shares purchased or subscribed	Number of shares sold	Number of shares held at the end of 2008 (1)
Vittoria Assicurazioni S.p.A.					
Costa Giorgio	Directly	18,699	-	-	37,398
Acutis Carlo	Through Subsidiary Company	19,078,388	1,219,724 (2)	689,288	39,217,648
Acutis Andrea	Directly	36	32,375	-	64,822
Guarena Roberto	Through spouse	-	10,000	-	20,000
Acutis Biscaretti di Ruffia Adriana	Directly	-	32,375	-	64,750
Baggi Sisini Francesco	Through Subsidiary Company	2,926,642	152,767	1,219,824 (3)	3,719,170
Marsani Pietro Carlo	Directly	1,000	-	-	2,000
Paveri Fontana Luca	Directly	31,000	-	-	62,000
Strazzeria Livio	Directly	50	-	-	100
Directors with strategic responsibilities		(4)	1,000	-	84,934

1) Includes the shares received after the free increase of capital passed by the Extraordinary Shareholders' Meeting held on 27 June 2008

2) Shares received after the distribution of participating investment in liquidation

3) Of which 1.219.724 shares no longer held as a consequence of a Subsidiary liquidation

4) Composition of Directors with strategic responsibilities changed during 2008

Disclosure of existence of groups, pursuant to Article 2497/2 of Italian Civil Code

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 ISVAP (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
Lauro 2000 Srl - Milan
Acacia 2000 Srl - Milan
Immobiliare Bilancia Srl - Milan
Immobiliare Bilancia Prima Srl - Milan
Immobiliare Bilancia Seconda Srl - Milan
Immobiliare Bilancia Terza Srl - Milan
V.R.G. Domus Srl - Turin
Vittoria Properties Srl - Milan
Valsalaria Srl - Rome
Forum Mondadori Residenze Srl – Milan
Vaimm Sviluppo Srl – Milan
Cadorna Real Estate Srl - Milan
Jannozi Srl - Milan
Interimmobili Srl - Rome
Gestimmobili Srl - Milan

Service companies

Interbilancia Srl - Milan
Vittoria Service Srl - Milan
A.Spe.Vi. Srl - Milan
Vittoria.net Srl - Milan

Infragroup and related-party transactions

At its meeting on 22 March 2007, the Board of Directors approved a resolution regarding guidelines applicable to transactions with related parties.

At its meeting on 19 February 2009, the Board of Directors approved the document entitled “Guidelines for Significant Transactions with Group Companies and Related Parties” pursuant both to Article 6 of ISVAP Regulation 25 of 27 May 2008 and the previous rules set out in IAS 24, to which reference is also made in CONSOB regulations. The new guidelines are included in the annual Corporate Governance Report.

The new guidelines will be applied in FY 2009.

This section sets out the financial and business transactions carried out during the year with Group companies. Information about the companies and additional information are provided in the Explanatory Notes, Part C – Other Information and in the Consolidated Annual Report & Accounts.

Transactions and relationships with companies

The Group has no financial or commercial relationships with the direct company Vittoria Capital N.V. and the indirect companies Yafa Holding B.V., The Netherlands, and Yafa S.p.A. The companies do not engage in management and coordination of the Group, insofar as they merely serve as holding companies.

Transactions with subsidiaries

Vittoria Immobiliare S.p.A. – Milan (87.24% interest)

Vittoria Immobiliare paid the Company a dividend of € 3,128 thousand. In order to increase its share capital from € 16,600 thousand to € 20,000 thousand and consequently strengthen its balance sheet, Vittoria Immobiliare floated a rights offering. The Company paid in its own contribution of € 2,966 thousand, leaving its equity interest unchanged. In addition to owning 50% of Rovimmobiliare S.r.l. (Rome), 49.5% of SIVIM S.r.l. (Milan), 30% of Vittoria Service S.r.l. (Milan), 25% of Mosaico S.p.A. (Turin), 25% of Pama & Partners S.r.l. (Genoa), 40% of VP Sviluppo 2015 S.r.l. (Milan), 49% of VZ Real Estate S.r.l. (Turin) and 20% of Interbilancia S.r.l. (Milan), Vittoria Immobiliare S.p.A. has a controlling stake in the following equity investments:

Acacia 2000 Srl	Milan	65% stake
Gestimmobili Srl	Milan	80% stake
Interimmobili Srl	Rome	80% stake
VRG Domus Srl	Turin	51% stake
Valsalaria S.r.l.	Rome	51% stake
Cadorna Real Estate Srl	Milan	70% stake
Forum Mondadori Residenze Srl	Milan	70% stake
Vaimm Sviluppo Srl	Milan	51% stake

In 2008 Vittoria Immobiliare S.p.A. completed sale of a 35% share in the company Acacia 2000 S.r.l., thereby reducing its shareholding to 65%.

The Company's relationships with the aforementioned companies involved real estate sales resulting in payment of commissions for € 55 thousand and in delegation of management of its property holdings, logistic and property management, agencies and Claims Settlement Inspectorates, and in the preparation of appraisals to obtain mortgage loans, for which fees of € 197 thousand plus VAT were paid.

Vittoria Assicurazioni granted its subsidiary a loan for € 361 thousand.

Vittoria immobiliare's net receivable from Vittoria Assicurazioni under the tax consolidation programme totalled € 446 thousand. Since FY 2008, Acacia 2000 S.r.l. has been included in the scope of the tax consolidation programme, and its net receivable from Vittoria Assicurazioni, together with the subsidiaries of Vittoria Immobiliare, Gestimmobili S.r.l. and Interimmobili S.r.l. totalled € 632 thousand.

Vittoria Assicurazioni billed the aforementioned companies € 494 thousand for the services provided to them in FY 2008.

The consolidated financial statements provide more details on the activity of Group companies.

Immobiliare Bilancia S.r.l. – Milan (100% equity interest)

On 22 December 2008 the subsidiary's General Meeting resolved on a rights issue as follows:

- a capital increase for € 1,150 thousand at par with total additional paid-in capital of € 7,475 thousand, which was simultaneously paid by the sole shareholder Vittoria Assicurazioni S.p.A.;
- delegation of authority to the Board of Directors to carry out an additional rights issue for a total of € 11,375 thousand (total amount of the possible additional paid-in capital) by 22 December 2011.

Immobiliare Bilancia paid the Company a dividend of € 440 thousand.

Immobiliare Bilancia S.r.l. owns 100% of Jannozi S.r.l. (Milan).

Vittoria Assicurazioni billed the subsidiary € 12 thousand for the services provided to it in FY 2008.

The net receivable of Vittoria Assicurazioni for the tax consolidation programme is € 759 thousand.

Immobiliare Bilancia Prima S.r.l. – Milan (100% equity interest)

Vittoria Assicurazioni billed the subsidiary € 9 thousand for the services provided to it in FY 2008.

The net receivable of Vittoria Assicurazioni for the tax consolidation programme is € 24 thousand.

Immobiliare Bilancia Seconda S.r.l. – Milan (100% equity interest)

Vittoria Assicurazioni billed the subsidiary € 7 thousand for the services provided to it in FY 2008. The net payable of Vittoria Assicurazioni for the tax consolidation programme is € 134 thousand.

Immobiliare Bilancia Terza S.r.l. – Milan (100% equity interest)

The company is currently not operative. The net receivable of Vittoria Assicurazioni for the tax consolidation programme is € 4 thousand.

Lauro 2000 S.r.l. – Milan (100% equity interest)

On 29 December 2008 Vittoria Assicurazioni subscribed the rights offering resolved by the subsidiary's general meeting for € 1,250 thousand at par and € 3,750 thousand for additional paid-in capital.

Since FY 2008, Lauro 2000 S.r.l. has been included in the scope of the tax consolidation programme, and its net receivable from Vittoria Assicurazioni totalled € 10 thousand.

Vittoria Assicurazioni billed the subsidiary € 47 thousand for the services provided to it in FY 2008.

Interbilancia S.r.l. – Milan (80% equity interest)

Interbilancia holds the following equity investments:

A.Spe.Vi S.r.l.	Milan	100% equity interest
Vittoria.Net S.r.l.	Milan	100% equity interest
Le Api S.r.l.	Milan	30% equity interest

In February 2008 Vittoria.Net S.r.l. participated in the formation of the Consorzio Movincom, a consortium organised to develop payments by mobile phone. Vittoria.Net S.r.l. subscribed an initial share of 40% with an investment of € 40 thousand. The Consortium carried out a capital increase in September 2008. Vittoria Assicurazioni subscribed to 0.98% of this capital increase, by paying € 1 thousand, raising its equity investment in Vittoria.Net to 39.18%. A 59.06% shareholding is owned by the associated company S.In.T. S.p.A.

Vittoria Assicurazioni granted its subsidiary a loan for € 300 thousand in FY 2008.

The Group's Interbilancia companies provided your company with services for € 1,867 thousand + VAT for its brokerage activity, and received commissions and contributions for € 3,244 thousand.

Vittoria Assicurazioni billed the subsidiary € 27 thousand for the services provided to it in FY 2008.

Vittoria Properties S.r.l. – Milan (99% equity interest)

During the financial year Vittoria Properties S.r.l. was paid € 90 thousand in rent and expense reimbursements on property leases. Vittoria Assicurazioni billed the subsidiary € 3 thousand for the services provided to it in FY 2008.

Vittoria Service S.r.l. – Milan (70% equity interest)

Vittoria Assicurazioni billed the subsidiary € 9 thousand for the services provided to it in FY 2008.

Transactions with associate companies

Yarpa International Holding N.V. – The Netherlands

Yarpa International Holding N.V. paid your company a dividend of € 17,337 thousand, and € 2,688 thousand as reimbursement for additional paid-in capital

As previously mentioned, on 19 December 2008 the reverse merger of Yarpa International Holding B.V. with Yam Invest N.V. took effect. Following this transaction, Vittoria Assicurazioni S.p.A. owns 18.75% of Yam Invest N.V.

Laumor B.V. – The Netherlands

Liquidation of the associate Laumor B.V. was terminated in October 2008.

The associate paid the Company a dividend of € 1,875 thousand.

White Finance S.A. – Luxembourg (32.17% equity interest)

In December 2008 the associate reimbursed Vittoria Assicurazioni for € 2,392 thousand, as part of additional paid-in capital.

White Finance S.A. paid the Company a dividend of € 3,720 thousand.

Laumor Holdings S.a.r.l. – Luxembourg (29% equity interest)

During the financial year, the Company paid the associate € 4,008 thousand for the increase in additional paid-in capital. In December 2008 Vittoria Assicurazioni received € 319 thousand from the associate as partial reimbursement of additional paid-in capital.

No commercial or supply relationships were maintained during the period.

Gima Finance S.A. – Luxembourg (32.13% equity interest)

A total of € 6,630 thousand was paid to the associate by Vittoria Assicurazioni towards an increase in additional paid-in capital.

S.In.T. S.p.A. – Turin (48.19% equity interest)

The services of S.In.T. S.p.A. were used in FY 2008 for the Formula Salute policies and other commercial agreements made by the company, for an aggregate cost of € 759 thousand plus VAT.

Yarpa S.p.A. – Genoa (20.91% equity interest)

The associate provided Vittoria Assicurazioni with services for € 86 thousand + VAT. Yarpa S.p.A. paid the Company a dividend of € 51 thousand.

Touring Vacanze S.r.l. – Milan (24% equity investment)

No commercial or supply relationships were maintained with the associate during the period, and its equity interest remained unchanged at 24.0%.

The associate paid the Company a dividend of € 8 thousand.

Consorzio Movincom S.c.r.l. – Italy (40% equity interest through Vittoria.Net S.r.l.)

The associate is a company dedicated to the development of payment systems using the mobile phone.

The associate billed costs for € 10 thousand + VAT in FY 2008.

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.

Performance in early months of FY2009 and business outlook

An application was made to ISVAP for authorisation for acquisition by Vittoria Assicurazioni S.p.A. of the Life Business of the company SACE BT S.p.A., resolved by the company Board of Directors last December. A preliminary sale agreement was signed on 23 December 2008.

The expected commitment for the company totals about € 4 million, subject to an equalisation payment according to the situation of the portfolio at the contract closing date.

On 15 January the subsidiary Vittoria Service S.r.l. subscribed to a rights offering by its equity investment Spefin Finanziaria S.p.A., subscribing 1,037 shares at a par value of €100 each with a total of € 1,067,500.00 in additional paid-in capital. Following this transaction, Vittoria Service raised its equity interest in Spefin Finanziaria S.p.A. to 21%.

On 6 February 2009 Vittoria Assicurazioni paid € 840 thousand for the capital increase of Vittoria Service S.r.l.

On 3 March 2009 the respective general meetings resolved on the merger of Jannozi S.r.l. with its company Immobiliare Bilancia S.r.l. Involving the takeover of a wholly-owned company, the merger will be finalised with cancellation, without exchange, of the share representing the entire share capital of the merged company, and thus without a capital increase by the surviving company.

On 16 February 2009, Vittoria Assicurazioni elected the option for FY 2009 to be considered "company" for payment of Group VAT, pursuant to Article 2009 of Presidential Decree 633/1972 and the Ministerial Decree of 13 December 1979. This programme involves the following subsidiaries:

- Immobiliare Bilancia Terza S.r.l.;
- Lauro 2000 S.r.l.;
- Forum Mondadori Residenze S.r.l.
- Interimmobili S.r.l.;
- Gestimmobili S.r.l.;
- Vittoria Properties.

As part of this procedure, Vittoria Assicurazioni S.p.A. will make monthly payments in 2009 for its own VAT liability and that of all the companies listed above, offsetting the payable positions with any receivables.

Appointment to fill vacant seats on the Board of Statutory Auditors pursuant to Article 17 of the Articles of Association

Shareholders,

On 19 September 2008 Livio Strazzera resigned as Standing Statutory Auditor.

Mr Strazzera had been elected on the majority list submitted by the shareholder Vittoria Capital N.V. Consequently, pursuant to Article 17 of the Articles of Association, Ferruccio Araldi, formerly an Alternate Auditor elected from the same majority list, filled the vacant seat.

Pursuant to Section 2401 Italian Civil Code, Mr Ferruccio Araldi's term will expire when the General Meeting of 24 and 27 April 2009 is held. Consequently, the vacancies on the Board of Statutory Auditors must be filled.

Since this involves filling a vacancy on the Board of Statutory Auditors resulting from the resignation of a statutory auditor elected on the majority list, pursuant to Article 17 of the Articles of Association the resolution to fill that vacancy shall be made by simple majority vote, without the obligation to submit lists.

Therefore, we ask you to appoint the Standing Statutory Auditor and Alternate Auditor in order to fill the vacancies on the Board of Statutory Auditors.

Authorisation to obtain directors' and officers' (D&O) liability insurance; related resolutions.

Shareholders,

The steadily growing complexity of applicable laws and regulations and the consequent increase in the exposure of officers at listed companies to financial liability has led to increasing recourse in Italy to Directors' and Officers' Liability Insurance – D&O.

Currently many listed companies use such insurance to provide their directors, statutory auditors and executives with protection in the performance of their functions, particularly in regard to decision-making processes and the consequent assumption of liability.

In this regard, we propose that you authorise the Board of Directors to obtain a D&O insurance policy at standard terms and conditions for the insurance business and as adequate for carrying on the Company's and the Group's activities.

The coverage is intended to indemnify the members of the Board of Directors, the Board of Statutory Auditors, the Financial Reporting Officer, and the executives with delegations of authority for the acts carried out under their purview, powers of attorney, and their respective positions within the limits of their powers and pursuant to laws, measures, regulations and procedures adopted by our Company. This coverage will obviously apply only in the cases where the authors of the violations committed the act without malice aforethought or fraud.

The key conditions of the policy for which authorisation is being requested are outlined as follows:

- maximum coverage of € 10,000,000.00 for each loss and € 10,000,000.00 per insurance period;
- 12-month term, renewable on an annual basis;
- annual premium: about Euro 150,000.

We also propose that you grant the Chief Executive Officer with full authority to renew the policy upon expiration at the best market rates and conditions, with the possibility to redefine the annual premium in light of the necessary adjustments stemming from changes in the company.

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 as follows:

Net profit of Non-Life Business	€	33,510,097
Net profit of Life Business	€	4,429,329
Total (equal to € 0.577 per share)	€	37,939,426
Allocation to Non-Life Business Legal Reserve	€	1,675,505
Allocation to Life Business Legal Reserve	€	221,466
Total available net profit	€	36,042,455
of which:		
Available net profit of Non-Life Business	€	31,834,592
Available net profit of Life Business	€	4,207,863

Shareholders,

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

- To each of the 65,766,210 shares comprising the entire share capital, € 0,17 for a total of	€	11,180,256
- for Non-Life Business	€	6,972,393
- for Life Business	€	4,207,863
Remainder	€	24,862,199

which we propose that you allocate entirely to increasing the Available Reserve for Non-Life Business.

If you agree with and approve our proposal, the dividend will be paid as from 14 May 2009 c/o custodian intermediaries with detachment of coupon no. 27 on 11 May 2008.

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, 12 March 2009

Financial statements
as at and for the year ended
31 December 2008

BALANCE SHEET

ASSETS

Current year

A. SHARE CAPITAL PROCEEDS TO BE RECEIVED			1 0
of which: called-up	2 0		
B. INTANGIBLE ASSETS			
1. Acquisition commissions to be amortised			
a) life businesses	3 2,753,145		
b) non-life businesses	4 5,414,919	5 8,168,064	
2. Other acquisition costs		6 0	
3. Start-up and capital costs		7 26,475	
4. Goodwill		8 0	
5. Other deferred costs		9 21,476,094	10 29,670,633
C. INVESTMENTS			
I - Land and buildings			
1. Operating buildings		11 783,000	
2. Buildings used by third parties		12 18,053,900	
3. Other buildings		13 0	
4. Other property rights		14 0	
5. Assets under construction and payments on account		15 0	16 18,836,900
II - Investments in group and other companies:			
1. Equity investments in:			
a) parent companies	17 0		
b) subsidiaries	18 151,610,979		
c) related companies	19 0		
d) associated companies	20 33,821,235		
e) other companies	21 37,999,670	22 223,431,884	
2. Bonds issued by:			
a) parent companies	23 0		
b) subsidiaries	24 0		
c) related companies	25 0		
d) associated companies	26 0		
e) other companies	27 0	28 0	
3. Loans to:			
a) parent companies	29 0		
b) subsidiaries	30 661,498		
c) related companies	31 0		
d) associated companies	32 0		
e) other companies	33 2,500,001	34 3,161,499	35 226,593,383
		to carry forward	29,670,633

Previous year

					181	0
		182	0			
183	3,493,690					
184	6,678,507	185	10,172,197			
		186	0			
		187	49,659			
		188	0			
		189	17,620,101		190	27,841,957
		191	305,860			
		192	7,891,949			
		193	0			
		194	0			
		195	0	196	8,197,809	
197	0					
198	130,019,979					
199	0					
200	35,181,621					
201	44,362,052	202	209,563,652			
203	0					
204	0					
205	0					
206	0					
207	0	208	0			
209	0					
210	454,856					
211	0					
212	0					
213	2,000,000	214	2,454,856	215	212,018,508	
		to carry forward				27,841,957

BALANCE SHEET

ASSETS

Current year

			brought forward		29,670,633
C. INVESTMENTS (continues)					
III - Other financial investments:					
1. Equity investments					
a) Listed shares	36	0			
b) Unlisted shares	37	0			
c) Quotas	38	0	39	0	
2. Unit trust units			40	6,785,201	
3. Bonds and other fixed-interest securities					
a) listed	41	1,176,897,344			
b) unlisted	42	6,761,505			
c) convertible bonds	43	0	44	1,183,658,849	
4. Loans					
a) secured loans	45	3,341,444			
b) loans on policies	46	3,594,397			
c) other loans	47	5,551,225	48	12,487,066	
5. Shares in investment pools			49	0	
6. Deposits with banks			50	10,000,000	
7. Other financial investments			51	0	52
IV - Deposits with ceding companies					53
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT					
I - Investments relating to index-linked policies					55
II - Investments relating to pension fund management					56
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES					
I - NON-LIFE BUSINESSES					
1. Premium reserve			58	9,507,444	
2. Claims reserve			59	37,753,722	
3. Profit participation and reimbursement reserve			60	0	
4. Other technical reserves			61	0	62
II - LIFE BUSINESSES					
1. Mathematical reserves			63	18,841,454	
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	23,350	
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management			68	0	69
					70
			to carry forward		1,624,029,315

Previous year

	brought forward		27,841,957
216	0		
217	0		
218	0	219	0
		220	11,855,002
221	1,162,527,582		
222	11,317,809		
223	0	224	1,173,845,391
225	3,302,946		
226	3,987,501		
227	2,419,909	228	9,710,356
		229	0
		230	0
		231	0
		232	1,195,410,749
		233	425,752
		234	1,416,052,818
		235	91,868,274
		236	3,464,366
		237	95,332,640
		238	18,697,942
		239	60,666,667
		240	0
		241	0
		242	79,364,609
		243	17,955,814
		244	0
		245	20,658
		246	0
		247	24,506
		248	0
		249	18,000,978
		250	97,365,587
	to carry forward		1,636,593,002

BALANCE SHEET

ASSETS

Current year

	brought forward			1,624,029,315
E. RECEIVABLES				
I - Receivables relating to direct insurance due from:				
1. Policyholders				
a) premiums for the year	71	44,911,328		
b) premiums for previous years	72	3,557,909	73	48,469,237
2. Insurance brokers and agents			74	56,934,723
3. Current account companies			75	12,330,655
4. Amounts to be recovered from policyholders and third parties			76	28,895,477
			77	146,630,092
II - Receivables relating to reinsurance due from:				
1. Insurance and reinsurance companies			78	6,230,396
2. Reinsurance brokers and agents			79	0
			80	6,230,396
III. - Other receivables			81	19,896,825
			82	172,757,313
F. OTHER ASSETS				
I - Tangible assets and inventory:				
1. Office furniture and machines and internal transport systems			83	3,014,194
2. Registered chattel property			84	376
3. Plant and machinery			85	197,261
4. Inventory and other assets			86	0
			87	3,211,831
II - Liquid funds				
1. Bank and postal accounts			88	33,869,592
2. Cheques on hand and cash-in-hand			89	106,212
			90	33,975,804
III - Own shares or quotas			91	0
IV - Other assets				
1. Suspense reinsurance accounts			92	0
2. Sundry assets			93	14,076,819
			94	14,076,819
			95	51,264,454
G. PREPAYMENTS AND ACCRUED INCOME				
1. Interest			96	18,810,223
2. Rent instalments			97	196,721
3. Other prepayments and accrued income			98	1,776,718
			99	20,783,662
TOTAL ASSETS				100
				1,868,834,744

Previous year

	brought forward		1,636,593,002
251	52,198,453		
252	918,932	253	53,117,385
		254	54,531,825
		255	14,018,197
		256	28,224,848
		257	149,892,255
		258	3,501,853
		259	0
		260	3,501,853
		261	14,151,702
		262	167,545,810
		263	2,741,394
		264	12,164
		265	257,476
		266	80,568
		267	3,091,602
		268	46,239,357
		269	61,494
		270	46,300,851
		271	0
		272	0
		273	11,372,680
		274	11,372,680
		275	60,765,133
		276	17,818,595
		277	206,984
		278	1,158,566
		279	19,184,145
		280	1,884,088,090

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

A. SHAREHOLDERS' EQUITY				
I	- Subscribed share capital or equivalent fund	101	65,766,210	
II	- Share premium reserve	102	31,097,618	
III	- Revaluation reserves	103	10,887,143	
IV	- Legal reserve	104	6,533,218	
V	- Statutory reserves	105	0	
VI	- Reserves for purchase of own shares and shares of parent company	106	0	
VII	- Other reserves	107	107,453,767	
VIII	- Retained earnings or losses carried forward	108	0	
IX	- Net profit (loss) for the year	109	37,939,426	110 style="text-align: right;">259,677,382
B. SUBORDINATED LIABILITIES				111 style="text-align: right;">4,161,096
C. TECHNICAL RESERVES				
I - NON-LIFE BUSINESSES				
1.	Premium reserve	112	216,215,776	
2.	Claims reserve	113	510,435,163	
3.	Profit participation and reimbursement reserve	114	0	
4.	Other technical reserves	115	3,773,527	
5.	Equalisation reserves	116	2,720,126	117 style="text-align: right;">733,144,592
II - LIFE BUSINESSES				
1.	Mathematical reserves	118	674,168,012	
2.	Complementary insurance premium reserve	119	167,373	
3.	Reserve for payable amounts	120	22,180,234	
4.	Profit participation and reimbursement reserve	121	24,395	
5.	Other technical reserves	122	11,352,864	123 style="text-align: right;">707,892,878
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	63,892,598	
II	- Reserves arising from pension fund management	126	5,574,331	127 style="text-align: right;">69,466,929
	to carry forward			1,774,342,877

Previous year

	281	32,666,088	
	282	30,272,954	
	283	6,370,382	
	284	6,090,325	
	285	0	
	286	0	
	287	103,467,554	
	288	0	
	289	36,495,067	290 215,362,370
			291 5,202,778
292	201,836,308		
293	504,800,666		
294	0		
295	3,292,246		
296	2,432,851	297 712,362,071	
298	691,755,425		
299	180,805		
300	30,741,407		
301	30,139		
302	10,540,521	303 733,248,297	304 1,445,610,368
		305 91,868,274	
		306 3,464,367	307 95,332,641
to carry forward			1,761,508,157

