

Vittoria Assicurazioni

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

91th year of business

2012 Annual Report & Accounts



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

General Shareholders' Meeting calling

The shareholders of Vittoria Assicurazioni S.p.A. are hereby called to a Shareholders' Meeting to be convened in an ordinary and an extraordinary session on Friday 19th April 2013 at 10.30 hrs on first call and, if necessary, on Saturday 20th April 2013 at the same time on second call.

AGENDA

Ordinary matters

1. Financial Statements as of 31st December 2012, report of the Board of Directors and the Board of Statutory Auditors; relative resolutions.
2. Appointment of the Board of Directors, following prior determination of the number of members and the duration of their appointment; determination of their remuneration.
3. Appointment of the Board of Statutory Auditors and its chairman and the determination of the members' remuneration.
4. Remuneration Policies; Report of the Board of Directors; relative resolutions.

Extraordinary matters

1. Changes to article 7 (Meetings) of the Articles of Association; relative resolutions.

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

Pursuant to article 83-sexies of Legislative Decree 58 of 24 February 1998, the persons who have a right to attend the Meeting and to exercise their right to vote are those for whom the Company has received appropriate communication from an authorised intermediary based on recorded information as of close of business of **Wednesday 10 April 2013 (record date)**, which is seven open market days before the date of the Shareholders' Meeting (first call).

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

Owners of Vittoria Assicurazioni S.p.A. shares that are not handled by Monte Titoli S.p.A. are hereby reminded that they can only exercise their rights subject to such shares being deposited with an intermediary for registration into the centralised management system of dematerialised shares.

REPRESENTATION AT THE MEETING

- Ordinary Proxy

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

The proxy must be notified to the company in any one of the following three ways (i) by post, to the registered offices in Via Ignazio Gardella 2, 20149 Milan, (ii) by e-mail to the following certified mail box: societario.vittoria@pec.vittoriaassicurazioni.it, (iii) by using the application for such purpose available in the same section of the above mentioned internet website.

The proxy holder attending the meeting must however show the original version of the copy that was notified as described above.

- Proxy in favour of the company designated representative

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

must reach the company designated representative by registered post in Via Agnello 18, 20121 Milan, by close of business at least two market days before the first call Meeting date or as applicable on the second call date. Proxies are not valid for matters for which voting instructions have not been given. A proxy and voting instructions can be revoked by the same date as set out above.

RIGHT TO ASK QUESTIONS

Shareholders may ask questions on items on the agenda even before a Shareholders' Meeting by submitting them in one of the following three ways (i) by post, to the registered offices in Via Ignazio Gardella 2, 20149 Milan, or (ii) by e-mail to the following certified mail box: societario.vittoria@pec.vittoriaassicurazioni.it, (iii) by using the application for such purpose available in the same section of the above mentioned internet website.

Questions may be submitted up to five days before the Meeting. Answers to questions received within such time limit will be provided to the shareholder submitting the question and published on the above mentioned company internet website two days before the Meeting.

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

ADDITIONS TO THE AGENDA

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

Questions must be accompanied by a certificate issued by an authorised intermediary attesting to the fact that the shareholder/s asking the question own/s 2.5% of the share capital with an indication of the relative rights that can be exercised and shall be submitted in writing and delivered to the company offices in Milan in Via Ignazio Gardella n. 2, or by email to the following certified email address: societario.vittoria@pec.vittoriaassicurazioni.it.

No changes to the agenda shall be allowed in relation to topics for which resolutions have been proposed for the Meeting by the Directors in compliance with the provisions of Law, or in relation to projects or reports recommended by them, other than as provided in the first Paragraph of Article 124-ter of the Italian Consolidated Finance Act (TUF).

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

Any additions to the agenda or additional resolution proposals on matters that are already on the agenda will be notified to shareholders in the same manner as set forth by Law for convening notices, within the term set forth by the applicable regulations, i.e. by **4th April 2013**. At the same time the reports of the shareholders who requested the change will be made available to the public together with any comments of the Board of Directors.