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

	brought forward			1,774,342,877
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES				
1 Pension and similar provisions		128	0	
2 Provision for taxation		129	623,682	
3 Other provisions		130	741,337	131 1,365,019
F. DEPOSITS FROM REINSURERS				132 28,258,319
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising from direct insurance business due to:				
1. Insurance brokers and agents	133	5,016,633		
2. Current account companies	134	2,439,042		
3. Guarantee deposits and premiums paid by policyholders	135	224,467		
4. Guarantee funds in favour of policyholders	136	545,626	137 8,225,768	
II - Payables arising from reinsurance business due to:				
1. Insurance and reinsurance companies	138	8,233,145		
2. Reinsurance brokers and agents	139	0	140 8,233,145	
III. - Bond issues			141 0	
IV - Due to banks and other financial institutions			142 0	
V - Secured debts			143 0	
VI - Sundry loans and other financial payables			144 0	
VII - Employees' leaving entitlement			145 4,650,375	
VIII - Other sums payable				
1. Policyholders' tax due	146	10,158,865		
2. Other sums payable to taxation authorities	147	1,257,859		
3. Social security charges payable	148	1,932,934		
4. Sundry payables	149	14,653,043	150 28,002,701	
IX - Other liabilities				
1. Suspense reinsurance accounts	151	0		
2. Commissions on premiums under collection	152	10,852,386		
3. Other liabilities	153	4,627,374	154 15,479,760	155 64,591,749
	to carry forward			1,868,557,964

Previous year

brought forward			1,761,508,157
	308	0	
	309	1,406,323	
	310	741,337	311 2,147,660
			312 56,631,843
313	2,860,747		
314	2,888,366		
315	193,193		
316	472,062	317 6,414,368	
318	9,977,013		
319	0	320 9,977,013	
		321 0	
		322 0	
		323 0	
		324 0	
		325 5,377,825	
326	9,185,342		
327	1,417,789		
328	1,886,654		
329	11,550,866	330 24,040,651	
331	0		
332	13,686,055		
333	3,961,325	334 17,647,380	335 63,457,237
to carry forward			1,883,744,897

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

	Current year	
brought forward		1,868,557,964
H. ACCRUED EXPENSES AND DEFERRED INCOME		
1. Interest	156 228,860	
2. Rent instalments	157 0	
3. Other accrued expenses and deferred income	158 47,920	159 276,780
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160 1,868,834,744

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 6,218,000
2. Endorsements		166 0
3. Other personal guarantees		167 0
4. Collateral		168 250,000
III - Guarantees given by third parties in the interest of the company		169 0
IV - Commitments		170 18,604,814
V - Third party assets		171 3,888,660
VI - Assets pertaining to pension funds managed in favour and on behalf of third parties		172 5,574,331
VII - Securities held by third parties		173 1,250,477,089
VIII - Other memorandum and contingency accounts		174 0

Previous year

brought forward		1,883,744,897
	336	286,153
	337	0
	338	57,040
	339	343,193
	340	1,884,088,090

Previous year

	341	0
	342	0
	343	20,500,000
	344	0
	345	9,200,000
	346	0
	347	0
	348	250,000
	349	0
	350	29,333,680
	351	4,153,931
	352	3,464,367
	353	1,260,697,792
	354	0

PROFIT AND LOSS ACCOUNT

Current year

I. NON-LIFE BUSINESS TECHNICAL ACCOUNT				
1	PREMIUMS, NET OF OUTWARDS REINSURANCE			
	a) gross premiums accounted for	1	516,207,300	
	b) (-) outwards reinsurance premiums	2	30,535,159	
	c) Change in gross premium reserve	3	14,387,288	
	d) Change in reinsurer premium reserve	4	-424,096	5
				470,860,757
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)			6
				30,261,868
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			7
				3,680,800
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE			
	a) Amounts paid			
	aa) Gross amount paid	8	359,973,100	
	bb) (-) reinsurers' share	9	35,372,819	10
				324,600,281
	b) Change in recoveries, net of reinsurers' share			
	aa) Gross amount recovered	11	6,183,539	
	bb) (-) reinsurers' share	12	-334,910	13
				6,518,449
	c) Change in claims reserve			
	aa) Gross amount	14	5,577,079	
	bb) (-) reinsurers' share	15	-15,987,322	16
				21,564,401
				339,646,233
5	CHANGE IN OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE			18
				481,281
6	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE			19
7	OPERATING COSTS:			
	a) Acquisition commissions	20	80,067,778	
	b) Other acquisition costs	21	29,355,845	
	c) Change in commissions and other acquisition costs to be amortised	22	-1,263,587	
	d) Premium collection commissions	23	7,055,320	
	e) Other administrative costs	24	14,512,224	
	f) (-) Profit participation and other commissions received by reinsurers	25	8,580,751	26
				123,674,003
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			27
				2,813,050
9	CHANGE IN EQUALISATION RESERVES			28
				287,276
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)			29
				37,901,582

Previous year

			111	495,437,872	
			112	48,104,341	
			113	27,552,685	
			114	910,859	115
					420,691,705
					116
					29,096,790
					117
					3,529,025
			118	299,408,228	
			119	40,137,513	120
					259,270,715
			121	10,088,968	
			122	136,184	123
					9,952,784
			124	42,421,141	
			125	-8,230,311	126
					50,651,452
					127
					299,969,383
					128
					509,687
					129
			130	79,618,895	
			131	23,098,873	
			132	-270,247	
			133	7,268,251	
			134	14,697,080	
			135	12,962,278	136
					111,991,068
					137
					3,748,394
					138
					285,956
					139
					36,813,032

PROFIT AND LOSS ACCOUNT

Current year

II. LIFE BUSINESS TECHNICAL ACCOUNT							
1	PREMIUMS, NET OF OUTWARDS REINSURANCE:						
	a) Gross premiums accounted for		30	114,510,532			
	b) (-) outwards reinsurance premiums		31	2,262,711		32	112,247,821
2	INCOME ON INVESTMENTS:						
	a) Income on equity investments		33	2,411,624			
	(of which: from group companies		34	2,411,624			
	b) Income on other investments:						
	aa) land and buildings	35					
	bb) other investments	36	34,048,506	37	34,048,506		
	(of which: from group companies			38			
	c) Adjustments to investment values		39	133,505			
	d) Profit on sale of investments		40	354,648			
	(of which: from group companies		41			42	36,948,283
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT					43	3,550,591
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE					44	710,913
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:						
	a) Amounts paid						
	aa) Gross amount paid	45	143,653,787				
	bb) (-) reinsurers' share	46	911,719	47	142,742,068		
	b) Change in reserve for amounts payable						
	aa) Gross amount	48	-8,561,173				
	bb) (-) reinsurers' share	49	-20,658	50	-8,540,515	51	134,201,553
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE						
	a) Mathematical reserves:						
	aa) Gross amount	52	-17,588,176				
	bb) (-) reinsurers' share	53	885,640	54	-18,473,816		
	b) Complementary insurance premium reserve:						
	aa) Gross amount	55	-13,432				
	bb) (-) reinsurers' share	56		57	-13,432		
	c) Other technical reserves						
	aa) Gross amount	58	812,343				
	bb) (-) reinsurers' share	59	-1,155	60	813,498		
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management						
	aa) Gross amount	61	-25,865,712				
	bb) (-) reinsurers' share	62		63	-25,865,712	64	-43,539,462

Previous year

		140	141,087,906			
		141	2,176,650	142	138,911,256	
		143	2,924,446			
(of which: from group companies		144	2,924,446)			
	145					
	146	32,524,162	147	32,524,162		
(of which: from group companies		148				
		149	6,731			
		150	6			
(of which: from group companies		151		152	35,455,345	
				153	5,640,782	
				154	904,570	
	155	99,661,741				
	156	6,482,595	157	93,179,146		
	158	7,667,286				
	159		160	7,667,286	161	100,846,432
	162	42,823,928				
	163	-4,652,953	164	47,476,881		
	165	-9,950				
	166		167	-9,950		
	168	6,265,618				
	169	-7,990	170	6,273,608		
	171	-18,406,999				
	172		173	-18,406,999	174	35,333,540

PROFIT AND LOSS ACCOUNT

Current year

7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE			65	11,866
8	OPERATING COSTS:				
	a) Acquisition commissions	66	10,462,797		
	b) Other acquisition costs	67	4,865,297		
	c) Change in commissions and other acquisition costs to be amortised	68	-740,545		
	d) Premium collection commissions	69	1,431,022		
	e) Other administrative costs	70	3,021,319		
	f) (-) Profit participation and other commissions received by reinsurers	71	421,573	72	20,099,407
9	CAPITAL AND FINANCIAL CHARGES:				
	a) Investment management charges and interest payable	73	2,296,565		
	b) Adjustments to investment values	74	8,011,641		
	c) Loss on sale of investments	75	223,088	76	10,531,294
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	23,945,111
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			78	201,663
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)			79	
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)			80	8,006,176
III. NON-TECHNICAL ACCOUNT					
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I.10)			81	37,901,582
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II.13)			82	8,006,176
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:				
	a) Income on equity investments	83	25,111,285		
	(of which: from group companies	84	25,111,285)		
	b) Income on other investments:				
	aa) land and buildings	85	199,790		
	bb) other investments	86	23,019,092	87	23,218,882
	(of which: from group companies	88	130,587)		
	c) Adjustments to investment values	89	71,888		
	d) Profit on sale of investments	90	703,636		
	(of which: from group companies	91		92	49,105,691

Previous year

			175	40,701

	176	14,393,466		
	-----	-----		
	177	4,850,803		
	-----	-----		
	178	-807,471		
	-----	-----		
	179	1,718,816		
	-----	-----		
	180	3,777,570		
	-----	-----		
	181	531,683	182	25,016,443
	-----	-----	-----	
	183	2,544,434		
	-----	-----		
	184	259,577		
	-----	-----		
	185	4,783	186	2,808,794
	-----	-----	-----	
			187	7,615,060

			188	10,805

			189	3,128,519

			190	6,111,659

			191	36,813,032

			192	6,111,659

	193	24,243,698		
	-----	-----		
(of which: from group companies	194	24,243,698)		
	-----	-----		
	195	186,536		
	-----	-----		
	196	19,915,040	197	20,101,576
	-----	-----	-----	
(of which: from group companies	198	24,101)		
	-----	-----		
	199	27,775		
	-----	-----		
	200			
	-----	-----		
(of which: from group companies	201)	202	44,373,049
	-----	-----	-----	

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	1,708,910	
	b) Adjustments to investment values	95	10,097,552	
	c) Loss on sale of investments	96	3,820	97
6	(+) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)			98
7	OTHER INCOME			99
8	OTHER CHARGES			100
9	RESULT OF ORDINARY BUSINESS			101
10	EXTRAORDINARY INCOME			102
11	EXTRAORDINARY EXPENSE			103
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS			104
13	PROFIT (LOSS) BEFORE TAXATION			105
14	TAXATION ON PROFIT FOR THE YEAR			106
15	NET PROFIT (LOSS) FOR THE YEAR			107

Previous year

		203	3,128,519

	204	1,952,580	

	205	6,751,273	

	206		207
			8,703,853

		208	29,096,790

		209	2,972,839

		210	5,288,072

		211	50,310,383

		212	1,549,408

		213	309,452

		214	1,239,956

		215	51,550,339

		216	15,055,275

		217	36,495,064

EXPLANATORY NOTES TO ACCOUNTS

To Our Shareholders

Together with the Balance Sheet and Income Statement for the financial year ending on 31 December 2008, 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 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.

Reclassified balance sheet

(in thousands of euros)

ASSETS	31/12/2008	31/12/2007
Investments		
Land and buildings	18,837	8,198
Investments in group and other companies		
- Equity investments	223,432	209,564
- Loans	3,161	2,455
Other financial investments:		
- Unit trust units	6,785	11,855
- Bonds and other fixed-interest securities	1,183,659	1,173,845
- Loans	12,487	9,710
- Other financial investments + Deposits with banks	10,000	-
Deposits with ceding companies	404	426
Investments benefiting life policyholders	69,467	95,333
Total investments	1,528,232	1,511,386
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	48,469	53,117
- Insurance brokers and agents	56,935	54,532
- Current account companies	12,331	14,018
- Amounts to be recovered from policyholders and third parties	28,895	28,225
Receivables relating to reinsurance business	6,230	3,502
Other receivables	19,897	14,152
Total receivables	172,757	167,546
Intangible assets	29,671	27,842
Tangible assets and inventory	3,212	3,092
Liquid funds	33,976	46,301
Other assets	14,077	10,060
Prepayments and accrued income	20,784	19,184
TOTAL ASSETS	1,802,709	1,785,411

Reclassified balance sheet

(in thousands of euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2008	31/12/2007
Shareholders' equity		
- Share capital	65,766	32,666
- Share premium reserve	31,098	30,273
- Revaluation reserves	10,887	6,370
- Legal reserve	6,533	6,090
- Other reserves	107,454	103,468
- Net profit (loss) for the year	37,939	36,495
Total shareholders' equity	259,677	215,362
Subordinated liabilities	4,161	5,203
Technical reserves, net of reinsurance		
- Premium reserve	206,708	183,138
- Claims reserve	472,681	444,134
- Mathematical reserves	655,326	673,799
- Reserve for amounts payable	22,180	30,721
- Other technical reserves	18,017	16,454
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	69,467	95,333
Total technical reserves	1,444,379	1,443,579
Payables		
Deposits from reinsurers	28,258	56,632
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	5,017	2,861
- Current account companies	2,439	2,888
- Guarantee deposits and premiums paid by policyholders	224	193
- Guarantee funds in favour of policyholders	546	472
Payables arising from reinsurance business	8,233	9,977
Other sums payable	28,003	24,041
Total payables	72,720	97,064
Provisions for contingencies and other charges	1,365	2,148
Employees' leaving entitlement	4,650	5,378
Other liabilities	15,480	16,334
Accrued expenses and deferred income	277	343
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,802,709	1,785,411

Reclassified Income Statement

(in thousands of euros)

	31/12/2008	31/12/2007
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	114,510	141,087
(-) Charges relating to claims	135,027	107,234
(-) Change in mathematical and other technical reserves	-42,662	30,764
(+) Other technical captions, net	495	853
(-) Operating costs	20,521	25,548
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	26,417	29,518
(+) income on investments where policyholders bear the risk - Class D	-20,395	-1,974
Direct insurance result	8,141	5,938
Outwards reinsurance result	-66	177
Retained direct insurance result	8,075	6,115
Indirect and retroceded insurance result	-69	-3
Result of life business technical account	8,006	6,112
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	515,706	494,971
(-) Change in premium reserve	14,457	27,653
(-) Charges relating to claims	359,017	331,402
(-) Change in other technical reserves	482	510
(+) Other technical captions, net	867	-219
(-) Operating costs	132,190	124,803
Direct insurance result	10,427	10,384
Outwards reinsurance result	-2,655	-2,446
Retained direct insurance result	7,772	7,938
Indirect and retroceded insurance result	155	64
Total retained direct insurance result	7,927	8,002
(-) Change in equalisation reserves	287	286
(+) Income on investments transferred from the non-technical account	30,262	29,097
Result of non-life business technical account	37,902	36,813
Result of technical account	45,908	42,925
(+) Income on non-life business investments net of the portion transferred to the technical account	7,034	6,572
(+) Income on investments transferred from the life business technical account	-	3,129
(+) Other income	3,826	2,973
(-) Other charges	4,848	5,288
Result of ordinary business	51,920	50,311
(+) Extraordinary income	1,040	1,549
(-) Extraordinary expense	168	310
Profit (loss) before taxation	52,792	51,550
(-) Taxation on profit for the year	14,853	15,055
Net profit (loss)	37,939	36,495

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 various regulations issued by the ISVAP (supervisory body for the Italian insurance industry) and of CONSOB (Italian securities & exchange commission) guidelines. The policies are described below.

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

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 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 it is instead 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

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

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

For the contract of Credit Business draw up or renew before 31 December 2001, as prescribed by article no. 7, paragraph 4 of ISVAP Regulation n° 16/2008, have been used the forfeitary criterion as envisaged by article 3 of enclosed 1 of above mentioned Regulation.

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 ISVAP 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;
- Credit insurance: the additional reserve follows the criteria envisaged by articles no. 16 and 17 of above mentioned Regulation;
- Miscellaneous asset damage - hail 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 ISVAP 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.

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 ageing reserve for health insurance as required by Article 37 of Italian Legislative Decree no. 209 of 7 September 2005.

The reserve is calculated on a forfeitary basis by accruing 10% of gross premiums written on those products for which premium calculation does not consider the policyholder's age and that include clauses limiting the company's possibility of terminating the contract, as envisaged in ISVAP Regulation no. 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 ISVAP 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 FY2007, 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, net of reinsurers' contractual share, 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.

NON-LIFE

Claims reserve

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 and related inflation rates).

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;
- Analysis and checking of data and review of documentation concerning major claims by corporate management.

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 ISVAP 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 area co-ordinators. The latter check, 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.

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 ISVAP Regulation no. 21 of 28 March 2008 in its article no. 50, the reserve for capital contracts relating to sums insured with a contractually guaranteed annuity conversion factor and to deferred and beneficial life annuities has been adjusted to reflect updated demographic survival assumptions.

Mathematical reserves are adjusted, when deemed necessary, to factor in the decrease in financial rates of return on assets covering such reserves.

Pursuant to the requirements of ISVAP Regulation no. 21 of 28 March 2008 in its article no. 38, an ALM (Asset-Liability Management) procedure has been implemented for joint analysis of the asset and liability portfolios in order to calculate the forecast returns for each segregated life account. The process performed did not reveal the need for supplementary reserving.

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.

Investment income transferred from the non-technical account to the technical account

NON-LIFE

Financial income and charges relating to investments concerning the Non-Life Business are shown in the non-technical account, as required by paragraph 1, Article 54, of Italian Legislative Decree no. 173 of 26 May 1997.

Having said that, the official format for financial statements makes it obligatory to transfer, according to the methods established by the ISVAP, a part of investment income, net of financial charges, from the non-technical to the technical account.

ISVAP Regulation no. 22 of 4 April 2008 in its article no. 22 established that the portion of investment income transferred must be proportional to the ratio where the numerator is the sub-total of retained mandatory technical reserves at the end of the current and previous year and the denominator is the total of the sub-total of retained mandatory technical reserves at the end of the current and previous year plus the sub-total of shareholders' equity and subordinated liabilities as at the end of the current and previous year.

Mandatory technical reserves consist of the premium reserves, claims reserves, profit participation and reversal reserves, the ageing reserve for health insurance, the offsetting reserve for credit insurance and the equalisation reserve for natural disasters.

Investment income transferred from the technical account to the non-technical account

LIFE

Financial income and charges relating to investments concerning the Life business are shown in the technical account, as required by paragraph 3, Article 54, of Italian Legislative Decree no. 173 of 26 May 19967.

Having said that, the official format for financial statements makes it obligatory to transfer, according to the methods established by the ISVAP, a part of investment income – defined as the amount of investment income net of financial charges and excluding unrealised capital gains and losses relating to investments benefiting policyholders bearing the risk and investments relating to pension fund management - from the technical to the non-technical account. ISVAP Regulation no. 22 of 4 April 2008 in its article no. 23 established that investment income transferred must be proportional to the ratio where the numerator is the sub-total of shareholders' equity and subordinated liabilities at the end of the current and previous year and the denominator is the total of the sub-total of shareholders' equity and subordinated liabilities at the end of the current and previous year plus the sub-total of retained mandatory technical reserves as at the end of the current and previous year.

Mandatory technical reserves for these purposes consist of the mathematical reserves, complementary insurance premium reserves, reserves for payable amounts, profit participation and reversal reserves and other technical reserves, excluding technical reserves where the investment risk is borne by policyholders and reserves relating to pension fund management.

If investment income allocated to the Life business technical account as per the criteria described above is lower than income contractually allocated to policyholders

during the financial year, the portion of investment income to be transferred to the non-technical account has to be adjusted accordingly and, if necessary, cancelled.

Inward reinsurance

NON-LIFE/ LIFE

Inward life insurance is recorded on an accruals basis, except for risks retroceded by C.I.R.T. (the Italian consortium for impaired life insurance), which, however is not material.

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.

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.

“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 and ISVAP ordinance no. 735 of 1/12/1997 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.

If the impairment of the value of long-term foreign-currency investments in foreign is due to exchange-rate losses, it must be checked to see whether such impairment is permanent or otherwise. If the exchange rate is expected to recover in the short-medium term, the investment is not written down.

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 ISVAP ordinance of 17/07/1996 (use of financial derivatives by insurance companies) and the ISVAP ordinance of 18/06/1998 (classification of investments), 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 directly 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.

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.

LIFE

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

Taxation of the year's profit is calculated on the basis of each financial year's estimated taxable income and recognised on an accrual-accounting basis in compliance with current legislation. In accordance with Italian accounting standard no. 25 ("Accounting treatment of income taxes") issued by the Italian national council of chartered and registered accountants, and subsequently amended by the OIC (the Italian accounting organisation) in connection with Italian company law reform, deferred taxes are calculated on the basis of the tax rates in force when temporary difference reverse, making appropriate adjustments if tax rates have changed with respect to previous years, only if the legal regulation changing the tax rate has already been enacted as at balance sheet date.

Deferred tax assets are recognised when it is reasonably certain that there will be future taxable income greater than the temporary differences generating the deferred tax assets in the years when such differences will reverse.

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

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 the Balance Sheet and Income Statement

BALANCE SHEET

ASSETS

CLASS B - INTANGIBLE ASSETS

<i>2007</i>	<i>2008</i>	<i>Change</i>
27,842	29,671	+ 1,829

Intangible assets are stated net of amortisation of € 10,643 thousand and, in the Life business, net of the residual amount to be amortised of cancelled policies reversed to the income statement. Amortisation is calculated as stated in "Part A - Accounting policies" of these explanatory notes.

of which:

B.1 - DEFERRED ACQUISITION COSTS

<i>2007</i>	<i>2008</i>	<i>Change</i>
10,172	8,168	- 2,004

Acquisition commissions are amortised as described in the "Accounting Policies" chapter. If all policies were to 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 € 4,600 thousand (2007: € 4,869 thousand) for the Life business and of € 15,933 thousand (2006: € 16,211 thousand) for the Non-Life business.

B.1.a - Deferred acquisition commissions - Life business

<i>2007</i>	<i>2008</i>	<i>Change</i>
3,494	2,753	- 741

Deferred acquisition commissions changed as follows:

- Commissions on policies acquired in the year	+ 495
- Commissions for policies cancelled in the year	- 291
- Annual amortisation	- 945

B.1.b - Deferred acquisition commissions - Non-Life business

<i>2007</i>	<i>2008</i>	<i>Change</i>
6,678	5,415	- 1,263

Deferred acquisition commissions changed as follows:

- Commissions on policies acquired in the year	+ 4,762
- Annual amortisation	- 6,025

B.3 - START-UP AND EXPANSION COSTS

<i>2007</i>	<i>2008</i>	<i>Change</i>
50	27	- 23

These are the costs borne by the company to issue the convertible subordinated loan approved by shareholders at the Extraordinary Meeting on 26 April 2001.

Annual amortisation in FY2008 amounted to € 13 thousand.

Following the start of conversion of the loan in FY2008, a part of issue costs - € 10 thousand - has been eliminated.

B.5 - OTHER DEFERRED COSTS

<i>2007</i>	<i>2008</i>	<i>Change</i>
17,620	21,476	+ 3,856

Deferred expenses, stated in year-end accounts at cost, are directly amortised. The following table shows changes occurring during the year:

	<i>2007</i>	<i>2008</i>	<i>(€ '000)</i> <i>Change</i>
Software applications	16,830	19,594	2,764
Software applications under completion	153	1,142	989
Refurbishment of HQ and agency premises	607	717	110
Other deferred costs	30	23	-7
Total	17,620	21,476	3,856

The change reflects purchases of € 7,516 thousand in the year and amortisation of € 3,660 thousand.

The item "Software applications" refers to long-term costs borne mainly for the NewAge System package for development of the company's operating system, the claims adjustment network and the agency network and to implementation of Claims Datawarehouse

CLASS C - INVESTMENTS

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,416,053	1,458,765	+ 42,712

The comparison with investments' fair value is shown by type in the Appendices to the Explanatory Notes.

Below we list the investments concerned:

C.I Land and buildings

<i>2007</i>	<i>2008</i>	<i>Change</i>
8,198	18,837	+ 10,639

Total carrying values include the following revaluations:

Monetary - pursuant to Italian Laws 576/75 and 72/83	510
Tax-driven and voluntary	1,019
Mandatory - pursuant to Italian Law 413/91	898
Italian Law 28 January 2009 - no. 2	11,206

The caption comprises:

C.I.1 - OPERATING BUILDINGS

<i>2007</i>	<i>2008</i>	<i>Change</i>
306	783	+ 477

The change is due to the € 477 thousand revaluation made according to Law 28 January 2009 no. 2

C.I.2 - BUILDINGS USED BY THIRD PARTIES

<i>2007</i>	<i>2008</i>	<i>Change</i>
7,892	18,054	+ 10,162

The change was due to:

- Sale of a building unit in Turin- Pietro Micca street, 21	- 567
- Revaluation according to the Italian Law 28 January 2009 - no. 2	+ 10,729

173 of 26 May 1997, the company had the independent appraisals of each individual asset updated.

As a result of the Law no 2/2009 the carrying value of buildings has been aligned to fair value. As at 31/12/2008 the total fair value of buildings was € 18,837 thousand as opposed to a carrying value of € 7,631 thousand (+146.85%), as shown in Appendix 4.

The revaluation of real estate required recognising a specific reserve under Shareholders' Equity for € 10,887 thousand, net of the prescribed income taxes of € 318 thousand. This reserve can be used within the assets allocated to coverage of solvency margin required by current regulation.

C.II - Investments in Group companies and in other investees

<i>2007</i>	<i>2008</i>	<i>Change</i>
212,019	226,593	+ 14,574

The total value of subsidiaries, affiliates, associates and other investee companies are shown below. Details and related changes involving these companies are shown in Appendices 6 and 7 of the Explanatory Notes.

of which:

C.II.1 EQUITY INVESTMENTS

<i>2007</i>	<i>2008</i>	<i>Change</i>
209,564	223,432	+ 13,868

C.II.1b Subsidiaries

<i>2007</i>	<i>2008</i>	<i>Change</i>
130,020	151,611	+ 21,591

The change was due to the following operations during FY2008:

- Subscription of € 8,625 thousand for the capital increase of Immobiliare Bilancia Srl;
- Subscription of € 10,000 thousand for the capital increase of Lauro 2000 Srl;
- Subscription of € 2,966 thousand for the capital increase of Vittoria Immobiliare Srl.

Securities allocated to the Life segregated accounts amounted to € 21,295 thousand.

C.II.1d Affiliates

<i>2007</i>	<i>2008</i>	<i>Change</i>
35,182	33,821	- 1,361

The change was due to the following operations during FY2008:

- Gima Finance SA: € 6,630 thousand were paid as additional paid-in capital;
- reimbursement for additional paid-in capital of Yarpa International Holding B.V. for € 2,688; merger of Yarpa International Holding B.V. in Yam Invest N.V. with decrease of share's capital to 18,75% and subsequent reclassification to item "other investee companies";
- Laumor Holdings Sarl: € 4,008 thousand were paid as additional paid-in capital and € 319 thousand as reimbursement of additional paid-in capital;
- White Finance SA: reimbursement of share premium amounting to € 2,392 thousand;
- Consorzio Movincom S.c.r.l.: a shareholding of € 1 thousand was subscribed;
- Touring Vacanze Srl: the equity investment was eliminated due to liquidation, recognising a loss of € 5 thousand and € 1 thousand as the residual receivable.

C.II.1e Other investee companies

<i>2007</i>	<i>2008</i>	<i>Change</i>
44,362	38,000	- 6,362

The change was due to the following operations during FY2008:

- Cam Finanziaria S.p.A.: alignment to carrying value with the stock's market price as at 31 December 2008, recognising write-downs of € 15,034 thousand. This decision happened also considering present market price trends pointing even further downwards;
- Cam Finanziaria S.p.A.: € 2,219 thousand were collected during the year as a distribution of capital reserves (0.14 for share);
- Downhall Italia S.r.l.: 4,919 units were acquired for a countervalue of € 492 thousand;
- Gpa S.p.A. Group: 776,959 shares were acquired for a countervalue of € 4,027 thousand;
- Mediorischi S.p.A.: 4,744 shares were acquired for a countervalue of € 233 thousand;
- Immobiliare Adamello S.r.l.: € 60 thousand were paid to cover losses;
- merger of Yarpa International Holding B.V. in which a 25% interest was previously held, in Yam Invest N.V. in which an 18.75% interest is owned;
- Liguria S.r.l.: € 515 thousand collected as partial redemption of share capital.

C.II.3 LOANS TO GROUP COMPANIES

<i>2007</i>	<i>2008</i>	<i>Change</i>
2,455	3,161	+ 706

of which:

C.II.3d Associate companies

<i>2007</i>	<i>2008</i>	<i>Change</i>
455	661	+ 206

The change is due to the loan granted to the subsidiary Interbilancia S.r.l. for € 300 thousand and to the reimbursement of capital loan made by the subsidiary Vittoria Immobiliare S.p.A.

These loans have a duration of more than one year and the current interest rate applied is 4.5% for Vittoria Immobiliare and 5.2% for Interbilancia.

C.II.3e Other companies

<i>2007</i>	<i>2008</i>	<i>Change</i>
2,000	2,500	+ 500

The change is due to the loan granted to the GPA Group for € 500 thousand, in adding to the loan granted to the company Immobiliare Adamello S.r.l..

These loans have a duration of more than one year and the current interest rate applied is 3.58% for Immobiliare Adamello and 3.99% for GPA Group.

C.III Other financial investments

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,195,409	1,212,930	+ 17,521

of which:

C.III.2 UNITS IN MUTUAL INVESTMENT FUNDS

<i>2007</i>	<i>2008</i>	<i>Change</i>
11,855	6,785	- 5,070

The change is due to sale of unit funds BNP Insticash for € 4,763 thousand and to the partial reimbursement of closed-end real estate funds amounting to € 307 thousand.

Securities allocated to Life segregated accounts amounted to € 1,308 thousand.

C.III.3 BONDS AND OTHER FIXED-INCOME SECURITIES

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,173,845	1,183,659	+ 9,814

The detail of the breakdown of the bond portfolio as at 31/12/08 by type of issuer was as follows: Italian government securities 68.1%, foreign government securities 18.7%, emerging countries' government securities 1.2%, Italian corporate bonds 0.8%, and foreign corporate bonds 11.2%.

of which:

C.III.3a Listed

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,162,527	1,176,897	+ 14,370

The change was due to:

- An increase depending on normal portfolio management and trading	+ 214,801
- Decrease following reimbursements and sales	- 202,590
- Adjustment of zero-coupon bonds	+ 4,507
- Transfer, following policy surrenders, of securities from Class D to Class C at fair value	+ 787
- Adjustment for positive issue differentials	+ 301
- Adjustment for negative issue differentials	- 945
- Adjustment for positive trading margins	+ 1,333
- Adjustment for negative trading margins	- 852
- Alignment of value with market conditions	- 2,972

Securities allocated to Life segregated accounts amounted to € 559,864 thousand.

C.III.3b Unlisted	2007	2008	Change
	11,318	6,762	- 4,556

The change was due to:

- Decrease following reimbursements and sales	- 4,686
- Transfer, following policy surrenders, of securities from Class D to Class C at fair value	+ 10
- Adjustment for positive issue differentials	+ 18
- Alignment of value with market conditions	+ 102

Securities allocated to segregated Life accounts amounted to € 2,608 thousand.

The following table summarises the information required by Article 2427/2 of the Italian Civil Code, taking into account the fact that, as at 31 December 2008, the company owned no investments in financial derivatives.

				(€ '000)
	Account class	Carrying value FY2008	Fair value	Notes
Investments - Other investee companies		1,227,081	1,226,176	
- Equity investments in other investee companies	C.II.1	11,650	8,567	
<i>of which carried at a value higher than fair value</i>		661	661	1)
- Bonds issued by other investee companies	C.II.2.e)	2,500	2,500	
- Loans to other investee companies	C.II.3.e)	1,212,931	1,215,109	
Other financial investments		108,893	98,133	
- Equity investments	C.III.1	6,785	13,815 (*)	
- Units in mutual investment funds	C.III.2	5,240	3,426 (*)	
<i>of which carried at a value higher than fair value</i>		1,183,659	1,181,679	2)
- Bonds and other fixed-income securities	C.III.3	103,653	94,707 (*)	
<i>of which carried at a value higher than fair value</i>		12,487	9,615	3)
- Loans to other investee companies	C.III.4	-	-	
<i>of which carried at a value higher than fair value</i>		-	-	
- Shares in pool investments	C.III.5	10,000	10,000 (*)	
- Bank deposits	C.III.6	-	-	
- Sundry financial investments	C.III.7	-	- (*)	

(*) Fair value corresponds to what is indicated in Appendix 8 to the Explanatory Notes

1) Related to shareholding in Mediobanca and to exchange rate on BCM

2) Related to unit funds BCM Market Neutral Fund PLC and unit funds Maestrale.

3) These are securities held as long-term investments, whose carrying value is lower than or equal to reimbursement value. They are held to maturity because the company had the financial capacity to do so.

C.III.4 LOANS			
	<i>2007</i>	<i>2008</i>	<i>Change</i>
	9,709	12,486	+ 2,777

of which:

C.III.4a Secured loans			
	<i>2007</i>	<i>2008</i>	<i>Change</i>
	3,303	3,341	+ 38

The item consists solely of mortgage loans granted by the company. For changes during the year, see Appendix 10 to the Explanatory Notes.

The minimum interest rate applied to mortgages is 3.0%.

As regards the requirement of Article 2427, point 6, of the Italian Civil Code, we declare that:

- The amount of mortgages with a residual duration of more than 1 year is € 3,338 thousand;
- The amount of mortgages with a residual duration of more than 5 years is € 2,953 thousand.

C.III.4b Loans against insurance policies			
	<i>2007</i>	<i>2008</i>	<i>Change</i>
	3,986	3,594	- 392

These are loans granted to company policyholders. For changes occurring during the year, reference should be made to Appendix 10 to these Explanatory Notes.

Pursuant to point 6 of Article 2427 of the Italian Civil Code, we note that, given their specific nature, these loans can be considered to have a duration of more than five years. The current interest rate applied to the loans is equal to the rate of return of separately managed businesses retroceded to policyholders, increased by 1 point.

C.III.4c Other loans			
	<i>2007</i>	<i>2008</i>	<i>Change</i>
	2,420	5,551	+ 3,131

The item mainly consists of loans granted to company employees and agents. Changes are detailed in Appendix 10 to these Explanatory Notes.

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

As regards the requirement of Article 2427, point 6, of the Italian Civil Code, we declare that:

- The amount of loans with a residual duration of more than 1 year is € 5,205 thousand;
- The amount of loans with a residual duration of more than 5 years is € 891 thousand.

C.III.6 DEPOSITS WITH BANKS

<i>2007</i>	<i>2008</i>	<i>Change</i>
-	10,000	+ 10,000

The item consists of a three months-time deposit, established with a primary Bank, in order to obtain a favourable interest yield.

This deposit was closed on 11th February 2009.

C.IV Deposits with cedent companies

<i>2007</i>	<i>2008</i>	<i>Change</i>
426	405	- 21

The amount of these deposits relates to the technical reserves for indirect business.

CLASS D - INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND THOSE RELATING TO PENSION FUND MANAGEMENT

<i>2007</i>	<i>2008</i>	<i>Change</i>
95,332	69,467	- 25,865

of which:

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

<i>2007</i>	<i>2008</i>	<i>Change</i>
91,868	63,893	- 27,975

Investment breakdown by asset category is shown in Appendix 11 to the Explanatory Notes.

Below we detail the changes occurring by asset category:

Index-linked portfolio

- Decreases due to redemptions	- 4,274
- Adjustment for positive issue differentials	+ 209
- Alignment with fair value - write-downs	- 2,483
- Alignment with fair value - write-ups	+ 196
- Capitalisation of zero-coupon bonds	+ 30
- Opening accruals	- 30
- Year-end accruals	+ 25

Unit-linked portfolio

- Increase due to purchase and subscription of securities	+ 18,382
- Decreases following sales of securities, redemptions, and	- 24,220
- Alignment with fair value - write-downs	- 5,665
- Alignment with fair value - write-ups	+ 380
- Profit/loss on internal fund management	- 10,525

D.II Investments relating to pension fund management

<i>2007</i>	<i>2008</i>	<i>Change</i>
3,464	5,574	+ 2,110

Investment breakdown by asset category is shown in Appendix 12 to the Explanatory Notes:

Below, we detail the changes that occurred by type:

- Increase due to purchase and subscription of securities		+ 3,001
- Decreases as a result of sales		- 320
- Changes in cash resources		+ 543
- Changes in other assets		- 34
- Alignment with fair value		- 1,080

CLASS D/2 - REINSURERS' SHARE OF TECHNICAL RESERVES

<i>2007</i>	<i>2008</i>	<i>Change</i>
97,366	66,126	- 31,240

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:

D/2.1 Non-Life business

<i>2007</i>	<i>2008</i>	<i>Change</i>
79,365	47,261	- 32,104

of which:

D/2.1.1 PREMIUM RESERVE

<i>2007</i>	<i>2008</i>	<i>Change</i>
18,698	9,507	- 9,191

D/2.1.2 CLAIMS RESERVE

<i>2007</i>	<i>2008</i>	<i>Change</i>
60,667	37,754	- 22,913

D/2.II Life business

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	18,001	18,865	+ 864

of which:

D/2.II.1 MATHEMATICAL RESERVES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	17,956	18,842	+ 886

D/2.II.3 RESERVE FOR PAYABLE AMOUNTS

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	21	-	- 21

D/2.II.5 OTHER TECHNICAL RESERVES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	24	23	- 1

These items refer to operating expense reserves for Class 1 - Whole and term .life insurance - and Class IV - Health insurance.

CLASS E - RECEIVABLES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	167,545	172,757	+ 5,212

This item is shown net of related adjustment provisions, which, as at 31 December 2008, totalled € 9,155 thousand.

E.I Receivables relating to direct insurance transactions

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	149,892	146,630	- 3,262

of which:

E.I.1 DIRECT INSURANCE RECEIVABLES, FOR PREMIUMS DUE FROM POLICYHOLDERS

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	53,117	48,469	- 4,648

of which:

E.I.1a Direct insurance receivables, for current year's premiums due from policyholders

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	52,198	44,911	- 7,287

E.I.1b - Direct insurance receivables, for previous years' premiums due from policyholders

<i>2007</i>	<i>2008</i>	<i>Change</i>
919	3,558	+ 2,639

These are premiums in the process of collection, mainly relating to policies issued on delegated basis by other insurance companies, net of related provision of € 1,126 thousand.

E.I.2 RECEIVABLES RELATING TO DIRECT INSURANCE, DUE FROM INSURANCE AGENTS AND BROKERS

<i>2007</i>	<i>2008</i>	<i>Change</i>
54,532	56,935	+ 2,403

These are amounts receivable from insurance agents and brokers, net of related provision of € 5,172 thousand. Amounts receivable from agents include receivables of € 2,151 thousand due from Aspevi Srl.

Receivables from agents include € 10,692 thousand for charge-backs against leaving indemnities paid to agents. € 4,253 thousand of the residual amount receivable of € 45,793 thousand was still to be paid on 28 February 2009.

As required by Article 2427, point 6, of the Italian Civil Code and in compliance with Italian Legislative Decree no. 173 of 26 May 1997, it is declared that:

- The amount of receivables with a residual duration of more than 1 year is € 9,277 thousand;
- The amount of receivables with a residual duration of more than 5 years is € 3,781 thousand.

E.I.3 RECEIVABLES RELATING TO DIRECT INSURANCE, DUE FROM INSURANCE COMPANIES - CURRENT ACCOUNTS

<i>2007</i>	<i>2008</i>	<i>Change</i>
14,018	12,331	- 1,687

This item primarily consists of receivables stemming from current accounts reflecting the results of technical management of co-insurance transactions.

E.I.4 RECEIVABLES RELATING TO DIRECT INSURANCE, DUE FROM POLICYHOLDERS AND THIRD PARTIES FOR RECOVERABLES

<i>2007</i>	<i>2008</i>	<i>Change</i>
28,225	28,895	+ 670

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

E.II Receivables relating to reinsurance business

<i>2007</i>	<i>2008</i>	<i>Change</i>
3,502	6,230	+ 2,728

of which:

E.II.1 RECEIVABLES RELATING TO REINSURANCE BUSINESS, DUE FROM INSURANCE AND REINSURANCE COMPANIES

<i>2007</i>	<i>2008</i>	<i>Change</i>
3,502	6,230	+ 2,728

This item comprises receivables stemming from current accounts reflecting the results of technical management of reinsurance treaties net of related provision of € 1,903 thousand.

E.III Other receivables

<i>2007</i>	<i>2008</i>	<i>Change</i>
14,151	19,897	+ 5,746

- The amount of receivables with a residual duration of more than 1 year is € 13,986 thousand;
- The amount of receivables with a residual duration of more than 5 years is € 76 thousand.

The "Other receivables" item is net of bad-debt provision of € 2,857 thousand.

The most important items, gross of provision, forming "Other receivables" are:

- Amounts receivable from Financial Administration Tax credits and related interest are considered collectable after more than 1 year. They also include receivables stemming from the company's participation in tax consolidation.	18,102
- Amounts receivable from employees	800
- Amounts receivable for insurance agreements	791
- Guarantee deposits for rented buildings	46
- Advance payouts for claims	695

CLASS F - OTHER ASSETS

<i>2007</i>	<i>2008</i>	<i>Change</i>
60,765	51,265	- 9,500

of which:

F.I Tangible assets and inventory

<i>2007</i>	<i>2008</i>	<i>Change</i>
3,091	3,212	+ 121

Assets are stated at cost less cumulative depreciation.

The change refers to purchases made in the year totalling € 1,420 thousand, disposals net of relative cumulative depreciation for € 7 thousand, annual depreciation of € 1,211 thousand and used of inventory and other assets for € 81 thousand.

of which:

F.I.1 OFFICE FURNITURE & MACHINERY, AND INTERNAL TRANSPORT SYSTEMS

<i>2007</i>	<i>2008</i>	<i>Change</i>
2,741	3,014	+ 273

Below we detail the items forming this sub-category:

	<i>2007</i>	<i>2008</i>	Change
Furniture	1,660	1,686	26
Fittings	159	175	16
Ordinary office machinery	126	115	-11
Electronic office machinery	796	1,038	242
Total	2,741	3,014	273

F.I.2 REGISTERED CHATELS

<i>2007</i>	<i>2008</i>	<i>Change</i>
12	-	- 12

Change is due to the transfer to long term lease of the vehicles of the Company assigned to employees.

F.I.3 PLANT & EQUIPMENT		
<i>2007</i>	<i>2008</i>	<i>Change</i>
257	197	- 60

F.I.4 INVENTORY AND OTHER ASSETS		
<i>2007</i>	<i>2008</i>	<i>Variazione</i>
81	-	- 81

Inventory and other assets have been completely used during 2008.

F.II Cash & cash equivalents

<i>2007</i>	<i>2008</i>	<i>Change</i>
46,301	33,976	- 12,325

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

The analytical changes are shown in the cash flow statement.

of which:

F.II.1 BANK DEPOSITS AND POST OFFICE CURRENT ACCOUNTS		
<i>2007</i>	<i>2008</i>	<i>Change</i>
46,240	33,870	- 12,370

F.II.2 CHEQUES AND CASH IN HAND		
<i>2007</i>	<i>2008</i>	<i>Change</i>
61	106	+ 45

This consisted of cash and cheques in the company's treasury as at 31/12/08.

F.IV Other assets

	2007	2008	Change
	11,373	14,077	+ 2,704

of which:

F.IV.2 SUNDRY ASSETS

	2007	2008	Change
	11,373	14,077	+ 2,704

The main items forming this caption were:

– Invoices to be issued and credit notes to be received The item includes invoices to be issued for € 497 thousand, already described in the Director's Report, paragraph "transaction with subsidiaries"			530
– Deferred tax assets relating to previous years' taxable items. For details, reference should be made to the schedule shown later on in the chapter "Information on the balance sheet and income statement"			11,995
– Retroceded commissions from unit funds managers			210
– Liaison account between Non-Life and Life businesses			1,333

CLASS G - ACCRUED INCOME & PREPAID EXPENSES

	2007	2008	Change
	19,185	20,784	+ 1,599

of which:

G.1 INTEREST

	2007	2008	Change
	17,819	18,810	+ 991

This refers mainly to interest totalling € 18,699 thousand on fixed-income securities.

G.2 RENT INSTALMENTS

	2007	2008	Change
	207	197	- 10

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

G.3 OTHER ACCRUED INCOME & PREPAID EXPENSES

	2007	2008	Change
	1,159	1,777	+ 618

The item refers to prepaid expenses calculated on miscellaneous invoices.

LIABILITIES AND SHAREHOLDERS' EQUITY

CLASS A - SHAREHOLDERS' EQUITY

<i>2007</i>	<i>2008</i>	<i>Change</i>
215,362	259,677	+ 44,315

of which:

A.I Subscribed share capital or equivalent fund

<i>2007</i>	<i>2008</i>	<i>Change</i>
32,666	65,766	+ 33,100

As at 31 December 2008 share capital, fully paid in, consisted of 65,766,210 ordinary shares of a par value of € 1.00 each, authorised, issued and fully released.

Reserves and changes that occurred are detailed in the table concerning shareholders' equity.

A.II Share premium reserve

<i>2007</i>	<i>2008</i>	<i>Change</i>
30,273	31,098	+ 825

A.III Revaluation reserves

<i>2007</i>	<i>2008</i>	<i>Change</i>
6,370	10,887	+ 4,517

The revaluation reserve existing as at 31 December 2007 has been entirely used for the bonus capital increase, approved by the extraordinary shareholders' meeting held on 27th June 2008.

As already explained, in 2008 the company revaluated real estate assets, recognising a specific reserve under Shareholders' Equity for € 10,887 thousand, net of the prescribed income taxes of € 318 thousand, pursuant to article 15, clause 20 of the Legislative Decree no. 185 of 29 November 2008.

A.IV Legal reserve

<i>2007</i>	<i>2008</i>	<i>Change</i>
6,090	6,533	+ 443

A.VII Other reserves

<i>2007</i>	<i>2008</i>	<i>Change</i>
103,468	107,454	+ 3,986

The item refers to the available reserves, which increased in the year following allocation of 2007 earnings as approved at the Annual General Meeting of shareholders on 29 April 2008.

A.IX Net profit for the year

	<i>2007</i>	2008	<i>Change</i>
	36,495	37,939	+ 1,444

Changes in shareholders' equity

Detailed changes in shareholders' equity as at 31 December 2008 are shown in the following table, as required by Article 2427 of the Italian Civil Code.

(€ '000)

	Share capital	Legal reserve	Share premium	Revaluation reserve (1)	Available reserve	Net profit for year	Total
Dividend distribution	=	=	=	=	=	- 3,900	- 3,900
Allocation of 2003 earnings	=	757	=	=	10,490	- 11,247	=
2004 net profit	=	=	=	=	=	17,779	17,779
Balance as at 31/12/2004	30,000	5,076	20,142	6,370	52,509	17,779	131,876
Dividend distribution	=	=	=	=	=	- 4,200	- 4,200
Allocation of 2004 earnings	=	889	=	=	12,689	- 13,579	=
2005 net profit	=	=	=	=	=	20,330	20,330
Balance as at 31/12/2005	30,000	5,965	20,142	6,370	65,198	20,330	148,005
Dividend distribution	=	=	=	=	=	- 4,500	- 4,500
Loan conversion	452	=	1,716	=	=	=	2,168
Allocation to earnings reserve 2006	=	35	=	=	15,795	- 15,830	=
2006 net profit	=	=	=	=	=	27,437	27,437
Balance as at 31/12/2006	30,452	6,000	21,858	6,370	80,993	27,437	173,110
Dividend distribution	=	=	=	=	=	- 4,872	- 4,872
Loan conversion	2,214	=	8,415	=	=	=	10,629
Allocation to earnings reserve 2007	=	90	=	=	22,475	- 22,565	=
2007 net profit	=	=	=	=	=	36,495	36,495
Balance as at 31/12/2007	32,666	6,090	30,273	6,370	103,468	36,495	215,362
Dividend distribution	=	=	=	=	=	- 5,553	- 5,553
Loan conversion	217	=	825	=	=	=	1,042
Capital increase	32,883	=	=	- 6,370	- 26,513	=	443
Allocation to earnings reserve 2008	=	443	=	=	30,499	- 30,942	10,887
Revaluation property reserve	=	=	=	10,887	=	=	10,887
2008 net profit	=	=	=	=	=	37,939	37,939
Balance as at 31/12/2008	65,766	6,533	31,098	10,887	107,454	37,939	259,677

(1) At 31/12/2008 the item comprise reserve pursuant to Italian Laws 2/2009

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 31/12/2008	Possibility of utilisation (*)	Available amount	Summary of utilisation in the previous 4 financial years	
				to cover losses	for other reasons
Share capital	65,766				
<i>Equity reserves</i>					
Share premium reserves	31,098	A, B, C	31,098 (1)		
<i>Revaluation reserves</i>					
Revaluation reserve - Law 72/1983	-	A, B, C	-		2,330
Revaluation reserve - Law 295/1978	-	A, B, C	-		910
Revaluation reserve - Law 413/1991	-	A, B, C	-		3,130
Revaluation reserve - Law 02/2009	10,887		10,887		
<i>Earnings reserves</i>					
Legal reserve	6,533	B	-		
Other available reserves	107,454	A, B, C	107,454		26,513
Net profit for the year	37,939	A, B, C	37,939		
Total shareholders' equity	259,677		187,378		
Non-distributable portion of share premium reserve			6,620 (1)		
Non-distributable portion			27 (2)		
Residual distributable portion			180,731		

(*) 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) This represents the share premium reserve and the non-distributable quota earmarked for coverage of deferred costs that have not yet been amortised.

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 B - SUBORDINATED LIABILITIES

<i>2007</i>	<i>2008</i>	<i>Change</i>
5,203	4,161	- 1,042

FY2006 marked the start of the possibility to convert the subordinated loan into the company's shares. As at 31 December 2008 conversion amounted to € 1,042 thousand.

The bond loan, called "Vittoria Assicurazioni SpA Fixed/Floater 2001/2016", subordinated and convertible into ordinary shares, was fully subscribed with 60% and 40% respectively allocated to the Non-Life and Life businesses, as resolved by shareholders.

CLASS C - TECHNICAL RESERVES

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,445,610	1,441,037	- 4,573

of which:

C.I Non-Life business

<i>2007</i>	<i>2008</i>	<i>Change</i>
712,362	733,145	+ 20,783

Changes occurring in FY2007 are shown by business line and type in Appendices 13 and 25 to the Explanatory Notes.

C.I.1 - PREMIUM RESERVE

<i>2007</i>	<i>2008</i>	<i>Change</i>
201,836	216,216	+ 14,380

The breakdown of the premium reserve is shown below (in € '000):

	<i>2,007</i>	<i>2008</i>	<i>Change</i>
For directly insured risks	201,530	215,958	+ 14,428
For inwardly insured risks	306	258	- 48
Gross reserves	201,836	216,216	+ 14,380
Reinsurers' share	18,617	9,441	- 9,176
Retrocessionaries' share	81	66	- 15
Net reserves	183,138	206,709	+ 23,571

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:

	(€ '000)	
	<i>2,007</i>	2008
Pro-rata temporis reserve	193,946	208,464
Unexpired risks reserve	135	-
Additions to pro-rata temporis reserve	7,449	7,494
Total direct insurance premium reserve	201,530	215,958

The company did not account for any unexpired risk reserve for the Other Asset Damage line of business, as all the impact generated by the Hail line of business are already included in 2008 profit and loss, without any impact on future years. We point out that for this line of business the company accounted for an Additional Reserve, pursuant to articles 16 and 17 of ISVAP regulation no. 16/2008.

C.1.2 - CLAIMS RESERVE

	<i>2007</i>	2008	<i>Change</i>
	504,801	510,435	+ 5,634

Breakdown of the claims reserve (€ '000):

	<i>2007</i>	2008	<i>Change</i>
For directly insured risks	504,022	509,496	+ 5,474
For inwardly insured risks	779	939	+ 160
Gross reserves	504,801	510,435	+ 5,634
Reinsurers' share	60,296	37,232	- 23,064
Retrocessionaries' share	371	522	+ 151
Net reserves	444,134	472,681	+ 28,547

For the measurement/control of claims reserves relating to mass risks, the company has used the Fisher-Lange statistical and actuarial model. The latter uses the historical series of the last annual financial statements to define its parameters, i.e. average cost, no pay-out balance/reopened claims and settlement rate. The Fisher Lange method has shown itself to fit better with the company's reality than estimates obtained using other models, i.e. the Chain Ladder and Bornhuetter-Ferguson methods. Reserves have not been discounted to present value but adjusted using appropriate assumptions concerning claims cost growth rates. A sensitivity analysis has been created by changing the basic scenario, making different assumptions about claims cost trends, with interpolations of observed data and weighting based on different weights for the various years.

The reserve posted in accounts takes into account the average value of the results of the various assumptions made. Analysis has shown that forecasts are appropriate and therefore that the reserve posted is adequate until all claims generations still open are run off. The claims reserves thus calculated are subject to verification by the Motor TPL actuary pursuant to the Italian Legislative Decree no. 209 of 7 September 2005.

C.I.4 - OTHER TECHNICAL RESERVES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	3,292	3,774	+ 482

These reserves refer to direct business and consist of the Health insurance ageing reserve.

C.I.5 - EQUALISATION RESERVES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	2,433	2,720	+ 287

The reserves refer solely to direct business and feature the following breakdown by business line:

	<i>(€ '000)</i>	
<i>Line</i>	<i>2007</i>	<i>2008</i>
Land vehicle hulls	1,347	1,522
Aircraft hulls	138	138
Cargo (goods in transit)	79	85
Fire and natural elements	695	772
Other property damage	173	202
Credit	1	1

C.II - Life business

	2007	2008	Change
	733,248	707,892	- 25,356

Changes in total technical reserves are detailed by line and type in Appendices 14 and 27 to these Explanatory Notes.

Below we detail the key actuarial assumptions concerning technical reserves for direct business as at 31/12/2008.

Risk category	Capital sums, annuities	Technical reserves	Year of issue	Technical basis	
				Financial	Demographic
Temporary	7,090,757	91,331	1968 - 1977	4%	SIM 51
			1978 - 1989	4%	SIM 61
			1990 - 1997	4%	SIM 81
			1998 - 2001	3% - 4%	SIM 91
			2001 - 2007 since 2007	3%	SIM 91 al 70% SIM91 50% e 70%
Adjustable	25	27	1969 - 1979	3% *	SIM 51
Indexed	24	26	1980 - 1988	3% *	SIM 51
Other types	149	117			
Revaluable	912,522	582,245	1988 - 1989	3% *	SIM 71
			1990 - 1996	4% *	SIM 81
			1997 - 1999	3% *	SIM 91
			since 2000	2% *	SIM 81-91
L.T.C.	101,830	1,062	2001 - 2004	2.5%	(1)
			since 2004	2.5%	(2)
Dread Disease	27	1	since 2003	2.5%	(3)
Pension fund	5,574	5,574	since 1999	----	----
Index-linked	17,427	17,536	since 1997	0%	SIM 91
Unit-linked	46,444	46,451	since 1998	0%	SIM 91
Total ordinary	8,174,779	744,370			
AIL revaluable	11,183	10,407	1986 - 1998	4% *	SIM 51
			1999 - 2004	3% *	SIM 81
Total business lines	8,185,962	754,777			

* Due to the effect of the contractually guaranteed revaluation, technical rates have increased to:

indexed policies: 6.14%	adjustable policies: 6.28%	AIL revaluable policies: 4.17%
revaluable policies:	Vittoria Valore Crescente 4.10%	Vittoria Rendimento Mensile 3.99%

(1) SIM 91 (mortality table, by individual age, for Italian males, based on the Italian 1991 census) reduced to 62%; SIF 91 (similar mortality table for Italian females) reduced to 53%; mortality rates and LTC (long-term care) rates taken from reinsurers' studies.

(2) SIM 91 reduced to 60%; mortality rates and LTC (long-term care) rates taken from reinsurers' studies

(3) SIM 91 reduced to 60%; rates taken from reinsurers' studies

Below we show the breakdown of technical reserves for the Life business.

C.II.1 MATHEMATICAL RESERVES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	691,755	674,168	- 17,587

Breakdown of mathematical reserves (in € '000)

	<i>2007</i>	<i>2008</i>	<i>Change</i>
For directly insured risks	691,367	673,773	- 17,594
For inwardly insured risks	388	395	+ 7
Gross reserves	691,755	674,168	- 17,587
Reinsurers' share	17,956	18,841	+ 885
Retrocessionaries' share	-	-	-
Net reserves	673,799	655,327	- 18,472

The reserve for capital contracts relating to sums insured with a contractually guaranteed annuity conversion factor has been adjusted applying a criterion of a propensity for settlement of benefits in the form of annuities; the assessment of the portfolio as at 31 December 2008 led to a total reserve of € 2,418 thousand (€ 2,913 thousand in FY 2007).

The ALM (Asset-Liability Management) procedure has not requested an integration of technical reserve for segregated funds, as expected by article 47 of ISVAP Regulation no. 21; only for the segregated fund "Vittoria Liquinvest" , not significant for size, has been disposed an additional reserve for € 104 thousand in agreement with article 47 of ISVAP Regulation no. 21.

C.II.2 COMPLEMENTARY INSURANCE PREMIUM RESERVE

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	181	167	- 14

The complementary insurance premium reserve refers solely to direct business.

C.II.3 RESERVE FOR PAYABLE AMOUNTS

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	30,741	22,180	- 8,561

Breakdown of reserve for payable amounts (in € '000):

	<i>2007</i>	<i>2008</i>	<i>Change</i>
For directly insured risks	30,741	22,170	- 8,571
For inwardly insured risks	-	10	+ 10
Gross reserves	30,741	22,180	- 8,561
Reinsurers' share	21	-	- 21
Retrocessionaries' share	-	-	-
Net reserves	30,720	22,180	- 8,540

C.II.4 PROFIT PARTICIPATION AND REVERSAL RESERVE

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	30	24	- 6

Breakdown of the profit participation and reversal reserve (in € '000):

	<i>2007</i>	<i>2008</i>	<i>Change</i>
For directly insured risks	22	17	- 5
For inwardly insured risks	8	7	- 1
Gross reserves	30	24	- 6
Reinsurers' share	-	-	-
Retrocessionaries' share	-	-	-
Net reserves	30	24	- 6

C.II.5 OTHER TECHNICAL RESERVES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	10,541	11,353	+ 812

The reserve refers to operating expenses and is split as follows by class:

	(€ '000)	
	<i>2007</i>	<i>2008</i>
Class I	9,562	10,534
Class III	140	86
Class IV	51	61
Class V	788	672
Class VI	-	-

Breakdown of other technical reserves (in € '000):

	<i>2007</i>	<i>2008</i>	<i>Change</i>
For directly insured risks	10,540	11,352	+ 812
For inwardly insured risks	1	1	-
Gross reserves	10,541	11,353	+ 812
Reinsurers' share	25	23	- 2
Retrocessionaries' share	-	-	-
Net reserves	10,516	11,330	+ 814

CLASS D - TECHNICAL RESERVES WHEN INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND RESERVES RELATING TO PENSION FUND MANAGEMENT

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	95,332	69,467	- 25,865

of which:

D.I Reserves for unit- and index-linked policies

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	91,868	63,893	- 27,975

The breakdown by product type is as follows:

Index-linked:	+ 17,442
Unit-linked:	+ 46,451

D.II Reserves relating to pension fund management

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	3,464	5,574	+ 2,110

CLASS E - RESERVES FOR CONTINGENCIES AND OTHER CHARGES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	2,149	1,365	- 784

of which:

E.2 TAX PROVISION

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	1,408	624	- 784

The change was due to:

- Provisioning of deferred tax liabilities relating to revaluation of exchange rates for reinsurance balances	+ 143
- Reversal of deferred tax liabilities relating to revaluation of exchange rates for reinsurance balances in previous financial years	- 147
- Use of provision for payment of instalment-based tax demand	- 114
- 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	- 665

E.3 OTHER PROVISIONS

	2007	2008	Change
	741	741	-

The caption relates to the following provision:

	2007	2008	(€ '000) Change
Sofigea - pursuant to Article 7, Italian Legislative Decree 576/78 (a financial company founded by ANIA associates to fund insurers taking over certain types of policies ceded by companies being compulsorily wound up - the company itself started voluntary liquidation in 1990)	741	741	-

CLASS F - DEPOSITS RECEIVED FROM REINSURERS

	2007	2008	Change
	56,632	28,258	- 28,374

These deposits relate to the technical reserves of reinsured direct business.

CLASS G - PAYABLES AND OTHER LIABILITIES

	2007	2008	Change
	63,458	64,592	+ 1,134

of which:

G.I - Payables arising from direct insurance business

	2007	2008	Change
	6,414	8,226	+ 1,812

Consisting of:

G.I.1 - PAYABLES ARISING FROM DIRECT INSURANCE, DUE TO INSURANCE AGENTS AND BROKERS

	2007	2008	Change
	2,861	5,017	+ 2,156

These amounts refer to balances not yet settled and to indemnities payable for cessation of agency mandates.

G.I.2 - PAYABLES ARISING FROM DIRECT INSURANCE BUSINESS, DUE FOR CURRENT ACCOUNTS WITH OTHER INSURERS

	2007	2008	Change
	2,888	2,439	- 449

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

G.I.3 - PAYABLES ARISING FROM DIRECT INSURANCE, DUE TO POLICYHOLDERS FOR PERFORMANCE DEPOSITS AND PREMIUMS

<i>2007</i>	<i>2008</i>	<i>Change</i>
193	224	+ 31

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

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

G.I.4 - PAYABLES ARISING FROM DIRECT INSURANCE, DUE TO GUARANTEE FUNDS FOR POLICYHOLDERS

<i>2007</i>	<i>2008</i>	<i>Change</i>
472	546	+ 74

This item mainly consists of 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

<i>2007</i>	<i>2008</i>	<i>Change</i>
9,978	8,233	- 1,745

This item comprises payables arising from the current accounts comprising the technical results of reinsurance dealings.

G.VII - Reserve for employee severance indemnities

<i>2007</i>	<i>2008</i>	<i>Change</i>
5,378	4,650	- 728

The overall change was due to the following movements:

- Decrease due to indemnities paid out for severance and to advance payouts granted	- 889
- Increase due to provisioning for the year	+ 1,618
- Transfers to Pension Fund and Social Security fund	- 1,457

As required by Article 2427, 6th paragraph, of the Italian Civil Code and in compliance with Italian Legislative Decree no. 173 of 26 May 1997, we declare that the payables in question must be taken to have a residual duration of more than 5 years.

G.VIII - Other payables

<i>2007</i>	<i>2008</i>	<i>Change</i>
24,040	28,003	+ 3,963

of which:

G.VIII.1 - OTHERS PAYABLES : POLICYHOLDERS' TAXES

<i>2007</i>	<i>2008</i>	<i>Change</i>
9,185	10,159	+ 974

The item shows amounts payable to the Financial Administration for insurance taxes on premiums collected.

G.VIII.2 - OTHER PAYABLES: MISCELLANEOUS TAXES

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,417	1,258	- 159

The most significant items were as follows:

-Withholdings on wages & salaries	+ 829
- Withholdings on fees for self-employed staff and advisors	+ 267

G.VIII.3 - OTHER PAYABLES: SOCIAL SECURITY & PENSION AGENCIES

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,887	1,933	+ 46

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

<i>2007</i>	<i>2008</i>	<i>Change</i>
11,551	14,653	+ 3,102

The item mainly consists of:

- Amounts payable to employees for payments settled in January 2009 and also for accruals for holidays not taken	+ 2,113
- Trade payables of which amounts payable to the associate companies S.In.T. SpA (€ 6 thousand) and Touring Vacanze Srl (€ 10 thousand)	+ 5,778
- Fees payable to professionals	+ 2,846
- Amounts payable to subsidiaries for tax consolidation	+ 1,875

G.IX Other liabilities

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	17,648	15,480	- 2,168

of which:

G.IX.2 COMMISSIONS FOR PREMIUMS UNDER COLLECTION

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	13,686	10,853	- 2,833

This is provision for agent commissions payable on premiums that were in the process of collection at year-end.

G.IX.3 SUNDRY LIABILITIES

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	3,962	4,627	+ 665

The items were as follows:

- Invoices and notes to be received from suppliers, of which € 35 thousand relating to the associate Yarpa S.p.a.			+ 3,039
- Technical accounts to be settled with agencies			+ 255
- Liaison accounts between Non-Life and Life businesses			+ 1,333

CLASS H - ACCRUED LIABILITIES & DEFERRED INCOME

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	343	277	- 66

of which:

H.1 INTEREST

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	286	229	- 57

This is interest accruing on the convertible subordinated loan and payable to bondholders on 1 January 2009.

H.3 OTHER ACCRUED LIABILITIES & DEFERRED INCOME

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	57	48	- 9

This item consists mainly of deferred commissions on business with brokerage companies.

GUARANTEES, COMMITMENTS, AND OTHER MEMORANDUM ACCOUNTS

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,327,599	1,305,513	- 22,086

The breakdown of these items is shown below.

I Guarantees given

<i>2007</i>	<i>2008</i>	<i>Change</i>
20,500	20,500	-

of which:

I.3 OTHER PERSONAL GUARANTEES

<i>2007</i>	<i>2008</i>	<i>Change</i>
20,500	20,500	-

This item refers to a letter of patronage in favour of Banca Intesa SpA for concession of credit facilities to the subsidiary Vittoria Immobiliare SpA.

II Guarantees received

<i>2007</i>	<i>2008</i>	<i>Change</i>
9,450	6,468	- 2,982

of which:

II.1 SURETIES

<i>2007</i>	<i>2008</i>	<i>Change</i>
9,200	6,218	- 2,982

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

II.4 COLLATERAL

<i>2007</i>	<i>2008</i>	<i>Change</i>
250	250	-

This items refers to pledging of securities in the company's favour.

IV Commitments

<i>2007</i>	<i>2008</i>	<i>Change</i>
29,334	18,605	- 10,729

This item relates to commitments for private equity operations.

V Third-party assets

<i>2007</i>	<i>2008</i>	<i>Change</i>
4,154	3,889	- 265

This item consists of 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

<i>2007</i>	<i>2008</i>	<i>Change</i>
3,464	5,574	+ 2,110

The item refers to pension fund assets held by the custodian bank.

VII Securities lodged with third parties

<i>2007</i>	<i>2008</i>	<i>Change</i>
1,260,697	1,250,477	- 10,220

These are owned securities lodged in accounts under administration with banks and other issuers.

INCOME STATEMENT

I.10 - RESULT OF NON-LIFE TECHNICAL ACCOUNT

	2007	2008	Change
	36,813	37,902	1,089

Technical costs and revenues are classified as follows:

	2007	2008
I.1 - Premiums, net of outward reinsurance The breakdown of premiums by business has been indicated in the Management Report, whilst classification by line and type is shown in Appendix 25 to the Explanatory Notes.	420,692	470,861
a) Gross premiums written	495,438	516,207
b) (-) Ceded premiums	48,104	30,535
c) (-) Change in gross premium reserve	27,553	14,387
d) Change in reinsurers' share of premium reserve	911	-424
I.2 - (+) Portion of investment income transferred to non-technical account The item includes income on investments transferred from the non-technical account as required by Article 55 of Italian Legislative Decree no. 173/97. The amount to be transferred has been calculated as laid down by ISVAP Regulation no. 22 of 4 April 2008.	29,097	30,262
I.3 - Other technical income, net of outward reinsurance This item comprises:	3,528	3,680
- Reversal of commissions for previous years' cancelled premiums	201	27
- Other technical items mainly relating to recoveries of settlement costs related to claims subject to knock-for-knock agreements and ANIA incentives for scrapping damaged vehicles.	3,209	3,508
- Use of bad-debt provision	118	145

	<i>2007</i>	<i>2008</i>
I.4 - Charges relating to claims, net of recoveries and outward reinsurance	299,968	339,645
a) Amounts paid		
aa) Gross amount	299,408	359,973
bb) (-) Reinsurers' share	40,138	35,373
They relate to indemnities, direct expenses and settlement costs for partial or definitive payments of claims reported during the year or reserved at the end of the previous year.		
b) Change in recoveries net of reinsurers' share		
aa) Gross amount	-10,089	-6,184
bb) (-) Reinsurers' share	-136	335
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.		
c) Change in claims reserve		
aa) Gross amount	42,421	5,577
bb) (-) Reinsurers' share	-8,230	-15,987
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.5 - Change in other technical reserves, net of outward reinsurance. It comprises the change in the ageing reserve.	510	481

	2007	2008
I.7 - Operating costs	111,991	123,674
<p>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 and that relating to the Life business (II.8) include costs repaid to the associate companies S.In.T.SpA (€ 491 thousand), Yarpa SpA (€ 86 thousand) and Movincom (€ 12 thousand) and to the subsidiaries Interbilancia Srl (€ 240 thousand), Gestimmobili Srl (€ 102 thousand) and Vittoria Properties Srl. (€ 76 thousand).</p>		
a) Acquisition commissions	79,619	80,068
b) Other acquisition costs	23,099	29,356
c) Change in commissions and other acquisition costs to be amortised	270	1,264
d) Premium collection commissions	7,268	7,055
e) Other administrative expenses	14,697	14,512
f) (-) Commissions received by reinsurers	12,962	8,581
I.8 - Other technical charges, net or outward reinsurance	3,749	2,814
<p>The caption includes items relating to:</p>		
- Technical cancellations of premiums, cancellations of uncollectable premiums, and bad-debt provisioning	1,661	383
- Other technical charges mainly relating to services supporting insurance covers and costs for premiums under litigation. The fee paid for use of technical services to the associate company S.In.T S.p.A amounted to € 420 thousand.	1,550	2,162
- Other technical charges mainly relating to CARD management fees	538	267
I.9 - Change in equalisation reserves	286	287

II.13 - RESULT OF LIFE TECHNICAL ACCOUNT

	2007	2008	Change
	6,112	8,006	1,894

Technical costs and revenues are classified as follows:

	2007	2008
II.1 - Premiums, net of outward reinsurance	138,911	112,248
<p>The breakdown of premiums by business has been indicated in the Management Report, whilst classification by line and type is shown in Appendix 27 to the Explanatory Notes.</p>		
a) Gross premiums written	141,088	114,511
b) (-) Ceded premiums	2,177	2,263
II.2 - Investment income	35,455	36,948
<p>This consists of:</p>		
a) Income from equity investments		
<p>The caption includes the dividend collected from and recognised by the subsidiaries Vittoria Immobiliare SpA (€ 1,963 thousand) and Immobiliare Bilancia Srl (€ 440 thousand) and associate Touring Vacanze Srl (€ 8 thousand).</p>		
	2,924	2,411
b) Income from other investments		
bb) Other investments	32,524	34,048
<p>This item includes:</p>		
- Income on fixed-income securities for interest and issue/trading differentials	32,012	33,711
- Interest on loans against policies	229	100
- Income from units in mutual investment funds	261	220
- Interest on reinsurance deposits	22	18
c) Write-backs on investments	7	134
d) Profits made on sale of investments	-	355
<p>The latter refer to:</p>		
- Capital gains on repayment and sale of fixed-income securities	-	355

	2007	2008
<p>II.3 - Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments relating to pension fund management. A breakdown of unrealised gains relating to investments benefiting policyholders bearing the risk is shown in Appendix 22 to these Explanatory Notes.</p>	5,641	3,551
<p>II.4 - Other technical income, net of outward reinsurance The caption includes commissions relating to first-year premiums cancelled and commissions retroceded by money managers in relation to investments of unit-linked premiums and pension funds.</p>	905	711
<p>II.5 - Charges relating to claims, net of outward reinsurance They refer to claims, policies that have matured, surrenders, and annuities.</p>	100,846	134,202
<p>a) Sums paid</p>		
aa) Gross amount	99,662	143,654
bb) (-) Reinsurers' share	6,483	912
b) Change in reserve for payable amounts		
aa) Gross amount	7,667	-8,561
bb) (-) Reinsurers' share	-	-21
<p>II.6 - Change in mathematical reserves and other technical reserves, net of outward reinsurance This refers to the change in technical reserves, the content of which is illustrated in greater detail in the "Accounting Policies" chapter.</p>	35,334	-43,539
a) Mathematical reserves		
aa) Gross amount	42,824	-17,588
bb) (-) Reinsurers' share	-4,653	886
b) Complementary insurance premium reserve		
aa) Gross amount	-10	-13
c) Other technical reserves		
aa) Gross amount	6,266	814
bb) (-) Reinsurers' share	-8	-1
d) Technical reserves when investment risk is borne by policyholders or relating to pension fund management		
aa) Gross amount	-18,407	-25,866

	2007	2008
II.7 - Reversals and profit participation, net of outward reinsurance	41	12
This item comprises amounts paid in the year for profit participation, as well as the change in the related reserve.		
Of which:		
- Direct business	41	12
- Indirect business	-	-
II.8 - Operating costs		
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.	25,016	20,099
a) Acquisition commissions	14,393	10,463
b) Other acquisition costs	4,851	4,865
c) Change in commissions and other acquisition costs to be amortised	807	741
d) Premium collection commissions	1,719	1,431
e) Other administrative expenses	3,778	3,021
f) (-) Commissions and profit participation received by reinsurers	532	422
II.9 - Capital and financial charges	2,809	10,532
They relate to charges for, write-downs and loss on sale of investments included in Class C of balance sheet assets.		
a) Investment management costs and interest expense	2,544	2,297
of which:		
- Costs relating to equity portfolio	26	40
- Costs for fixed-income securities for issue/trading differentials, taxes, and operating and personnel expenses	1,390	1,362
- Costs relating to mutual investment funds	4	4
- Interest on deposits from reinsurers	1,124	891

	2007	2008
b) Investment write-downs They refer to write-downs of the equity portfolio. Reference should be made to Appendix 23 to Explanatory Notes for details of this item.	260	8,012
c) Losses on sale of investments These mainly relate to losses on repayment or sale of fixed-income securities held for trading.	5	223
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 Details of charges and unrealised capital losses relating to the above types of investments are provided in Appendix 24 to these Explanatory Notes.	7,615	23,945
II.11 - Other technical charges, net of outward reinsurance The item refers to technical cancellations and losses due to uncollectable insurance premiums..	10	202
II.12 The caption includes investment income transferred to the non-technical account as required by Article 55 of Italian Legislative Decree no. 173/97. The amount transferred has been calculated in accordance with ISVAP Regulation no. 22 of 4 April 2008.	3,129	-

RESULT OF NON-TECHNICAL ACCOUNT

	2007	2008	Change
	8,625	6,884	-1,741

Non-technical costs and revenues are classified as follows.

	2007	2008
III.3 - Income from Non-Life investments	44,374	49,106
The caption consists of the following items::		
a) Income from equity investments	24,244	25,111
This relates to collection of dividends. The amount comprises dividends recognised by the subsidiaries Vittoria Immobiliare SpA (€ 1,165 thousand) and by the associate companies Yarpa International Holding NV (€ 17,337 thousand), Laumor BV (€ 1,875 thousand), White Finance SA (€ 3.720 thousand) and Yarpa SpA (€ 51 thousand).		
b) Income from other investments		
aa) Land and buildings	187	200
The item includes actual rents, expense recoveries, and other revenues.		
bb) Other investments	19,915	23,019
The item includes:		
- Income on fixed-income securities for interest, and issue/trading differentials	19,617	22,508
- interest on mortgages and loans, of which interest of € 19 thousand accruing on the loan granted to the subsidiary company Vittoria Immobiliare SpA.	294	414
- proventi finanziari da quote di fondi comuni di investimento		
- Interest on reinsurance deposits	4	98
c) Write-backs on investments	28	72
III.4 - (+) Investment income transferred to the Life technical account	3,129	-
Reference should be made to the details given in the section concerning the Life technical account.		

	2007	2008
III.5 - Capital and financial charges of Non-Life business	8,704	11,811
They relate to charges for, write-downs and loss on sale of investments included in Class C of balance sheet assets. Their breakdown is detailed below:		
a) Investment management costs and interest of which:	1,953	1,709
- Condominium expenses, taxes, and building management costs	109	143
- Operating and personnel expenses relating to the equity portfolio	99	99
- Costs for fixed-income securities relating to issue/trading differentials, taxes, and operating and personnel expenses	1,327	1,222
- Costs relating to mutual investment funds	3	-
- Interest on deposits from reinsurers	415	244
b) Investment write-downs	6,751	10,098
They refer to write-downs of fixed-income securities.		
c) Loss on sale of investments	-	4
III.6 - (-) Investment income transferred to the Non-Life technical account.	29,097	30,262
Reference should be made to the details given in the section concerning the Non-Life technical account.		
III.7 - Other income	2,973	3,826
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.		
Their breakdown is shown below:		
-Current-account interest from reinsurers and insurers	138	26
- Interest on bank current accounts	2,171	2,299
- Other interest accruing mainly on tax receivables and recoveries from agents	138	180
- Interest on Life/Non-Life liaison account	31	20
- Other financial income	342	384
- Use of provision for contingencies & charges and of bad-debt provision	153	233
- infra-group charges	-	497
- Foreign-exchange gains on technical and financial items	-	187

	2007	2008
III.8 - Other charges	5,289	4,846
This caption includes charges for assets other than investments, relating to the general balance-sheet classes E - Receivables and F - Other assets.		
Their breakdown is detailed below:		
-Current-account interest to reinsurers and insurers	82	62
- Interest on bank current accounts	23	83
- Bank expenses and charges	226	232
- Interest on Life/Non-Life liaison account	31	20
- Other financial charges	14	17
- Bad-debt provisioning	1,006	318
- Annual amortisation of intangible assets	3,169	3,674
- Interest on subordinated loan	286	229
- Foreign-exchange losses on technical and financial items	250	-
- Taxes for the year	202	211
III.10 – Extraordinary income	1,549	1,039
This item consists of income from the 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 breakdown is as shown below:		
- Capital gains on sale of property assets	-	433
- Capital gains on sale of fixed-income securities	-	309
- Capital gains on sale of other tangible assets	268	1
- Incidental income	898	296
- Capital gains on sale of equities	383	-
III.11 - Extraordinary charges	310	168
This item consists of charges relating to the sale of long-term investments and other losses arising from the sale of assets classified in the general balance-sheet Class F - Other assets.		
Their breakdown is as shown below:		
- Capital losses and expenses on sale of property assets	-	58
- Capital losses on sale of equity interests	-	5
- Capital losses on sale other tangible assets	104	1
- Incidental costs and charges	206	104

III.15 NET PROFIT FOR THE YEAR

	<i>2007</i>	<i>2008</i>	<i>Change</i>
	36,495	37,939	1,444

	<i>2007</i>	<i>2008</i>
I.10 - Result of Non-Life technical account	36,813	37,902
II.13 - Result of Life technical account	6,112	8,006
Result of non-technical account	8,625	6,884
III.13 - PROFIT BEFORE TAX	51,550	52,792
III.14 - Taxation This consists of corporate income tax (Italian acronym = IRES) and regional business tax (Italian acronym = IRAP) payable on the year's profit.	15,055	14,853

Reconciliation between the tax charge recognised in the financial statements and theoretical tax charge

(in thousands of Euros)

	Taxable base		Tax		Tax rate	
	IRES	IRAP	actual	theoretical	actual	theoretical
IRES						
Profit before taxation	52,792			14,518		27.50%
+ Temporary differences deductible in future years	11,854					
- Temporary differences taxable in future years	521					
- Use of temporary differences	124					
Permanent differences:						
+ Non-deductible interest and taxes	155					
+ Non-deductible accruals, costs and expenses	567					
+ Investment Portfolio	15,038					
- Tax-exempt income	8					
- Dividends	26,147					
- Other deductible items	691					
Taxable base	53,163					
Current IRES			14,620			
IRAP						
Profit before taxation		52,792		2,545		4.82%
- Profit & Loss items not taxable/deductible for IRAP purpose		6,885				
Life insurance business profit & loss + Non-life insurance business profit & loss		45,907				
+ Permanent taxable differences		37,093				
- Permanent deductible differences		12,801				
Theoretical taxable base		70,199				
- Use of temporary differences		3,291				
Taxable base		66,908				
Current IRAP			3,225			
Total current Tax relating to 2008			17,845			
Deferred tax assets						
Deferred tax assets of the previous year	31,584	20,377				
(Increase - Decrease) in deferred tax assets during the current year	9,119	-3,747				
Deferred tax assets of the current year	40,703	16,630				
Deferred IRES assets on (Increase - Decrease)			2,508			
Deferred IRAP assets on (Increase - Decrease)			-181			
Total deferred tax assets relating to 2008			2,327			
Deferred tax liabilities						
Provision for deferred tax liabilities of the previous year	3,527	469				
(Increase - Decrease) in the provision for deferred tax liabilities during the current year	-2,339	-456				
Adjustments to the provision for deferred tax liabilities of the previous year	13	13				
Provision for deferred tax liabilities of the current year	1,175	0				
Deferred IRES liabilities on (Increase - Decrease)			-643			
Deferred IRAP liabilities on (Increase - Decrease)			-22			
Total deferred tax liabilities relating to 2008			-665			
Total IRES relating to 2008			11,469		21.72%	
Total IRAP relating to 2008			3,384		6.41%	
Total tax relating to 2008			14,853	17,063	28.13%	32.32%

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.

The individual captions relating to IRES/IRAP temporary differences are detailed in the schedule of deferred taxes attached to these notes.

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
2007 deferred tax assets					
Exchange rate fluctuations	476		476		154
Depreciation of tangible assets	405		405		131
Entertainment costs	91		91		29
Provisions for bad debts	10,348		-		2,846
Directors' fees	106		-		29
Foreign bonds	656		-		180
Change in non-life claims reserve (as per decr. 209/2002)	19,502		19,405		6,298
	31,584	27.50%	20,377	4.82%	9,668
2008 use to deferred tax assets					
Exchange rate fluctuations	476		476		154
Depreciation of tangible assets	-		-		-
Entertainment costs	37		37		12
Provisions for bad debts	334		-		92
Directors' fees	106		-		29
Foreign bonds	643		-		177
Change in non-life claims reserve (as per decr. 209/2002)	1,139		3,234		469
	2,735	27.50%	3,747	4.82%	933
2008 increase in deferred tax assets					
Exchange rate fluctuations	171		-		47
Depreciation of tangible assets	83		-		23
Entertainment costs	-		-		0
Provisions for bad debts	101		-		28
Directors' fees	178		-		49
Foreign bonds	-		-		0
Change in non-life claims reserve (as per decr. 209/2002)	11,321		-		3,113
	11,854	27.50%	0	4.82%	3,260
2008 deferred tax assets					
Exchange rate fluctuations	171		-		47
Depreciation of tangible assets	488		405		154
Entertainment costs	54		54		17
Provisions for bad debts	10,115		-		2,782
Directors' fees	178		-		49
Foreign bonds	13		-		4
Change in non-life claims reserve (as per decr. 209/2002)	29,684		16,171		8,943
	40,703	27.50%	16,630	4.82%	11,995

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
2007 deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	3,058		0		841
Division by instalments of realised gains on Real Estate	-				-
Exchange rate fluctuations	456		456		147
Depreciation of tangible assets	13		13		4
	3,527	27.50%	469	4.82%	992
2008 use to deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	2,404		0		661
Division by instalments of realised gains on Real Estate	-				-
Exchange rate fluctuations	456		456		147
Depreciation of tangible assets	-		0		-
	2,860	27.50%	456	4.82%	808
2008 adjustments to deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	-		0		-
Division by instalments of realised gains on Real Estate	-				-
Exchange rate fluctuations	-		0		-
Depreciation of tangible assets	-13		-13		-4
	-13	27.50%	-13	4.82%	-4
2008 increase in deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	-		-		-
Division by instalments of realised gains on Real Estate	347.00				95
Exchange rate fluctuations	174				48
Depreciation of tangible assets	-				-
	521	27.50%	-	4.82%	143
2008 deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	654		-		180
Division by instalments of realised gains on Real Estate	347				95
Exchange rate fluctuations	174				48
Depreciation of tangible assets	-				-
	1,175	27.50%	-	4.82%	323

Part C: Other information

Solvency margin

As regards the solvency margin, completion of regulatory schedules, issued by the ISVAP with its Regulation no. 19 of 14 March 2008, reveals the following amounts (in €'000):

	Non - life business	Life business	Total
Required Solvency Margin	76,897	32,799	109,696
Solvency Margin Assets	143,615	85,331	228,946
Surplus/Deficit	66,718	52,532	119,250
Ratio	1.9	2.6	2.1

If consolidated companies 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 € 74,050 thousand higher, as highlighted in the following table:

(€'000)

Companies	Book value in financial statements	Shareholders' Equity (Company share)	of which: net profit for the year	Difference between book value and equity method value
Immobiliare Bilancia S.r.l.	16,062	23,934	189	7,872
Immobiliare Bilancia Prima S.r.l.	5,400	12,282	15	6,882
Immobiliare Bilancia Seconda S.r.l.	8,500	9,346	354	846
Yam Invest N.V.	6,594	65,277	3,927	58,683
Gima Finance S.A.	6,901	5,174	-1,597	-1,727
Laumor Holdings S.a.r.l.	9,175	8,461	-1,076	-714
White Finance S.A.	5,235	7,443	2,607	2,208
	57,867	131,917	4,419	74,050

As a result of the above considerations, the items forming shareholders' equity increased from € 228,946 thousand to € 302,996 thousand. This, compared with the required amount of solvency margin of € 109,696 thousand, leads to a ratio of 2.76.

(€'000)

Life and Non -Life Solvency Margin Required		109,696
Life and Non -Life Solvency Margin Assets	228,946	
Increased Subsidiaries and Associated Companies Net Assets	<u>74,050</u>	
Revised Life and Non -Life Solvency Margin Assets		302,996
Ratio		2.76

Assets allocated to coverage of technical reserves

Non-Life Business

(€ million)			
	31/12/07	31/12/08	Change
Technical Reserves (A)	711.3	731.9	20.6
Securities issued or secured by Governments			509.0
Bonds or other similar securities			11.0
Units of undertaking for collective investment			0.2
Shares traded in a regulated market			11.4
Shares not traded in a regulated market			19.3
Real Estate			79.9
Other investments			7.9
Receivables			85.0
Bank accounts			3.3
Othe assets			4.9
Total Assets Allocated (B)			731.9
% of coverage (B/A)			100.0%

Life Business

(€ million)			
	31/12/07	31/12/08	Change
Mathematical and Other Technical Reserves	702.2	685.3	-16.9
Reserve for payable amounts	30.7	22.2	-8.5
Technical Reserves (A)	732.9	707.5	-25.4
Securities issued or secured by Governments			576.5
Bonds or other similar securities			66.9
Units of undertaking for collective investment			0.0
Shares traded in a regulated market			0.0
Shares not traded in a regulated market			4.7
Real Estate			23.8
Other investments			10.6
Receivables			13.2
Bank accounts			9.3
Othe assets			2.5
Total Assets Allocated (B)			707.5
% of coverage (B/A)			100.0%

(€ million)			
	31/12/07	31/12/08	Change
Technical Reserves when investment risk is borne by policyholders	95.3	69.5	-25.8
Total Assets Allocated	95.3	69.5	-25.8

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 2008 numbered 420 heads (395 heads to 31 December 2007). The average number of employees on the payroll during the year, by category and calculated according to in-force presence, was as follows:

	31/12/08	31/12/07
Managers	19	20
Officers	116	108
Administrative staff	282	273
Total	417	401

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.

(€/000)					
Regions	Agencies	Non-Life Business		Life Business	
		Premiums	%	Premiums	%
NORTH					
Emilia Romagna	22	38,075		5,452	
Friuli Venezia Giulia	3	6,433		1,056	
Liguria	9	17,429		2,308	
Lombardy	63	145,006		35,609	
Piedmont	27	33,926		3,226	
Trentino Alto Adige	5	7,727		727	
Valle d'Aosta	1	1,994		129	
Veneto	23	34,663		5,522	
Total	153	285,253	55.3	54,029	47.2
CENTRE					
Abruzzo	8	19,562		2,520	
Lazio	25	79,793		44,510	
Marche	10	9,222		943	
Tuscany	20	39,685		4,120	
Umbria	11	21,402		2,838	
Total	74	169,664	32.9	54,931	48.0
SOUTH AND ISLANDS					
Basilicata	2	4,717		886	
Calabria	2	3,740		111	
Campania	5	12,500		1,520	
Puglia	4	14,654		1,248	
Sardinia	3	6,821		173	
Sicily	8	18,357		1,611	
Total	24	60,789	11.8	5,549	4.8
Overall total	251	515,706		114,509	

Real estate assets

Real estate assets are listed in the following table (in € '000):

	AT 31 DECEMBER 2008				(€/000)
	Value before	Monetary	Fiscally-driven	Law 02/2009	T o t a l
	revaluations	revaluations	and voluntary	Revaluations	2008
			revaluations		
BUILDINGS HELD FOR INVESTMENT					
Operating buildings					
Milano - Via V. Colonna 2	306	0	0	477	783
Total operating buildings	306	0	0	477	783
Buildings used by third parties					
Acqui - Piazza Matteotti 25	53	10	77	63	203
Alessandria - P.za Carducci 1	79	79	0	102	260
Asti - C.So Alfieri 130	27	57	0	264	348
Biella - Piazza V. Veneto 16	17	43	34	274	368
Brescia - Via Saffi 1	121	67	0	395	583
Busto Arsizio - Via C. Tosi 8	80	31	0	197	308
Como - V.Le Rosselli 13	83	22	77	549	731
Cremona - P.Za Roma 7	104	24	23	271	422
Cuneo - Piazza Europa 26	61	75	0	420	556
Ferrara - Via Don Minzoni 17	97	10	93	287	487
Gallarate - P.Za Risorgimento 10	23	7	44	98	172
Livorno - Via Grande 225	128	5	0	187	320
Lodi - C.So V. Emanuele II° 12	13	10	41	209	273
Milano - Via Ariosto 21	2,468	0	0	609	3,077
Milano - Via B. D'Alviano 2	21	46	62	532	661
Milano - Via Correggio 3	145	0	0	95	240
Modena - Via Ganaceto 39	33	13	46	553	645
Napoli - Via S. Carlo 26	63	45	155	1,197	1,460
Parma - Via Longhi 1	87	42	62	439	630
Perugia - Via Pellas 44	217	18	0	315	550
Pescara - Via Sulmona 2	35	37	0	192	264
Pisa - Piazza Toniolo 10	87	41	52	343	523
Pistoia - Via S. Fedi 67	75	39	0	176	290
Pontedera - C.So Matteotti 108	61	41	0	205	307
Rovigo - C.So Del Popolo 4	63	24	0	121	208
Sondrio - Via C. Alessi 16	54	15	0	97	166
Terni - Via Beccaria 22	17	28	0	195	240
Trieste - Via Torrebianca 18	15	36	21	136	208
Udine - Via Carducci 4	39	72	0	247	358
Varese - Via Mazzini 1	158	71	41	289	559
Venezia Mestre - Via Verdi 4	47	65	26	330	468
Verona - C.So Porta Nuova 53	245	257	129	1,062	1,693
Vicenza - C.So Palladio 155	84	76	36	280	476
Total buildings used by third parties	4,900	1,406	1,019	10,729	18,054
TOTAL BUILDINGS HELD FOR INVESTMENT	5,206	1,406	1,019	11,206	18,837
TOTAL BUILDINGS	5,206	1,406	1,019	11,206	18,837

Statement of source and application of funds

(in thousands of euros)

	31/12/2008	31/12/2007
SOURCE OF FUNDS		
Net profit for the year	37,939	36,495
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	20,007	67,965
premium reserve	24,340	35,208
non-life business technical reserves	-43,545	35,202
Increase (-) Decrease (+) in receivables from policyholders	4,648	-16,516
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-31,833	-45,114
Net increase (-) decrease (+) in intangible assets	-1,829	339
Increase in specific provisions	-783	-1,153
Employees' leaving entitlement:		
accruals	1,618	1,552
utilisation	-2,346	-2,510
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-10,840	-5,385
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	1,834	4,914
Adjustments to securities	6,698	6,976
Property revaluation reserve	10,887	-
Adjustments to class D securities	7,572	4,173
Funds generated by ordinary activities	24,367	122,146
Disposal of fixed assets	-	-
Sale of bonds and other fixed-interest securities	567	-
Sale of equity investments	206,777	66,929
Sale of unit trusts	8,139	13,417
Sale of class D	5,070	350
Repayment of loans and borrowings	40,219	37,988
Other financial disinvestments	3,528	4,136
Funds generated by disinvesting activities	264,300	122,820
Total funds generated	288,667	244,966

(in thousands of euros)

	31/12/2008	31/12/2007
APPLICATION OF FUNDS		
Buildings	-	32
Fixed-interest securities	219,461	187,815
Investments	37,042	12,713
Unit trusts	-	5,000
Other financial investments	10,000	-
Class D investments	21,926	23,754
Loans to third parties	7,010	6,031
Previous year's dividend distributed	5,553	4,872
Total application of funds	300,992	240,217
Increase/decrease in liquid funds	-12,325	4,749
TOTAL	288,667	244,966
Liquid funds at the beginning of the year	46,301	41,552
Liquid funds at the end of the year	33,976	46,301

Remuneration of directors, statutory auditors, and strategically accountable managers

Pursuant to Article 78 of CONSOB regulation 11971 of 14 May 1999, below we declare the remuneration paid to directors, statutory auditors, and strategically accountable managers:

(in thousands of euros)

SURNAME AND NAME	Description of position		Fees			
	Position held	Period during which the position was held	Fees for the office	Non - monetary benefits	Bonuses and other incentives	Other fees
Board of directors terms of office up to approval of the financial statements at 31 December 2009)						
Guatri Luigi	Honorary Chairman	01.01 - 31.12.2008	40	-	-	-
Costa Giorgio	Chairman	01.01 - 31.12.2008	88	-	-	5
Acutis Carlo	Executive deputy chairman	01.01 - 31.12.2008	50	-	-	-
Acutis Andrea	Executive deputy chairman	01.01 - 31.12.2008	50	17	-	190 (1)
Guarena Roberto	Manging director	01.01 - 31.12.2008	420	-	400	5 (2)
Acutis Biscaretti di Ruffia Adriana	Director	01.01 - 31.12.2008	75	-	-	60 (2)
Baggi Sisini Francesco	Independent director	01.01 - 31.12.2008	35	-	-	-
Brandolini d'Adda Tiberto	Independent director	01.01 - 31.12.2008	20	-	-	-
Brignone Marco	Independent director	01.01 - 31.12.2008	20	-	-	-
Hellouin de Ménébus Arnaud	Director	01.01 - 31.12.2008	24	-	-	5 (2)
Marsani Pietro Carlo	Independent director	01.01 - 31.12.2008	27	-	-	-
Marsiaj Giorgio	Independent director	01.01 - 31.12.2008	20	-	-	-
Müller-Gotthard Edgar	Independent director	01.01 - 31.12.2008	20	-	-	-
Passerin d'Entreves Lodovico	Independent director	01.01 - 31.12.2008	24	-	-	-
Paveri Fontana Luca	Director	01.01 - 31.12.2008	130	-	-	5 (2)
Ricci Robert	Independent director	01.01 - 31.12.2008	20	-	-	5 (2)
Spadafora Giuseppe	Independent director	01.01 - 31.12.2008	27	-	-	-
Board of statutory auditors terms of office up to approval of the financial statements at 31 December 2009						
			-	-	-	-
			-	-	-	-
Caso* Angelo	Chairman	01.01 - 31.12.2008	36	-	-	-
Maritano Giovanni	Statutory auditor	01.01 - 31.12.2008	24	-	-	30 (2)
Strazzera Livio	Statutory auditor	01.01 - 19.09.2008	23	-	-	-
Araldi Ferruccio	Statutory auditor	19.09 - 31.12.2008	1	-	-	45 (2)
Managers with strategic responsibilities						
Caldarelli Cesare	Deputy general manager	01.01 - 27.03.2008	}	97	-	1,299
	Joint General Manager	27.03 - 31.12.2008				
Ravasio Mario	Joint General Manager	01.01 - 31.12.2008				
Corazza Enrico	Central Manager	01.01 - 31.12.2008				
Massocco Antonio	Central Manager	27.03 - 31.12.2008				
Parazzini Piero Angelo	Central Manager	27.03 - 31.12.2008				

(1) Other fees / salary for positions held in subsidiaries

(2) Other fees for positions held in subsidiaries

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 FY2008 for services rendered to the Company by the auditing company BDP Sala Scelsi Farina Società di Revisione per Azioni – and by entities forming part of its network.

(in thousands of euros)

Type of services rendered	Auditing company	Entities forming part of its network
Independent audit services	365	-
Verifications for issue of attestations	47	-
Other services	30	-

Investments in subsidiaries

Vittoria Immobiliare SpA

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 20,000,000.

% equity interest: 87.24%.

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 12 March 2009 show shareholders' equity of € 23,391 thousand, including € -1,226 thousand of net loss for the year. The consolidated financial statements, prepared for the purposes of parent company consolidation, show consolidated shareholders' equity of € 24,247 thousand, including the year's net loss of € -1,482 thousand.

Immobiliare Bilancia Srl ["Srl" = private limited liability company]

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 3,150,000.

% equity interest: 100.0%.

A company active in real estate trading.

The draft financial statements reviewed by the Board of Directors on 2 March 2009 show quotaholders equity of € 24,295 thousand, including the year's net profit of € 551 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 2 March 2009 show quotaholders equity of € 12,294 thousand, including the year's net profit of € 27 thousand.

Immobiliare Bilancia Seconda Srl

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 1,000,000.

% equity interest: 100.00%.

The draft financial statements reviewed by the Board of Directors on 2 March 2009 show shareholders equity of € 9,346 thousand, including the year's net profit of € 354 thousand.

Immobiliare Bilancia Terza Srl

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 100,000.

% equity interest: 100.00%.

The company – at present not yet operational – was founded in 2003 in order to have a legal vehicle able to develop real estate trading operations, possibly jointly with other partners in the sector. The draft financial statements reviewed by the Board of Directors on 2 March 2009 show quotaholders' equity of € 71 thousand, including the year's loss of € -5 thousand.

Lauro 2000 Srl

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 17,500,000

% equity interest: 100.00% direct

The draft financial statements reviewed by the Board of Directors on 2 March 2009 show shareholders equity of € 68,554 thousand, including the year's loss of € -206 thousand.

Vittoria Properties Srl

Registered offices in Milan – Via Caldera 21

Share capital: € 4,000,000

% equity interest: 99.00% directly owned and 1.00% via Vittoria Immobiliare SpA

A company active in the management and letting of its property assets.

The draft financial statements reviewed by the Board of Directors on 2 March 2009 show quotaholders' equity of € 4,317 thousand, including the year's net profit of € 336 thousand.

Interbilancia Srl

Registered offices in Milan – Via Caldera 21

Share capital: € 80,000

% equity interest: 80.00% directly owned and 20.00% via Vittoria Immobiliare SpA

A holding company for investments in companies active in the service sector.

Draft financial statements show quotaholders' equity of € 118 thousand including the year's net profit of € 5 thousand.

Vittoria Service Srl

Registered offices in Milan – Via Caldera 21

Share capital: € 100,000

% equity interest: 70.00% directly owned and 30.00% via Vittoria Immobiliare SpA

A company active in advisory services in the real estate and insurance fields.

Investments in associate companies

White Finance SA

Registered offices in Luxembourg (Grand Duchy of Luxembourg)

Share capital: € 1,000,000

% equity interest: 32.17%

An investment holding company

Draft consolidated financial statements as at 31 December 2008 show shareholders' equity of € 23,136 thousand, including the year's net profit of € 8,103 thousand.

Laumor Holdings Sarl

Registered offices in Luxembourg (Grand Duchy of Luxembourg)

Share capital: € 12,500

% equity interest: 29.00%

A financial company.

Draft consolidated financial statements as at 31 December 2008 show shareholders' equity of € 29,176 thousand, including the year's net loss of € 3,710 thousand.

Gima Finance SA

Registered offices in Luxembourg (Grand Duchy of Luxembourg)

Share capital: € 31,000

% equity interest: 32.13%

A financial company.

Draft consolidated financial statements as at 31 December 2008 show shareholders' equity of € 16,102 thousand, including the year's net loss of € -4,972 thousand caused by start-up costs.

S.In.t. SpA

Registered offices in Turin – Via Bertola 34

Share capital: € 1,000,000

% equity interest: 48.19%

Draft financial statements as at 31 December 2008 show shareholders' equity of € 2,165 thousand, including the year's net profit of € 30 thousand.

Yarpa SpA

Registered offices in Genoa – Via Roma 3

Share capital: € 9,635,000

% equity interest: 20.91%

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”.

Touring Vacanze Srl

Registered offices in Milan – Corso Italia 10

Share capital: € 12,900,000

% equity interest: 24.00%

A real estate management company.

Tax situation

Availing itself of the provisions set out in Article 2(44) of Law 350 of 24 December 2003, published in the Official Gazette of 27 December 2003 (the 2004 Finance Law), the parent company settled its direct and indirect taxes for all fiscal years through 2002, inclusive.

In 2008 Vittoria Assicurazioni S.p.A. obtained cancellation by the Inland Revenue for the tax assessment issued in 1992 in regard to an administrative measure regarding the deductibility of the accruals to the mathematical reserves of the Life Business, with simultaneous reimbursement of the principal registered on the tax rolls.

In early 2009, the Company obtained reimbursement of the late interest paid until the date of cancellation of the assessment (about € 49,500), which had been recognised as a receivable at the end of FY 2008.

In 2008, Vittoria Assicurazioni S.p.A. renewed its option to participate in the National Tax Consolidation Programme (Articles 117 et seq. of Presidential Decree 917 of 22 December 1986) for the three-year period of 2008, 2009 and 2010, with the tax consolidation company Vittoria Assicurazioni S.p.A. and the tax consolidated companies Immobiliare Bilancia S.r.l., Immobiliare Bilancia Prima S.r.l., Immobiliare Bilancia Seconda S.r.l., and Immobiliare Bilancia Terza S.r.l. Furthermore, in FY 2008 the subsidiaries Lauro 2009 S.r.l. and Acacia 2010 S.r.l. were also included in the scope of the tax consolidation programme for the same three-year period.

The Company revalued its real estate pursuant to Law 2 of 28 January 2009, obtaining recognition of the greater value for IRES (corporate income tax) and IRAP (regional tax)

purposes, effective from the 2013 tax year (in regard to possible disposal, the recognition is deferred until 2014) through the payment of a substitute tax of recognised gains, equal to 3% for depreciable real estate and 1.5% for non-depreciable real estate. The book value was adjusted to the market value, determined on the basis of an appraisal of the properties by an independent party.

Against the higher values recognised under assets on the Balance Sheet, the Company recognised a specific reserve in shareholders' equity for an amount equal to the revaluation minus the substitute taxes.

For additional details on the recognised gains and the criteria for their accounting, reference is made to the section in these Explanatory Notes dedicated to the comments on specific financial statement accounts

As indicated in the Report on Operations, the Company exercised the option to pay VAT at the group level for 2009.

The Board of Directors

Milan, 12 March 2009

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Company VITTORIA ASSICURAZIONI SPA

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	5,415		
2. Other acquisition costs		6			
3. Start-up and capital costs		7	16		
4. Goodwill		8			
5. Other deferred costs		9	21,036		
					10 26,467
C. INVESTMENTS					
I - Land and buildings					
1. Operating buildings		11	783		
2. Buildings used by third parties		12	18,054		
3. Other buildings		13			
4. Other property rights		14			
5. Assets under construction and payments on account		15		16	18,837
II - Investments in group and other companies:					
1. Equity investments in:					
a) parent companies	17				
b) subsidiaries	18	95,541			
c) related companies	19				
d) associated companies	20	28,057			
e) other companies	21	33,665	22	157,263	
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	157,263
			to carry forward		26,467

Previous year

			181
182			
184	6,679		
186			
187	30		
188			
189	17,437		190 24,146
191	306		
192	7,892		
193			
194			
195		196	8,198
197			
198	86,937		
199			
200	29,417		
201	44,362	202	160,716
203			
204			
205			
206			
207		208	
209			
210	455		
211			
212			
213	2,000	214	2,455
		215	163,171
	to carry forward		24,146

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

		Current year	
		brought forward	26,467
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		40 477
	3. Bonds and other fixed-interest securities		
	a) listed	41 522,358	
	b) unlisted	42 756	
	c) convertible bonds	43	44 523,114
	4. Loans		
	a) secured loans	45	
	b) loans on policies	46	
	c) other loans	47	48
	5. Shares in investment pools		49
	6. Deposits with banks		50 10,000
	7. Other financial investments	51	52 533,591
IV	- Deposits with ceding companies		53 2 54 709,693
D bis.	REINSURERS' SHARE OF TECHNICAL RESERVES		
	I - NON-LIFE BUSINESSES		
	1. Premium reserve	58	59 9,507
	2. Claims reserve	59	60 37,754
	3. Profit participation and reimbursement reserve	60	
	4. Other technical reserves	61	62 47,261
		to carry forward	783,421

Previous year

brought forward			24,146
216			
217			
218	219		
	220	5,547	
221		472,669	
222		942	
223	224	473,611	
225		3,303	
226			
227	228	5,723	
	229		
	230		
	231		
	232	484,881	
	233	28	234
			656,278
	238	18,698	
	239	60,667	
	240		
	241		242
			79,365
	to carry forward		759,789

BALANCE SHEET - NON-LIFE BUSINESS
ASSETS

		Current year	
		brought forward	783,421
E. RECEIVABLES			
I - Receivables relating to direct insurance due from:			
1. Policyholders			
a) premiums for the year	71	37,325	
b) premiums for previous years	72	3,558	
		73	40,883
2. Insurance brokers and agents		74	45,793
3. Current account companies		75	12,260
4. Amounts to be recovered from policyholders and third parties		76	28,895
		77	127,831
II - Receivables relating to reinsurance due from:			
1. Insurance and reinsurance companies			
		78	6,203
2. Reinsurance brokers and agents			
		79	6,203
		80	6,203
III - Other receivables			
		81	14,237
		82	148,271
F. OTHER ASSETS			
I - Tangible assets and inventory:			
1. Office furniture and machines and internal transport systems			
		83	3,014
2. Registered chattel property			
		84	
3. Plant and machinery			
		85	197
4. Inventory and other assets			
		86	3,211
		87	3,211
II - Liquid funds			
1. Bank and postal accounts			
		88	16,451
2. Cheques on hand and cash-in-hand			
		89	106
		90	16,557
III - Own shares or quotas			
		91	
IV - Other assets			
1. Suspense reinsurance accounts			
		92	
2. Sundry assets			
		93	12,434
		94	12,434
		95	32,202
		96	
of which: giro account with life business			
		97	
		98	
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest			
		96	7,959
2. Rent instalments			
		97	197
3. Other prepayments and accrued income			
		98	1,619
		99	9,775
TOTAL ASSETS			100
			973,669

		Previous year			
		brought forward		759,789	
251	35,898				
252	919	253	36,817		
		254	43,132		
		255	13,997		
		256	28,225	257	122,171
		258	3,354		
		259		260	3,354
				261	8,471
				262	133,996
		263	2,741		
		264	12		
		265	257		
		266	81	267	3,091
		268	23,193		
		269	61	270	23,254
				271	
		272			
		273	9,794	274	9,794
		903		275	36,139
				276	6,976
				277	207
				278	975
				279	8,158
				280	938,082

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	38,460
II	- Share premium reserve	102	17,677
III	- Revaluation reserves	103	10,887
IV	- Legal reserve	104	3,820
V	- Statutory reserves	105	
VI	- Reserves for purchase of own shares and shares of parent company	106	
VII	- Other reserves	107	66,997
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit/(loss) for the year	109	33,510
		110	171,351
B. SUBORDINATED LIABILITIES			111
			2,497
C. TECHNICAL RESERVES			
I	- NON-LIFE BUSINESSES		
	1. Premium reserve	112	216,216
	2. Claims reserve	113	510,435
	3. Profit participation and reimbursement reserve	114	
	4. Other technical reserves	115	3,774
	5. Equalisation reserves	116	2,720
		117	733,145
	to carry forward		906,993

Previous year

	281	19,100	
	282	17,183	
	283	6,135	
	284	3,554	
	285		
	286		
	287	54,751	
	288		
	289	28,853	290 129,576
			291 3,122
292	201,836		
293	504,801		
294			
295	3,292		
296	2,433		297 712,362
to carry forward			845,060

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
	brought forward		906,993
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	444
3.	Other provisions	130	741
			131
			1,185
F. DEPOSITS FROM REINSURERS			
			132
			9,394
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133	4,463
2.	Current account companies	134	2,410
3.	Guarantee deposits and premiums paid by policyholders	135	
4.	Guarantee funds in favour of policyholders	136	546
		137	7,419
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138	7,586
2.	Reinsurance brokers and agents	139	140
			7,586
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	3,805
VIII	- Other sums payable		
1.	Policyholders' tax due	146	9,998
2.	Other sums payable to taxation authorities	147	932
3.	Social security charges payable	148	1,668
4.	Sundry payables	149	11,840
		150	24,438
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152	8,519
3.	Other liabilities	153	4,182
		154	12,701
	of which: giro account with life business	902	1,333
	to carry forward		155
			55,949
			973,521

Previous year		
brought forward		845,060
	308	
	309	896
	310	741
		311 1,637
		312 38,652
313	2,678	
314	2,888	
315		
316	472	317 6,038
318	9,458	
319		320 9,458
		321
		322
		323
		324
		325 4,185
326	8,999	
327	1,117	
328	1,609	
329	9,469	330 21,194
331		
332	7,981	
333	3,691	334 11,672
904	755	335 52,547
to carry forward		937,896

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
brought forward			973,521
<hr style="border-top: 1px dashed black;"/>			
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest	156	137	
2. Rent instalments	157		
3. Other accrued expenses and deferred income	158	11	159
			148
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			973,669

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
4.	Collateral		164
			7,634
II	- Guarantees received		
1.	Sureties		165
2.	Endorsements		166
3.	Other personal guarantees		167
4.	Collateral		168
			250
III	- Guarantees given by third parties in the interest of the Company		169
IV	- Commitments		170
			18,605
V	- Third party assets		171
			3,889
VII	- Securities held by third parties		173
			579,289
VIII	- Other memorandum and contingency accounts		174

Previous year		
brought forward		937,896
	336	172
	337	
	338	14 339
		186
		340

Previous year			
		341	
		342	
		343	7,585
		344	
		345	9,200
		346	
		347	
		348	250
		349	
		350	29,334
		351	4,154
		353	554,155
		354	

Company VITTORIA ASSICURAZIONI SPA

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	2,753				
2. Other acquisition costs		6					
3. Start-up and capital costs		7	11				
4. Goodwill		8					
5. Other deferred costs		9	440			10	3,204
C. INVESTMENTS							
I - Land and buildings							
1. Operating buildings			11				
2. Buildings used by third parties			12				
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	56,070					
c) related companies	19						
d) associated companies	20	5,765					
e) other companies	21	4,335	22	66,170			
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	661					
c) related companies	31						
d) associated companies	32						
e) other companies	33	2,500	34	3,161	35	69,331	
				to carry forward			3,204

Previous year			
			181
182			
183	3,494		
186			
187	20		
188			
189	183	190	3,697
191			
192			
193			
194			
195		196	
197			
198	43,083		
199			
200	5,765		
201		202	48,848
203			
204			
205			
206			
207		208	
209			
210			
211			
212			
213		214	48,848
	to carry forward		3,697

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year	
		brought forward	3,204
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	6,309
3.	Bonds and other fixed-interest securities:		
a)	listed	41	654,539
b)	unlisted	42	6,006
c)	convertible bonds	43	44
			660,545
4.	Loans		
a)	secured loans	45	3,341
b)	loans on policies	46	3,594
c)	other loans	47	5,551
		48	12,486
5.	Shares in investment pools	49	
6.	Deposits with banks	50	
7.	Other financial investments	51	52
			679,340
IV	- Deposits with ceding companies	53	403
		54	749,074
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I	- Investments relating to index-linked policies	55	63,893
II	- Investments relating to pension fund management	56	5,574
		57	69,467
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
II - LIFE BUSINESSES			
1.	Mathematical reserves	63	18,841
2.	Complementary insurance premium reserve	64	
3.	Reserve for amounts payable	65	
4.	Profit participation and reimbursement reserve	66	
5.	Other technical reserves	67	23
6.	Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	69
			18,864
		to carry forward	840,609

Valori dell'esercizio precedente

	brought forward		3,697
216			
217			
218	219		
	220	6,308	
221	689,859		
222	10,376		
223	224	700,235	
225			
226	3,988		
227	228	3,988	
	229		
	230		
	231	232	710,531
		233	398
		234	759,777
		235	91,868
		236	3,464
		237	95,332
	243	17,956	
	244		
	245	21	
	246		
	247	25	
	248		249
			18,002
	to carry forward		876,808

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year		
		brought forward		840,609
E. RECEIVABLES				
I	- Receivables relating to direct insurance due from:			
	1. Policyholders			
	a) premiums for the year	71	7,586	
	b) premiums for previous years	72	7,586	
	2. Insurance brokers and agents	74	11,142	
	3. Current account companies	75	70	
	4. Amounts to be recovered from policyholders and third parties	76	18,798	
II	- Receivables relating to reinsurance due from:			
	1. Insurance and reinsurance companies	78	27	
	2. Reinsurance brokers and agents	79	27	
III	- Other receivables		5,660	24,485
F. OTHER ASSETS				
I	- Tangible assets and inventory:			
	1. Office furniture and machines and internal transport systems	83		
	2. Registered chattel property	84		
	3. Plant and machinery	85		
	4. Inventory and other assets	86		
II	- Liquid funds			
	1. Bank and postal accounts	88	17,418	
	2. Cheques on hand and cash-in-hand	89	17,418	
III	- Own shares or quotas			
IV	- OTHER ASSETS			
	1. Suspense reinsurance accounts	92		
	2. Sundry assets	93	1,646	19,064
	of which: giro account with non-life business	901	1,333	
G. PREPAYMENTS AND ACCRUED INCOME				
	1. Interest		10,851	
	2. Rent instalments			
	3. Other prepayments and accrued income		157	11,008
TOTAL ASSETS				895,166

Previous year		brought forward		876,808
251	16,300			
252		253	16,300	
		254	11,400	
		255	22	
		256		257 27,722
		258	148	
		259		260 148
				261 5,680 262 33,550
		263		
		264		
		265		
		266		267
		268	23,047	
		269		270 23,047
				271
		272		
		273	1,575	274 1,575 275 24,622
		903	755	
				276 10,842
				277
				278 184 279 11,026
				280 946,006

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	27,306
II	- Share premium reserve	102	13,420
III	- Revaluation reserves	103	
IV	- Legal reserve	104	2,713
V	- Statutory reserves	105	
VI	- Reserves for purchase of own shares and shares of parent company	106	
VII	- Other reserves	107	40,457
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit (loss) for the year	109	4,429
		110	88,325
B. SUBORDINATED LIABILITIES			
			111
			1,664
C. TECHNICAL RESERVES			
II - LIFE BUSINESSES			
1.	Mathematical reserves	118	674,168
2.	Complementary insurance premium reserve	119	167
3.	Reserve for amounts payable	120	22,180
4.	Profit participation and reimbursement reserve	121	24
5.	Other technical reserves	122	11,353
			123
			707,892
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	63,893
II	- Reserves arising from pension fund management	126	5,574
		127	69,467
	to carry forward		867,348

Previous year

		281	13,566	
		282	13,090	
		283	235	
		284	2,536	
		285		
		286		
		287	48,716	
		288		
		289	7,642	290 85,785
				291 2,081
	298	691,755		
	299	181		
	300	30,741		
	301	30		
	302	10,541		303 733,248
		305	91,868	
		306	3,464	307 95,332
	to carry forward			916,446

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
		brought forward	867,348
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	180
3.	Other provisions	130	131 180
F. DEPOSITS FROM REINSURERS			
			132 18,865
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133 554	
2.	Current account companies	134 29	
3.	Guarantee deposits and premiums paid by policyholders	135 224	
4.	Guarantee funds in favour of policyholders	136	137 807
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138 647	
2.	Reinsurance brokers and agents	139	140 647
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		145 845
VIII	- Other sums payable		
1.	Policyholders' tax due	146 161	
2.	Other sums payable to taxation authorities	147 326	
3.	Social security charges payable	148 265	
4.	Sundry payables	149 2,813	150 3,565
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152 2,334	
3.	Other liabilities	153 446	154 2,780 155 8,644
	of which: giro account with non-life business	902	
		to carry forward	895,037

Previous year

brought forward		916,446
	308	
	309	511
	310	511
		311
		17,980
313	183	
314		
315	193	
316	317	376
318	519	
319	320	519
	321	
	322	
	323	
	324	
	325	1,193
326	186	
327	301	
328	278	
329	2,082	330
		2,847
331		
332	5,705	
333	272	334
		5,977
		335
		10,912
904		
to carry forward		945,849

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
brought forward			895,037
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest	156	92	
2. Rent instalments	157		
3. Other accrued expenses and deferred income	158	37	159 129
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160	895,166

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	5,574
VII - Securities held by third parties		173	671,188
VIII - Other memorandum and contingency accounts		174	

Previous year			
	brought forward		945,849
		336 114	
		337	
		338 43	339 157
			340 946,006

		Previous year	
		341	
		342	
		343 12,915	
		344	
		345	
		346	
		347	
		348	
		349	
		350	
		351	
		352 3,464	
		353 706,542	
		354	

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Company VITTORIA ASSICURAZIONI SPA

Year 2008

Allocation of the net profit (loss) for the year between non-life and life businesses

		Non-life businesses	Life businesses	Total
Result of technical account	1	37,902	8,006	45,908
Income on investments	+ 2	49,106		49,106
Capital and financial charges	- 3	11,810		11,810
Income on investments transferred from the life business technical account	+ 24			
Income on investments transferred to the non-life business technical account	- 5	30,262		30,262
Operating result	6	44,936	8,006	52,942
Other income	+ 7	3,054	772	3,826
Other expense	- 8	4,579	268	4,847
Extraordinary income	+ 9	912	127	1,039
Extraordinary expense	- 10	144	24	168
Profit (loss) before taxation	11	44,179	8,613	52,792
Taxation on profit for the year	- 12	10,669	4,184	14,853
Net profit (loss) for the year	13	33,510	4,429	37,939

Year 2008

Company VITTORIA ASSICURAZIONI SPA

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	27,842	31 8,198
Increase of the year	+ 2	12,773	32 11,206
for: acquisitions or increases	3	12,773	33
write-backs	4		34
revaluations	5		35 11,206
other variations	6		36
Decrease of the year	- 7	324	37 567
for: sales or decreases	8	324	38 567
permanent write-downs	9		39
other variations	10		40
Gross closing book value (a)	11	40,291	41 18,837
Amortisation and depreciation:			
Opening book value	+ 12		42
Increase of the year	+ 13	10,643	43
for: amortisation/depreciation charge of the year	14	10,643	44
other variations	15		45
Decrease of the year.....	- 16	23	46
for: disposals	17		47
other variations	18	23	48
Closing book value (b) (*)	19	10,620	49
Book value (a - b)	20	29,671	50 18,837
Current value			51 18,837
Total revaluations	22		52
Total write-downs	23		53
(*) of which resulting from fiscally-driven entries	24		54

Company VITTORIA ASSICURAZIONI SPA

Year 2008

Assets - 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	+	1 209,564	21	41 2,455
Increase of the year	+	2 37,042	22	42 800
for: acquisitions, subscriptions or lending		3 26,343	23	43 800
write-backs		4	24	44
revaluations		5		
other variations		6 10,699	26	46
Decrease of the year:	-	7 23,174	27	47 94
for: sales or repayments.....		8	28	48 94
write-downs		9 15,034	29	49
other variations		10 8,140	30	50
Book value		11 223,432	31	51 3,161
Current value		12 300,405	32	52
Total revaluations		13		
Total write-downs.....		14 15,034	34	54

Caption C.II.2 includes:

Listed bonds	61
Unlisted bonds	62
Book value	63
of which: convertible bonds	64

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
2	d	NQ	9	SINT S.p.A. - Via Bertola 34 - 10123 Torino	242
3	d	NQ	2	YARPA S.p.A. - Via Roma 3 - 16121 Genova	242
4	e	NQ	2	GRUPPO G.P.A. S.p.A. - Via Melchiorre Gioia 124 - 20125 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	BCC PAD.ORIENT.-ROVIGO Soc.Coop. - 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 della Frezza 70 - 00186 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. - 38, Avenue de la Faiencerie - L-1510 Lussemburgo	242
13	d	NQ	2	YARPA INTERNATIONAL HOLDING B.V. - Herengracht 483 - 1017 BT Amsterdam	242
14	b	NQ	2	INTERBILANCIA S.r.l. - Via Caldera n.21 - 20153 Milano	242
15	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
16	d	NQ	2	LAUMOR BV - Herengracht 483 - 1017 BT Amsterdam	242
17	d	NQ	9	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	242
18	b	NQ	4	VITTORIA PROPERTIES S.r.l. - Via Caldera 21 - 20153 Milano	242
19	b	NQ	4	IMMOBILIARE BILANCIA PRIMA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
20	b	NQ	4	IMMOBILIARE BILANCIA SECONDA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
21	b	NQ	4	IMMOBILIARE BILANCIA TERZA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
22	e	NQ	3	BCC APUANA Soc.Coop. - Viale Eugenio Chiesa n.4 - 54100 Massa	242
23	e	NQ	2	LIGURIA S.r.l. - Via Cesare Mangili 6 - 20121 Milano	242
24	e	Q	2	MEDIOBANCA S.p.A. - P.tta E.Cuccia 1 - 20121 Milano	242
25	e	NQ	9	MEDIORISCHI S.p.A. - Via Melchiorre Gioia 124 - 20125 Milano	242
26	e	NQ	2	BCM & Partners LLP - 102 Jermyn Street - SW1Y 6EE Londra	2
27	d	NQ	2	WHITE FINANCE S.A. - 9, rue du Laboratoire - L-1911 Lussemburgo	242
28	e	NQ	3	BCC COMPR. DEL CUOIO Soc.Coop. - Via Prov.Francesca Nord 78 - 56022 Castelfran	242
29	b	NQ	9	VITTORIA SERVICE S.r.l. - Via Caldera n.21 - 20153 Milano	242
30	b	NQ	4	LAURO 2000 S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
31	d	NQ	2	LAUMOR HOLDINGS Sarl - 9, rue du Laboratoire - L-1911 Lussemburgo	242
32	d	NQ	2	GIMA FINANCE SA - 9, rue du Laboratoire - L-1911 Lussemburgo	242
33	e	NQ	4	IMMOBILIARE ADAMELLO S.r.l. - Corso Italia 10 - 20122 Milano	242
34	d	NQ	9	CONSORZIO MOVINCOM S.c.r.l. - Via Bertola 34 - 10122 Torino	242
35	e	NQ	2	YAM INVEST N.V. - Herengracht 471 - 1017 BS Amsterdam	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 %
20,000,000	40,000	23,391,297	-1,226,347	87.24		
1,000,000	1,000,000	2,164,520	30,450	48.19		
9,635,000	20,500,000	11,491,809	966,001	20.91		
8,528,000	16,400,000			9.74		
191,199,415	367,691,182			4.31		
50,000,000	50,000,000			2.76		
2,248,718	435,798			0.87		
777,791	30,122			0.33		
100,000	100,000			10.00		
47,664,600	47,664,600			1.46		
513,060	1,006,000			0.68		
76,636,000	7,663,600			3.91		
675,000	675,000					
80,000	80,000	117,710	4,869	80.00	20	
3,150,000	3,150,000	24,295,119	550,527	100.00		
20,000	40					
12,900,000	12,900,000	14,883,038	218,506	24.00		
4,000,000	4,000,000	4,317,194	335,594	99.00	1	
3,000,000	3,000,000	12,293,897	26,713	100.00		
1,000,000	1,000,000	9,346,320	354,231	100.00		
100,000	100,000	70,987	-5,162	100.00		
5,207,454	20,106			0.96		
10,000	10,000			10.30		
410,027,833	820,055,665			0.14		
102,000	102,000			10.00		
1,396,225	1,396,225			10.00		
1,000,000	800,000	23,135,503	8,102,534	32.17		
5,877,000	11,754			0.85		
100,000	100,000	207928,95	1,722	70.00	30	
17,500,000	17,500,000	68,553,894	-205,981	100.00		
12,500	500	29,176,056	-3,709,768	29.00		
31,000	31,000	16,102,181	-4,971,600	32.13		
1,000,000	1,000,000			10.00		
102,100	102,100	102,313	213	0.98	39.18	
63,083,168	63,083,168			18.75		

(**) To be compiled only for subsidiary and associated companies

Assets - Changes in investments in group and other companies: equity investments

Number	Type		Name	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
(1)	(2)	(3)				
1	B	V	VITTORIA IMMOBILIARE S.p.A.	3,723		1,861,500
1	B	D	VITTORIA IMMOBILIARE S.p.A.	2,209		1,104,500
2	D	D	SINT S.p.A.			
3	D	D	YARPA S.p.A.			
4	E	D	GRUPPO G.P.A. S.p.A.	776,959	4,026,923	
5	E	V	CAM FINANZIARIA S.p.A.	15,849,797		11,544,992
5	E	D	CAM FINANZIARIA S.p.A.			
6	E	D	BANCA PASSADORE & C. S.p.A.			
7	E	D	BCC VALDOSTANA Soc.Coop.			
8	E	D	BCC PAD.ORIENT.-ROVIGO Soc.Coop.			
9	E	D	DOWNALL ITALIA S.r.l.	4,919	491,900	
10	E	D	SOFIGEA S.r.l. in liq.			
11	E	D	U.C.I. S.cons.r.l.			
12	E	D	MEDINVEST INTERNATIONAL S.C.A.			
13	D	D	YARPA INTERNATIONAL HOLDING B.V.	168,375		
14	B	D	INTERBILANCIA S.r.l.			
15	B	V	IMMOBILIARE BILANCIA S.r.l.	1,150,000		8,625,000
16	D	D	LAUMOR BV			
17	D	V	TOURING VACANZE S.r.l.			
18	B	V	VITTORIA PROPERTIES S.r.l.			
19	B	D	IMMOBILIARE BILANCIA PRIMA S.r.l.			
20	B	D	IMMOBILIARE BILANCIA SECONDA S.r.l.			
21	B	D	IMMOBILIARE BILANCIA TERZA S.r.l.			
22	E	D	BCC APUANA Soc.Coop.			
23	E	D	LIGURIA S.r.l.			

(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 2008

Decrease of the year		Other decreases	Book value (4)		Acquisition cost	Current value
Sales			Quantity	Amount		
Quantity	Amount					
			21,901	12,849,539	12,849,539	13,276,128
			12,995	11,728,000	11,728,000	7,877,223
			481,900	4,658,912	4,658,912	6,121,000
			4,287,476	2,085,950	2,085,950	2,403,340
			1,596,959	7,127,833	7,127,833	7,127,833
		7,210,073	15,849,797	4,334,919	4,334,919	4,334,919
15,849,797		21,587,424				
			1,377,848	3,540,385	3,540,385	7,302,594
			3,800	41,007	41,007	41,007
			100	2,634	2,634	2,634
			9,999	495,172	495,172	495,172
			695,819	704,628	704,628	704,628
			6,879	3,553	3,553	3,553
			300,000	3,000,747	3,000,747	3,000,747
168,750		9,282,303				
			64,000	77,640	77,640	416,601
			3,150,000	16,061,815	16,061,815	23,933,793
10		6,000				
			3,096,000	5,764,569	5,764,569	5,764,569
			3,960,000	3,960,000	3,960,000	5,034,569
			3,000,000	5,400,000	5,400,000	12,282,236
			1,000,000	8,500,000	8,500,000	9,346,320
			100,000	100,000	100,000	70,987
			193	49,987	49,987	49,987
575,770		515,381	1,030	1,030	1,030	1,030

(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

Numbe (1)	Type (2)	(3)	Name	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
24	E	D	MEDIOBANCA S.p.A.			
25	E	D	MEDIORISCHI S.p.A.	4,744	232,549	
26	E	D	BCM & Partners LLP			
27	D	D	WHITE FINANCE S.A.			
28	E	D	BCC COMPR. DEL CUIOIO Soc.Coop.			
29	B	D	VITTORIA SERVICE S.r.l.			
30	B	V	LAURO 2000 S.r.l.	625,000		2,500,000
30	B	D	LAURO 2000 S.r.l.	1,875,000		7,500,000
31	D	D	LAUMOR HOLDINGS Sarl			4,007,954
32	D	D	GIMA FINANCE SA			6,630,350
33	E	D	IMMOBILIARE ADAMELLO S.r.l.			60,000
34	D	D	CONSORZIO MOVINCOM S.c.r.l.	1,000	1,000	
35	E	D	YAM INVEST N.V.	11,828,094		6,594,133
			Total C.II.1		4,752,372	50,428,429
	a		Parent companies			
	b		Subsidiaries			
	c		Related companies			21,591,000
	d		Associated companies			
	e		Other companies		1,000	10,638,304
			Total D.I		4,751,372	18,199,125
			Total D.II			

(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 2008

Decrease of the year		Other decreases	Book value (4)		Acquisition cost	Current value
Sales			Quantity	Amount		
Quantity	Amount					
			1,167,000	11,442,991	11,442,991	8,419,905
			10,199	243,245	243,245	243,245
			139,623	207,406	207,406	146,677
		2,392,386	257,373	5,234,619	5,234,619	7,442,691
			100	50,000	50,000	50,000
			70,000	140,000	140,000	145,550
			4,375,000	23,198,496	23,198,496	23,823,247
			13,125,000	69,595,489	69,595,489	71,469,740
		319,000	145	9,174,961	9,174,961	8,461,056
			9,961	6,901,224	6,901,224	5,173,994
			100,000	160,000	160,000	160,000
			1,000	1,000	1,000	1,000
			11,828,094	6,594,133	6,594,133	65,277,467
		41,312,567		223,431,884	223,431,884	300,405,442
				151,610,979	151,610,979	167,676,394
		11,999,689		33,821,235	33,821,235	35,367,650
		29,312,878		37,999,670	37,999,670	97,361,398

(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:						
a) listed shares	21	41	61	81	101	101
b) unlisted shares	22	42	62	82	102	102
c) quotas	23	43	63	83	103	103
2. Unit trust units	24	44	64	84	104	104
3. Bonds and other fixed-interest securities	25	211	238	273	477	484
a) listed government securities	26	281,198	253,117	253,206	523,114	534,404
a2) other listed securities	27	258,378	253,117	253,206	501,617	511,584
b) unlisted government securities	28	22,064	68	88	20,741	22,064
b2) other unlisted securities	29	49	69	89	109	109
c) convertible bonds	30	756	70	90	756	756
5. Shares in investment pools	31	51	71	91	111	111
7. Other financial investments	32	52	72	92	112	112
	33	53	73	93	113	113

II - Life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:						
a) listed shares	141	161	181	201	221	221
b) unlisted shares	142	162	182	202	222	222
c) quotas	143	163	183	203	223	223
2. Unit trust units	144	164	184	204	224	224
3. Bonds and other fixed-interest securities	145	5,663	185	205	6,308	5,663
a) listed government securities	146	546,988	124,388	125,306	660,545	672,294
a2) other listed securities	147	433,986	119,700	120,554	540,242	554,540
b) unlisted government securities	148	108,556	3,148	3,164	114,297	111,700
b2) other unlisted securities	149	169	189	209	229	229
c) convertible bonds	150	4,466	1,540	1,588	6,006	6,054
5. Shares in investment pools	151	171	191	211	231	231
7. Other financial investments	152	172	192	212	232	232
	153	173	193	213	233	233

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	6,855,41	761,851	81	101
Increase of the year:	22	42	166,322	82	102
for: acquisitions	23	43	160,283	83	103
write-backs	24	44		84	104
transfers from the trading portfolio.....	25	45		85	105
other variations	26	46	6,039	86	106
Decrease of the year:	27	308,47	122,019	87	107
for: sales	28	48	120,773	88	108
write-downs	29	49		89	109
transfers to the trading portfolio	30	50		90	110
other variations	31	308,51	1,246	91	111
Book value	32	6,547,52	806,154	92	112
Current value	33	5,874,53	828,186	93	113

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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 9,710	21
Increase of the year	+	2 6,304	22 10,000
for: lending		3 6,304	
write-backs		4	
other variations		5	
Decrease of the year:	-	6 3,527	26
for: repayments		7 3,527	
write-downs.....		8	
other variations		9	
Book value		10 12,487	30 10,000

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	31,504	50,720	39,020	47,951
IV. Other financial investments:				
1. Equity investments	5,155	6,116	8,613	6,358
2. Bonds and other fixed-interest securities	24,111	33,387	29,234	35,371
3. Bank deposits	28	48	68	
4. Other financial investments	29	49	69	
V. Other assets	60	43	60	43
VI. Liquid funds	3,054	1,602	3,056	1,602
	22	62	72	
	33	53	73	
Total	63,893	91,868	79,992	91,325

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	2,422,244	997,441	2,395,641,024	
3. Unit trust units	1,778,25	1,805,45	2,686,65	1,698
4. Bank deposits	26	46	66	
5. Other financial investments	27	47	67	
III. Other assets	178,28	27,48	178,68	27
IV. Liquid funds	1,196,29	635,49	1,196,69	635
	30	50	70	
	31	51	71	
Total	5,574,32	3,464,32	6,455,72	3,384

Company VITTORIA ASSICURAZIONI SPAYear 2008Liabilities - Changes in premium reserve (caption C.I.1) and claims reserve
(caption C.I.2) of non-life business

Type	Year	Previous year	Change
Premium reserve:			
Unearned premium reserve	1 216,216	11 201,702	21 14,514
Reserve for current risks:	2	12 134	22 -134
Book value	3 216,216	13 201,836	23 14,380
Claims reserve:			
Reserve for claims settlement and direct expenses	4 448,420	14 455,247	24 -6,827
Reserve for settlement costs	5 33,890	15 17,185	25 16,705
IBNR reserve	6 28,125	16 32,369	26 -4,244
Book value	7 510,435	17 504,801	27 5,634

Company VITTORIA ASSICURAZIONI SPAYear 2008Liabilities - 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	1 656,886	11 671,195	21 -14,309
Premiums carried forward	2 14,750	12 17,749	22 -2,999
Mortality risk reserve	3 9	13 6	23 3
Integration reserves	4 2,523	14 2,805	24 -282
Book value	5 674,168	15 691,755	25 -17,587
Profit participation and reimbursement reserve.....	6 24	16 30	26 -6

Company VITTORIA ASSICURAZIONI SPA

Year 2008

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	1,406	741	5,378
Accruals of the year.....	+	2	143	22	1,618
Other increases	+	3		23	
Utilisation of the year	-	4	925	24	889
Other decreases	-	5		25	1,457
Book value		6	624	741	4,650

List of assets and liabilities relating to group and other companies

I: Assets

	1	2	3	4	5	6
	Parent companies	Subsidiaries	Related companies	Associated companies	Other companies	Total
Equity investments						
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	2.784
Investments relating to pension fund management	49	50	51	52	53	1.196
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	141
Bank and postal accounts.....	73	74	75	76	77	6.140
Sundry assets	79	80	81	82	83	315
Total	85	86	87	88	89	10.120
of which: subordinated assets	91	92	93	94	95	96

List of assets and liabilities relating to group and other companies

II: Liabilities

	Parent companies	Subsidiaries	Related companies	Associated companies	Other companies	Total
Subordinated liabilities	97	98	99	100	101	102
Deposits from reinsurers	103	104	105	106	107	108
Payables arising from direct insurance business	109	110	111	112	113	114
Payables arising from reinsurance business	115	116	117	118	119	120
Due to banks and other financial institutions	121	122	123	124	125	126
Secured debts	127	128	129	130	131	132
Sundry loans and other financial payables	133	134	135	136	137	138
Sundry payables	139	140	141	142	143	144
Other liabilities	145	146	147	148	149	150
Total	151	152	153	154	155	156
		1,243		63	14	1,320
		1,243		23	14	1,280
				40		40

Company VITTORIA ASSICURAZIONI SPAYear 2008

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	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	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
Total	12	20,500
II. Guarantees received:		
a) from associated and other group companies	13	43
b) from third parties	14	6,468
Total	15	6,468
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
Total	18	48
IV. Commitments:		
a) purchase commitments with resale obligation	19	49
b) sale commitments with repurchase obligation	20	50
c) other commitments	21	18,605
Total	22	18,605

Commitments for derivative transactions

Derivative	Current year				Previous year			
	Purchase (1)	(2)	Sale (1)	(2)	Purchase (1)	(2)	Sale (1)	(2)
Futures:								
on shares	101	31	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	
Options:								
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	
Swaps:								
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	
Other transactions	114	34	134	54	154	74	174	
Total	0	35	0	65	0	75	0	175

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 adjusting is allowed if not related to purchase/sale transactions relating to the same derivative category (same contract, 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
Direct insurance:						
Accident and health insurance (classes 1 and 2)	1	36,896	36,680	18,644	13,569	-700
Third-party motor liability (class 10)	6	289,455	284,332	227,867	55,999	1,405
Hull insurance for motor vehicles (class 3)	11	58,874	59,124	30,775	20,505	-4
Marine, aviation and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16	4,276	4,368	1,492	1,183	-1,225
Fire and miscellaneous damages (classes 8 and 9)	21	55,895	54,072	40,813	17,140	218
Third-party general liability (class 13)	26	29,694	29,832	21,236	10,184	43
Credit and bond insurance (classes 14 and 15)	31	8,238	8,840	5,081	3,352	-1,245
Pecuniary losses (class 16)	36	25,134	16,957	11,082	8,123	42
Legal protection (class 17)	41	2,541	2,529	-1	746	-949
Support and assistance (class 18)	46	4,703	4,515	2,033	1,389	-157
Total direct insurance	51	515,706	501,249	359,022	132,190	-2,656
Indirect insurance	56	502	572	347	64	-4
Total domestic portfolio	61	516,208	501,821	359,369	132,254	-2,660
Foreign portfolio	66					
Total	71	516,208	501,821	359,369	132,254	-2,660

Company VITTORIA ASSICURAZIONI SPAYear 2008

Summarised life business premiums and reinsurance balance

	Direct insurance	Indirect insurance	Total
Gross premiums:	1 114,509	11 1	21 114,510
a) 1. individual policies	2 68,497	12 1	22 68,498
2. group policies	3 46,012	13 23	23 46,012
b) 1. periodic premiums	4 44,245	14 1	24 44,246
2. single premiums	5 70,264	15 25	25 70,264
c) 1. non-profit participation contracts.....	6 46,040	16 1	26 46,041
2. profit participation contracts.....	7 64,063	17 27	27 64,063
3. contracts where the investment risk is borne by policyholders and pension fund	8 4,406	18 28	28 4,406
Reinsurance balance	9 -67	19 69	29 2

Company VITTORIA ASSICURAZIONI SPA

Year 2008

Income on investments (captions II.2 and III.3)

	Non-life business	Life business	Total
Income on equity investments			
Dividends and other income on equity investments in group companies	1 25,111	41 2,412	81 27,523
Dividends and other income on equity investments in other companies.....	2	42	82
Total	3 25,111	43 2,412	83 27,523
Income on investments in land and buildings	4	44	84
Income on other investments:			
Income on bonds issued by group companies.....	5	45	85
Interest on loans to group companies	6 131	46	86 131
Income on unit trust units	7	47 100	87 100
Income on bonds and other fixed-interest securities	8 22,507	48 33,711	88 56,218
Interest on loans	9 381	49 220	89 601
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 18	93 18
Total	14 23,019	54 34,049	94 57,068
Adjustments to investment values:			
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 72	59 134	99 206
Other financial investments.....	20	60	100
Total	21 72	61 134	101 206
Profits on sale of investments:			
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	66 355	106 355
Profit on sale of other financial investments.....	27 704	67	107 704
Total	28 704	68 355	108 1,059
TOTAL	29 48,906	69 36,950	109 85,856

Company VITTORIA ASSICURAZIONI SPA

Year 2008

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
Income on:	
Land and buildings	1
Investments in group companies	2
Unit trust units	3 29
Other financial investments	4 1,730
- of which: bonds..... 5 1,406	5 1,406
Other assets	6 48
Total	7 1,807
Profit on sale of investments	
Profit on sale of land and buildings	8
Profit on sale of investments in group companies	9
Profit on sale of unit trust units	10 313
Profit on sale of other financial investmentsi	11 251
- of which: bonds	12 98
Other income.....	13
Total	14 564
Non-realised capital gains	15 861
TOTAL.....	16 3,232

II. Investments relating to pension fund management

	Amount
Income on:	
Investments in group companies.....	21
Other financial investments	22 98
- of which: bonds..... 23 75	23 75
Other assets	24 166
Total	25 264
Profit on sale of investments	
Profit on sale of investments in group companies	26
Profit on sale of other financial investments.....	27
- of which: bonds	28
Other income.....	29
Total	30
Non-realised capital gains	31 55
TOTAL	32 319

Company VITTORIA ASSICURAZIONI SPA

Year 2008

Capital and financial charges (captions II.9 and III.5)

		Non-life business		Life business		Total
Investment management and other charges						
Charges relating to equity investments	1	99	31	40	61	139
Charges relating to investments in land and buildings.....	2	143	32		62	143
Bond charges	3	1,223	33	1,362	63	2,585
Charges relating to unit trust units.....	4		34	4	64	4
Charges relating to shares in investment pools	5		35		65	
Other financial investment charges	6		36		66	
Interest on deposits from reinsurers	7	244	37	891	67	1,135
Total	8	1,709	38	2,297	68	4,006
Adjustments to investment values:						
Land and buildings	9		39		69	
Equity investments in group companies	10	7,823	40	7,210	70	15,033
Bonds issued by group companies	11		41		71	
Other equity investments.....	12		42		72	
Other bonds	13	2,275	43	802	73	3,077
Other financial investments	14		44		74	
Total	15	10,098	45	8,012	75	18,110
Loss on sale of investments						
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	4	48	223	78	227
Loss on sale of other financial investments	19		49		79	
Total	20	4	50	223	80	227
TOTAL	21	11,811	51	10,532	81	22,343

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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
Management charges arising from:	
Land and buildings	1
Investments in group companies	2
Unit trust units	3
Other financial investments	4 4
Other assets	5 399
Total	6 403
Loss on sale of investments	
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 4,030
Loss on sale of other financial investments	10 1,412
Other charges.....	11
Total	12 5,442
Non-realised capital losses	13 16,701
TOTAL	14 22,546

II. Investments relating to pension fund management

	Amounts
Management charges arising from:	
Investments in group companies	21
Other financial investments	22 61
Other assets.....	23
Total	24 61
Loss on sale of investments	
Loss on sale of investments in group companies	25
Loss on sale of other financial investments	26 368
Other charges	27
Total	28 368
Non-realised capital losses	29 970
TOTAL	30 1,399

	Class 01		Class 02		
	Accident insurance		Health insurance		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	28,539	1	8,357
Change in premium reserve (+ o -)	-	2	116	2	100
Charges relating to claims	-	3	13,152	3	5,493
Change in other technical reserves (+ or -) (1)	-	4		4	481
Other technical captions, net (+ or -)	+	5	-127	5	-6
Management fees.....	-	6	10,878	6	2,691
Direct insurance technical result (+ or -)		7	4,266	7	-414
Outwards reinsurance result (+ or -)		8	-618	8	-82
Indirect insurance net result (+ o -)		9		9	
Change in equalisation reserve (+ o -)		10		10	
Income on investments transferred from non-technical account		11	982	11	452
Result of technical account (+ or -) (A + B + C - D + E)		12	4,630	12	-44

	Class 07		Class 08		
	Cargo insurance		Fire and natural events		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	1,831	1	25,434
Change in premium reserve (+ or -)	-	2	116	2	1,264
Charges relating to claims.....	-	3	882	3	15,169
Change in other technical reserves (+ or -) (1).....	-	4		4	
Other technical captions, net (+ o -)	+	5		5	-187
Management fees	-	6	534	6	8,763
Direct insurance technical result (+ or -)		7	299	7	51
Outwards reinsurance result (+ or -)		8	-169	8	-749
Indirect reinsurance net result (+ o -)		9		9	49
Change in equalisation reserve (+ o -)		10	5	10	76
Income on investments transferred from non-technical account		11	83	11	1,455
Result of technical account (+ or -) (A + B + C - D + E)		12	208	12	730

	Class 13		Class 14		
	Third-party general liability		Credit insurance		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	29,694	1	1
Change in premium reserve (+ or -)	-	2	-138	2	
Charges relating to claims.....	-	3	21,236	3	
Change in other technical reserves (+ or -) (1)	-	4		4	
Other technical captions, net (+ or -)	+	5	-190	5	
Management fees	-	6	10,184	6	
Direct insurance technical result (+ or -)		7	-1,778	7	1
Outwards reinsurance result (+ or -)		8	43	8	
Indirect reinsurance net result (+ o -)		9	84	9	
Change in equalisation reserve (+ o -)		10		10	
Income on investments transferred from non-technical account		11	3,400	11	
Result of technical account (+ or -) (A + B + C - D + E)		12	1,749	12	1

(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 58,874	1 2	1 841	1 1,117
2 -250	2	2 -157	2 -59
3 30,775	3	3 260	3 257
4	4	4	4
5 -357	5	5	5 -3
6 20,505	6	6 181	6 377
7 7,487	7 2	7 557	7 539
8 -4	8	8 -566	8 -420
9	9	9 23	9
10 177	10	10	10
11 1,642	11	11 16	11 20
12 8,948	12 2	12 30	12 139

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 30,461	1 289,455	1 64	1 421
2 559	2 5,123	2 -2	2 10
3 25,644	3 227,867	3 -5	3 96
4	4	4	4
5 -139	5 2,041	5	5 3
6 8,377	6 55,999	6 12	6 80
7 -4,258	7 2,507	7 59	7 238
8 967	8 1,405	8 -66	8 -4
9	9	9	9
10 29	10	10	10
11 607	11 18,713	11 1	11 17
12 -2,713	12 22,625	12 -6	12 251

Class 15 Bond insurance (name)	Class 16 Pecuniary losses (name)	Class 17 Legal protection (name)	Class 18 Support and assistance (name)
1 8,237	1 25,134	1 2,541	1 4,703
2 -602	2 8,177	2 12	2 188
3 5,081	3 11,082	3 -1	3 2,033
4	4	4	4
5 -96	5 -50	5 -16	5 -3
6 3,352	6 8,123	6 746	6 1,389
7 310	7 -2,298	7 1,768	7 1,090
8 -1,245	8 -42	8 -949	8 -157
9	9	9	9
10	10	10	10
11 1,070	11 1,745	11 13	11 47
12 135	12 -595	12 832	12 980

Summarised non-life business technical account
Domestic portfolio

	Direct insurance risk		Indirect insurance risk		Retained risks Total 5 = 1 - 2 + 3 - 4
	Direct risk 1	Transferred risks 2	Inwards reinsurance risks 3	Inwards reinsurance risks 4	
Premiums accounted for	515,706 11	30,257 21	502 31	278 41	485,673
Change in premium reserve (+ or -)	14,457 12	-403 22	-70 32	-22 42	14,812
Charges relating to claims	359,021 13	19,432 23	347 33	288 43	339,648
Change in other technical reserves (+ or -) (1)	481 14	24	34	44	481
Other technical captions, net (+ or -)	870 15	25	35	45	870
Management fees	132,191 16	8,572 26	64 36	8 46	123,675
Technical result (+ or -)	10,426 17	2,656 27	161 37	4 47	7,927
Change in equalisation reserves (+ or -)					
Income on investments transferred from non-technical account	30,262	29		48	287
Result of technical account (+ o -)	40,688 20	2,656 30	161 40	4 50	37,902

(1) This caption includes changes in "Other technical reserves" as well as changes in "Profit participation and reimbursement reserve"

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)
Direct insurance gross of outwards reinsurance			
Gross premiums accounted for	1 91,682	1	1 2,405
Charges relating to claims	2 66,076	2	2 10,058
Change in mathematical and other technical reserves (+ or -) (*)	3 20,428	3	3 -27,395
Other technical captions, net (+ or -)	4 -5	4	4 496
Management fees	5 18,016	5	5 433
Income on investments net of the portion transferred to the non-technical account (**)	6 21,474	6	6 -19,287
Direct insurance result gross of outwards reinsurance (+ or -) A	7 8,631	7	7 518
Outwards reinsurance result (+ or -) B	8 -17	8	
Indirect insurance net result (+ or -) C	9 -69	9	
Result of technical account (+ or -) (A + B + C)	10 8,545	10	10 518

	Class 04 Health insurance (name)	Class 05 Capitalisation transactions (name)	Class 06 Unit trust Management (name)
Direct insurance gross of outwards reinsurance			
Gross premiums accounted for	1 332	1 18,089	1 2,001
Charges relating to claims	2	2 58,879	2 32
Change in mathematical and other technical reserves (+ or -) (*)	3 217	3 -36,782	3 866
Other technical captions, net (+ or -)	4	4 -25	4 43
Management fees	5 70	5 1,961	5 39
Income on investments net of the portion transferred to the non-technical account (**)	6 12	6 4,902	6 -1,079
Direct insurance result gross of outwards reinsurance (+ or -) A	7 57	7 -1,092	7 28
Outward reinsurance result B	8 -50	8	8
Indirect insurance net result (+ or -) C	9	9	9
Result of technical account (+ or -) (A + B + C)	10 7	10 -1,092	10 28

(*) 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	114,509	11	2,263	21	41	112,247
Charges relating to claims.....	135,045	12	891	22	42	134,219
Change in mathematical and other technical reserves (+ or -) (*)	-42,666	13	884	23	43	-43,545
Other technical captions, net (+ or -)	509	14		24	44	509
Management fees.....	20,519	15	421	25	45	20,098
Income on investments net of the portion transferred to the non-technical account (***).....	6,022			26	46	6,022
Result of technical account (+ or -)	8,142	17	67	27	47	8,006

(*) 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 SPAYear 2008**Summarised life and non-life business technical accounts - foreign portfolio**

Section I: Non-life businesses

		Total lines of business
Direct insurance gross of outwards reinsurance		
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
Direct insurance technical result (+ or -)		A
Outwards reinsurance result (+ or -)		B
Indirect insurance net result (+ or -).....		C
Change in equalisation reserves (+ or -)		D
Income on investments transferred from non-technical account		E
Result of technical account (+ or -)		(A + B + C - D + E)

Section II: Life business

		Total lines of business
Direct insurance gross of outwards reinsurance		
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
Direct insurance result gross of outwards reinsurance (+ or -)		A
Outwards reinsurance result (+ or -)		B
Indirect insurance net result (+ or -)		C
Result of technical account (+ or -)		(A + B + C)

(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

II: Expense

	Parent companies	Subsidiaries	Associated companies	Related companies	Other companies	Total
Investment management charges and interest payable:						
Charges relating to investors	02	03	86 04	05	06	86
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	3 126	3
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	
Total	158	159	86 160	161	3 162	89
Charges and non-realised capital losses on investments benefiting policyholders bearing the risk and investments stemming from pension fund management						
.....	164	165	166	167	168	
Loss on sale of investments (*)	170	171	172	173	174	
Extraordinary expense	176	177	178	179	180	
TOTAL.....	182	183	86 184	185	3 186	89

(*) With reference to the counterparty

Company VITTORIA ASSICURAZIONI SPA

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:						
in Italy	1	5	11	15	21	25
in other EU countries	2	6	12	16	22	26
in non-EU countries.....	3	7	13	17	23	27
Total	4	8	14	18	24	28
		515,706		114,509		630,215

Company VITTORIA ASSICURAZIONI SPA

Year 2008

Personnel expenses and directors' and statutory auditors' fees

I: Personnel expenses

	Non-life business	Life business	Total
Employees' expenses:			
Domestic portfolio:			
- Wages and salaries	1 20,760 ³¹	3,298 ⁶¹	24,058
- Social security contributions	2 5,153 ³²	819 ⁶²	5,972
- Accruals to the employees' leaving entitlement and similar provisions	3 1,391 ³³	221 ⁶³	1,612
- Other personnel expenses.....	4 2,114 ³⁴	337 ⁶⁴	2,451
Total	5 29,418 ³⁵	4,675 ⁶⁵	34,093
Foreign portfolio:			
- Wages and salaries	6	66	
- Social security contributions.....	7	67	
- Other personnel expenses	8	68	
Total	9	69	
Total.....	10 29,418 ⁴⁰	4,675 ⁷⁰	34,093
Consultants' fees:			
Domestic portfolio	11 18,404 ⁴¹	302 ⁷¹	18,706
Foreign portfolio	12	72	
Total.....	13 18,404 ⁴³	302 ⁷³	18,706
Total personnel expenses.....	14 47,822 ⁴⁴	4,977 ⁷⁴	52,799

II: Allocation captions

	Non-life business	Life business	Total
Investment management charges.....	15 344 ⁴⁵	353 ⁷⁵	697
Charges relating to claims	16 27,193 ⁴⁶	76	27,193
Other acquisition costs	17 10,899 ⁴⁷	2,501 ⁷⁷	13,400
Other administrative costs	18 9,153 ⁴⁸	2,123 ⁷⁸	11,276
Administrative and third party charges	19	79	
Other technical captions	20 233 ⁵⁰	80	233
Total	21 47,822 ⁵¹	4,977 ⁸¹	52,799

III: Average number of employees for the year

	Number
Managers	91 19
White collars	92 398
Blue collars	93
Other	94
Total.....	95 417

IV: Directors and statutory auditors

	Number	Fees
Directors	96 16 ⁹⁸	1,495
Statutory auditors	97 3 ⁹⁹	85

Companies in which an unquoted Shareholding higher than 10% is held

Participating interest through:	Registered Offices	%Ownership
Acacia 2000 S.r.l. Vittoria Immobiliare S.p.A.	Milan	65,00% 65,00%
Aspevi S.r.l. Interbilancia	Milan	100,00% 100,00%
Cadorna Real Estate S.r.l. Vittoria Immobiliare S.p.A.	Milan	70,00% 70,00%
Consorzio Movincom S.c.r.l. Vittoria Assicurazioni S.p.A. Vittoria.Net S.r.l.	Turin	40,35% 0,98% 39,37%
Forum Mondadori Residenze S.r.l. Vittoria Immobiliare S.p.A.	Milan	70,00% 70,00%
Gestimmobili S.r.l. Vittoria Immobiliare S.p.A.	Milan	80,00% 80,00%
Gima Finance SA Vittoria Assicurazioni S.p.A.	Luxembourg	32,13% 32,13%
Jannozzi S.r.l. Immobiliare Bilancia S.r.l.	Milan	100,00% 100,00%
Immobiliare Bilancia S.r.l. Vittoria Assicurazioni S.p.A.	Milan	100,00% 100,00%
Immobiliare Bilancia Prima S.r.l. Vittoria Assicurazioni S.p.A.	Milan	100,00% 100,00%
Immobiliare Bilancia Seconda S.r.l. Vittoria Assicurazioni S.p.A.	Milan	100,00% 100,00%
Immobiliare Bilancia Terza S.r.l. Vittoria Assicurazioni S.p.A.	Milan	100,00% 100,00%
Interbilancia S.r.l. Vittoria Assicurazioni S.p.A. Vittoria Immobiliare S.p.A.	Milan	100,00% 80,00% 20,00%
Interimmobili S.r.l. Vittoria Immobiliare S.p.A.	Rome	80,00% 80,00%
Laumor Holdings Sarl Vittoria Assicurazioni S.p.A.	Luxembourg	29,00% 29,00%
Lauro 2000 S.r.l. Vittoria Assicurazioni S.p.A.	Milan	100,00% 100,00%
Le Api S.r.l. Interbilancia S.r.l.	Milan	30,00% 30,00%
Liguria S.p.A. Vittoria Assicurazioni S.p.A.	Milan	10,30% 10,30%
Mosaico S.p.A. Vittoria Immobiliare S.p.A.	Turin	25,00% 25,00%

Participating interest through:	Registered Offices	%Ownership
Pama & Partners S.r.l. Vittoria Immobiliare S.p.A.	Genoa	25,00% 25,00%
Rovimmobiliare S.r.l. Vittoria Immobiliare S.p.A.	Rome	50,00% 50,00%
S.in.T. S.p.A. Vittoria Assicurazioni S.p.A.	Turin	48,19% 48,19%
Sivim S.r.l. Vittoria Immobiliare S.p.A.	Milan	49,50% 49,50%
Spefin Finanziaria S.p.A. Vittoria Service S.r.l.	Rome	11,11% 11,11%
Touring Vacanze S.r.l. Vittoria Assicurazioni S.p.A.	Milan	24,00% 24,00%
Vaimm Sviluppo S.r.l. Vittoria Immobiliare S.p.A.	Milan	51,00% 51,00%
Valsalaria S.r.l. Vittoria Immobiliare S.p.A.	Rome	51,00% 51,00%
Vittoria Immobiliare S.p.A. Vittoria Assicurazioni S.p.A.	Milan	87,24% 87,24%
Vittoria Properties S.r.l. Vittoria Assicurazioni S.p.A. Vittoria Immobiliare S.p.A.	Milan	100,00% 99,00% 1,00%
Vittoria Service S.r.l. Vittoria Assicurazioni S.p.A. Vittoria Immobiliare S.p.A.	Milan	100,00% 70,00% 30,00%
Vittoria.Net S.r.l. Interbilancia S.r.l.	Milan	100,00% 100,00%
VP Sviluppo 2015 S.r.l. Vittoria Immobiliare S.p.A.	Milan	40,00% 40,00%
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	51,00% 51,00%
White Finance SA Vittoria Assicurazioni S.p.A.	Luxembourg	32,17% 32,17%
Yam Invest NV Vittoria Assicurazioni S.p.A.	Amsterdam	18,75% 18,75%
Yarpa S.p.A. Vittoria Assicurazioni S.p.A.	Genoa	20,91% 20,91%

Management attestation

Attestation of consolidated annual financial statements pursuant to Article 81/3 of CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented

The undersigned Roberto Guarena and Mario Ravasio, in their respective capacities of Managing Director and Corporate Financial Reporting Manager of Vittoria Assicurazioni SpA, herewith attest, also having taken into account the requirements of Article 154/2, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998 [the Italian Finance Act]:

- The adequacy of such statements in relation to the enterprise's characteristics, and
- Effective application

of administrative and accounting procedures for formation of financial statements during the period 1 January 2008-31 December 2008.

It is also attested that annual financial statements as at 31 December 2008:

- 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) 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

Milan, 12 March 2009

Roberto Guarena
Managing Director

Mario Ravasio
Corporate Financial Reporting Manager

Board of Statutory Auditors' Report

VITTORIA ASSICURAZIONI SpA

Board of Statutory Auditors' Report to the Shareholders' Meeting, pursuant to Article 153 of Italian Legislative Decree 58/1998

To Shareholders

During the course of FY2008 we performed the supervisory activity envisaged by law, by the CONSOB (Italian securities & exchange commission) memoranda, by the ISVAP (Italian insurance regulator), and by established professional practices.

More specifically, in compliance with the tasks attributed to the Board of Statutory Auditors by Italian Legislative Decree 58/1998, we herewith officially report that we:

- Attended meetings of the Board of Directors and received at least quarterly information from directors on the activity performed and on the most important transactions in business, financial, and capital terms undertaken by the company and its subsidiaries, assuring ourselves that the decisions taken complied with law and the corporate purpose and were not in a situation of conflict of interest or contrary to shareholders' resolutions;
- Ascertained, within our sphere of competence, observance of standards of proper management by directors in performance of their tasks, by means of direct observation and gathering of information from those responsible for administrative compliance and from meetings with the independent auditor to exchange relevant data and information;
- Overseen during the financial year the adequacy of the internal control and administrative & accounting systems, as well as the latter's reliability for proper representation of operating events, by obtaining information from the heads of the various functions – including the Corporate Financial Reporting Manager - and via periodical meetings with the independent auditor, who during the year informed us of the outcome of its quarterly checks of proper keeping of accounts;
- Noted, during periodical checks, the regularity of what had been properly allocated to cover technical reserves, as required by ISVAP circular 176/1992;
- Performed the controls required by the ISVAP concerning insurance books and registers, classification and measurement of

the securities portfolio, anti-money laundering regulations, and use of financial derivatives.

As far as individual and consolidated year-end accounts are concerned, on today's date the independent auditor issued its audit reports, unqualified and with a reference to specific disclosures about individual year-end accounts.

This reference to specific disclosures is relating the real estate assets revaluation, pursuant to Italian Legislative Decree no. 185/08.

We agree with the value of the above mentioned revaluation, supported by specific appraisal and whose amount, in our opinion, does not exceed the one required by article 11 of Italian Law no. 342/2000.

In addition, in accordance with CONSOB recommendations, the Board of Statutory Auditors herewith specifies that:

- Information provided by the Board of Directors, also specifically regarding subsidiaries and intragroup and related-party transactions, is believed to be adequate;
- No atypical or unusual transactions were executed either with intragroup companies or with related parties, and not even with third parties, as attested by directors in the Directors' Report;
- Profit for the year reported in individual and consolidated financial accounts was significantly affected by the participating interest in Cam Finanziaria S.p.a. marked to market at 31 December 2008;
- Ordinary transactions with intragroup companies and related parties took place at market conditions, correspond to the company's interest, and were executed in compliance with the specific procedure approved by the Board of Directors. They are described in the Directors' Report with specification of their entity and their economic effects on the year's result;
- No particularly important events were reported after year-end;
- The internal control system is effective and adequate, as emerged in the Internal Control Committee's periodical meetings, at which the Board of Statutory Auditors was always represented, as well as in meetings with the chief internal auditor;
- During FY2008 there were 7 meetings of the Board of Directors and 6 meetings of the Board of Statutory Auditors; the Board of Statutory Auditors attended 4 meetings of the Internal Control Committee.
- The instructions given by the company to subsidiaries pursuant to Article 114, paragraph 2, of Italian Legislative Decree 58/1998 are believed to be adequate;

- The company some time ago accepted the Italian Corporate Governance Code issued by the Italian committee for the corporate governance of listed companies and has transposed it in the terms indicated in its related report to the Shareholders' Meeting, which also reports on the aforementioned Code.

During FY2008 an assignment other than the specific independent auditing mandate was awarded to the auditing company BDO Sala Scelsi Farina SpA with € 30.000 plus VAT fee. The auditing company supported the implementation of a reporting package addressed to Group subsidiaries and associates, with the aim to standardise the process of drawing up the Group consolidated accounts. No assignments were awarded to parties connected with the auditing company.

During our supervisory activity, as described above, we did not receive any exposés or complaints pursuant to Article 2408 of the Italian Civil Code, nor did facts emerge such as to require reporting to the relevant supervisory authorities or mention in this report.

As regards allocation of the year's earnings, we agree with the proposal of the Board of Directors, which, after having allocated the amount of € 1,896,971 to the legal reserve, allocates € 24,862,199 to the available reserve, whilst allocating the amount of € 11,180,256 to the dividend to be distributed.

Milan, 07 April 2009

THE BOARD OF STATUTORY AUDITORS

Angelo Casò

Ferruccio Araldi

Giovanni Maritano

DOTT. ANGELO CASO'

List of the offices held at companies in attachment of the Report of Statutory Auditors pursuant to article 153 of the Legislative Decree 58/98

Company's name	Office held	Expiry date	
OSVALDO S.r.l.	Chairman BoD	Open-ended	
TRE LAGHI S.p.A.	Board member	31/12/10	
BENETTON GROUP	Chairman BoA	31/12/10	Issuing company
INDESIT COMPANY S.p.A.	Chairman BoA	31/12/10	Issuing company
MEDIOBANCA S.p.A.	Executive Committee's member	30/06/11	Issuing company
VITTORIA ASSICURAZIONI S.p.A.	Chairman BoA	31/12/09	Issuing company
ALCHERA S.p.A.	Chairman BoA	31/12/10	
BRACCO S.p.A.	Chairman BoA	31/12/10	
BRACCO IMAGING S.p.A.	Chairman BoA	31/12/10	
FIDITALIA S.p.A.	Chairman BoA	31/12/10	
EDIZIONE S.r.l.	Chairman BoA	31/12/10	
RICERCA S.p.A.	Chairman BoA	31/12/10	
VESTAR CAPITAL PARTNERS ITALIA S.r.l.	Chairman BoA	31/12/09	
BARCLAYS PRIVATE EQUITY S.p.A.	Effective Auditor	31/12/09	

Number of offices held in issuing companies 1

Total number of offices held 34

07April 2009

DOTT. FERRUCCIO ARALDI

List of the offices held at companies in attachment of the Report of Statutory Auditors pursuant to article 153 of the Legislative Decree 58/98

Company's name	Office held	Expiry date	
Vittoria Assicurazioni S.p.A.	Effective Auditor	next Shareholders' Meeting	Issuing company
Amati S.p.A.	Chairman BoA	31/12/2010	
Autolinee Giachino S.r.l.	Chairman BoA	31/12/2010	
Cave Sangone S.r.l.	Chairman BoA	31/12/2010	
Fornace in Laterizi Carena S.p.A.	Chairman BoA	31/12/2010	
Gestimmobili S.r.l.	Chairman BoA	31/12/2008	
GEV S.p.A.	Chairman BoA	31/12/2010	
Guido Vincon & Figli S.p.A.	Chairman BoA	31/12/2010	
Immobiliare Bilancia Prima S.r.l.	Chairman BoA	31/12/2008	
Immobiliare Bilancia S.r.l.	Chairman BoA	31/12/2010	
Immobiliare Bilancia Seconda S.r.l.	Chairman BoA	31/12/2009	
Interimmobili S.r.l.	Chairman BoA	31/12/2008	
Istituto Biologico Chemioterapico S.r.l.	Chairman BoA	31/12/2010	
Kelemata S.p.A.	Chairman BoA	31/12/2008	
Kelemata S.r.l.	Chairman BoA	31/12/2009	
La Prealpina Divisione Commercio S.p.A.	Chairman BoA	31/12/2010	
La Prealpina Ron & Figli S.p.A.	Chairman BoA	31/12/2009	
Lauro 2000 S.r.l.	Chairman BoA	31/12/2008	
Lazzero Tecnologie S.r.l.	Chairman BoA	31/12/2010	
Massifond S.p.A.	Chairman BoA	31/12/2009	
Movicom Servizi S.p.A.	Chairman BoA	31/12/2011	
Mustad S.p.A.	Chairman BoA	31/12/2010	
Qsave Technology S.p.A.	Chairman BoA	30/06/2011	
S.IN.T. S.p.A.	Chairman BoA	31/12/2008	
Vaimm Sviluppo S.r.l.	Chairman BoA	31/12/2009	
Vittoria Capital N.V.	Chairman BoA	31/12/2009	
Vittoria Immobiliare S.p.A.	Chairman BoA	31/12/2010	
Vittoria Properties S.r.l.	Chairman BoA	31/12/2008	
Yafa Holding B.V.	Chairman BoA	31/12/2009	
Yafa S.p.A.	Chairman BoA	31/12/2009	
CNA Servizi S.r.l.	Effective Auditor	31/12/2009	
VP Sviluppo 2015 S.r.l.	Effective Auditor	31/12/2011	
VRG Domus S.r.l.	Effective Auditor	31/12/2009	
Zoppoli & Pulcher - Costruzioni Generali S.p.A.	Effective Auditor	31/12/2010	

Number of offices held in issuing companies 1

Total number of offices held 34

07April 2009

DOTT. GIOVANNI MARITANO

List of the offices held at companies in attachment of the Report of Statutory Auditors pursuant to article 153 of the Legislative Decree 58/98

Company's name	Office held	Expiry date	
VITTORIA ASSICURAZIONI S.p.A.	Effective Auditor	31/12/09	Issuing company
ABC FARMACEUTICI S.p.A.	Chairman BoA	31/12/09	
ACACIA 2000 S.r.l.	Chairman BoA	31/12/10	
CARCOUSTICS ITALIA S.p.A.	Chairman BoA	31/12/08	
CRISFER S.r.l.	Chairman BoA	31/12/09	
CADORNA REAL ESTATE S.r.l.	Effective Auditor	31/12/09	
FORUM MONDADORI RESIDENZE S.r.l.	Effective Auditor	31/12/09	
GESTIMMOBILI S.r.l.	Effective Auditor	31/12/08	
GUIDO VINCON & FIGLI S.p.A.	Effective Auditor	31/12/10	
IMMOBILIARE BILANCIA PRIMA S.r.l.	Effective Auditor	31/12/08	
IMMOBILIARE BILANCIA S.r.l.	Effective Auditor	31/12/10	
IMMOBILIARE BILANCIA SECONDA S.r.l.	Effective Auditor	31/12/09	
INTERIMMOBILI S.r.l.	Effective Auditor	31/12/08	
ISTITUTO BIOLOGICO CHEMIOTERAPICO S.r.l.	Effective Auditor	31/12/10	
KELEMATA S.r.l.	Effective Auditor	31/12/09	
LA PREALPINA DIVISIONE COMMERCIO S.p.A.	Effective Auditor	31/12/10	
LA PREALPINA RON & FIGLI S.p.A.	Effective Auditor	31/12/09	
LAURO 2000 S.r.l.	Effective Auditor	31/12/08	
MASSINFOND S.p.A.	Effective Auditor	31/12/09	
VITTORIA CAPITAL N.V.	Effective Auditor	31/12/09	
VITTORIA IMMOBILIARE S.p.A.	Effective Auditor	31/12/10	
VITTORIA PROPERTIES S.r.l.	Effective Auditor	31/12/08	
Yafa HOLDING B.V.	Effective Auditor	31/12/09	
Yafa S.p.A.	Effective Auditor	31/12/09	

Number of offices held in issuing companies 1

Total number of offices held 34

07April 2009

Report of Independent Auditors

Report of the auditors in accordance with article 156 of legislative decree n. 58 of 24 February 1998 and article 102 of legislative decree n. 209 of 7 September 2005

(This report has been translated from the original Italian text which was issued in accordance with the Italian legislation)

To the shareholders of
Vittoria Assicurazioni S.p.A.

1. We have audited the financial statements of Vittoria Assicurazioni S.p.A. as at and for the year ended December 31st, 2008. These financial statements, prepared in compliance with Italian regulations governing their preparation, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards and criteria recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

With respect to the examination of the sufficiency of the gross technical insurance provisions we have used, as requested by article 102 of Legislative Decree n. 209/2005 and article 24 of Isvap Regulation n. 22/2008, a qualified actuary whose reports are attached herewith.

Reference should be made to the report issued by us on April 11th, 2008 for our opinion on the prior year figures which are presented for comparative purposes as required by law.

3. In our opinion, the financial statements of Vittoria Assicurazioni S.p.A. as at and for the year ended December 31st, 2008 comply with the Italian regulations governing their preparation; therefore they are clearly stated and give a true and fair view of the financial position and results of the company.

4. In the Financial statements as of December 31st, 2008, the Company revaluated its real estate properties according to Legislative Decree n. 185/2008 (as turned into law n. 2/2009). Effects of such revaluation on the amount of real estate properties, net equity and tax liabilities for the substitutive tax are describe in the notes.

5. The Directors of Vittoria Assicurazioni S.p.A. are responsible for the preparation of the Report on Operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree 58/98. 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 Report on Operations is consistent with the financial statements of Vittoria Assicurazioni S.p.A as of December 31st, 2008.

Milan, April 7th, 2009

BDO Sala Scelsi Farina
Società di Revisione per Azioni

Signed: Paolo Scelsi
(Director)



**REPORT OF THE ACTUARY
IN ACCORDANCE WITH ART. 102, OF LEGISLATIVE DECREE NO. 209 OF
SEPTEMBER 7TH 2006**

To the auditors
BDO SALA SCELSI FARINA
Via Andrea Appiani, 12
20121 Milano

**OBJECT: VITTORIA ASSICURAZIONI S.p.A.
Financial Statements as at and for the year ended December 31st 2008**

In accordance with my engagement, I have carried out an actuarial audit of the captions relating to the technical reserves non-life business included in the balance sheet liabilities of the financial statements of VITTORIA ASSICURAZIONI S.p.A as at and for the year ended December 31st 2008.

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 n. 22 of 4 April 2008.

Rome, April 5th 2009

The Actuary

(Prof. Paolo De Angelis)



**REPORT OF THE ACTUARY
IN ACCORDANCE WITH ART. 102, OF LEGISLATIVE DECREE NO. 209 OF
SEPTEMBER 7TH 2006**

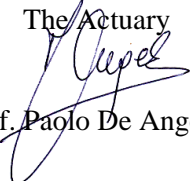
To the auditors
BDO SALA SCELSI FARINA
Via Andrea Appiani, 12
20121 Milano

**OBJECT: VITTORIA ASSICURAZIONI S.p.A.
Financial Statements as at and for the year ended December 31st 2008**

In accordance with my engagement, I have carried out an actuarial audit of the captions relating to the technical reserves life business included in the balance sheet liabilities of the financial statements of VITTORIA ASSICURAZIONI S.p.A as at and for the year ended December 31st 2008.

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 n. 22 of 4 April 2008.

Rome, April 5th 2009

The Actuary

(Prof. Paolo De Angelis)

Company's development from incorporation

(in thousands of euros)

YEAR	PREMIUS		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										
1930	6	4	2	1	1	0	-	0	-	3
1940	6	3	3	2	4	0	-	0	0	3
1950	14	6	8	7	15	1	-	0	1	6
1960	424	165	259	176	301	14	61	3	8	62
1970	1,581	353	1,227	1,685	2,061	104	-	63	222	258
1975	4,525	844	3,681	6,800	5,814	319	-	25	425	258
1975	10,092	1,693	8,399	12,943	11,186	632	1,046	1	1,099	258
1980	24,693	5,436	19,257	30,174	22,649	2,140	271	718	2,979	1,033
1985	57,175	10,124	47,051	74,108	76,515	8,150	4,912	3,119	6,023	1,291
1990	112,689	11,074	101,616	168,239	198,395	18,440	781	4,704	43,691	15,494
1991	134,123	16,245	117,877	205,814	233,988	23,271	4,266	3,188	45,490	15,494
1992	154,447	19,140	135,307	244,818	260,910	27,683	3,931	4,168	45,731	15,494
1993	165,536	25,865	139,671	282,544	305,133	32,111	3,911	4,155	47,126	15,494
1994	178,889	23,968	154,921	329,168	352,350	29,155	3,911	4,147	48,638	15,494
1995	197,690	17,744	179,946	392,946	393,862	35,550	3,911	4,220	50,146	15,494
1996	221,584	20,185	201,399	467,309	460,189	39,109	3,911	4,264	51,595	15,494
1997	249,580	20,195	229,385	553,201	550,231	36,523	3,911	4,665	51,965	15,494
1998	289,033	54,849	234,184	614,684	653,252	44,466	3,911	6,322	54,012	15,494
1999	339,363	67,464	271,899	700,653	762,696	41,342	3,911	8,400	57,562	15,494
2000	391,485	79,638	311,847	818,799	898,521	34,209	3,911	6,835	63,038	15,494
2001	386,400	77,879	308,521	884,849	978,279	19,300	3,911	10,744	52,289	30,000
2002	407,054	83,605	323,449	934,347	1,027,554	21,975	3,911	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	68,939	30,000
2004	519,268	94,965	424,303	1,115,862	1,234,421	47,511	3,911	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	93,765	30,000
2006	587,489	75,717	511,772	1,305,203	1,451,137	67,146	3,911	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	142,290	32,666
2008	630,718	32,798	597,920	1,444,379	1,561,805	43,317	-	37,939	155,972	65,766