APPOINTMENT OF THE BOARD OF DIRECTORS AND LIST OF CANDIDATES

Lists of candidates for appointment on the Board of Directors may be presented by one or a group of shareholders who hold an overall shareholding of 2.5% of the share capital. Ownership of the minimum shareholding quota for the purpose of presenting a list of candidates is determined with reference to the shares that are registered in the name of the shareholder/s as of the day when the list is presented to the company.

Candidate lists underwritten by those shareholders presenting them must be delivered by **17.30 hrs of 25th March 2013** (twenty-five days before the Meeting) at the registered offices of the company in Milan in Via Ignazio Gardella No. 2. Candidate lists can also be deposited by email at the following registered email address societario.vittoria@pec.vittoriaassicurazioni.it, together with information that identifies the individual depositing the list.

A list of candidates must be deposited together with:

- information related to the identity of the shareholder/s presenting the list, with an indication of the overall shareholding;
- declarations of each single candidate whereby they accept the nomination and attest under their own responsibility to the fact that nothing precludes them from being elected, that there are no grounds for incompatibility, and that they have the required requisites for their respective nominations;
- a curriculum vitae with the personal and professional characteristics of each candidate including a possible indication of the characteristics that qualify them as independent.

By 29th March 2013 a certificate issued by an authorised intermediary must be deposited attesting ownership, at the time when the list of candidates was deposited, of the required shareholding for the purpose of presenting a list of candidates.

As per the provisions of the Articles of Association in relation to conformance with the applicable regulation governing gender equality, those lists with a number of candidates that is equal or greater than three must include candidates of both sexes in such a way that at least one fifth (rounded up) of the candidates are of the least represented sex.

Candidate lists that do not conform to the above conditions shall be deemed not to have been presented. Shareholders are requested to take into account the recommendations of Consob Notice DEM/9017893 dated 26th February 1999, particularly with reference to the declaration claiming absence of any relationship, even indirect, with the shareholders that hold a controlling stake in the company.

The list of candidates presented and the relative supporting documentation will be made available to the public for perusal at the registered offices of the company and on the company internet website www.vittoriaassicurazioni.com (Investor Relations/shareholders' meetings) by Friday **29th March 2013**.

For further information refer to the Descriptive Report of the Directors at item 2 of the agenda which will be published by 10th March 2013, as well as the applicable statutory and legal provisions.

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS AND LIST OF CANDIDATES

Lists of candidates for appointment on the Board of Statutory Auditors may be presented by one or a group of shareholders who hold an overall shareholding of 2.5% of the share capital. Ownership of the minimum shareholding quota for the purpose of presenting a list of candidates is determined with reference to the shares that are registered in the name of the shareholder/s as of the day when the list is presented to the company.

Candidate lists underwritten by those shareholders presenting the list must be delivered by **17.30 hrs of 25th March 2013** (twenty-five days before the Meeting) to the registered offices of the company in Milan in Via Ignazio Gardella No. 2. Candidate lists can also be deposited by email at the following registered email address societario.vittoria@pec.vittoriassicurazioni.it, together with information that identifies the individual depositing the list.

A list of candidates must be deposited together with:

- information related to the identity of the shareholder/s presenting the list, with an indication of the overall shareholding;
- a declaration of the shareholders who do not individually or jointly hold a controlling or relative majority stake, attesting to the fact that they do not have a relationship as provided in the applicable regulations, with shareholders holding a controlling or relative majority stake.
- a detailed memorandum on the personal characteristics of the candidates, together with a declaration of the candidates where they attest to the fact that they hold the necessary requisites required by Law and that they accept the nomination, as well as a list of any administrative and auditing posts held in other companies.

By **29th March 2013** a certificate issued by an authorised intermediary must be deposited attesting ownership, at the time when the list of candidates was deposited, of the required shareholding for the purpose of presenting a list of candidates.

In the event that at the end of the term for the presentation of lists of candidates (25th March 2013), only one list has been presented, or there are only lists presented by shareholders with whom there exists a pro-tempore significant relationship in place for the purpose of applicable laws and regulations, then other lists may be presented up to the third day following such end of term, i.e. up to **17.30 hrs on 28th March 2013**. and in such case the aforementioned 2.5% ownership threshold for presenting a list of candidates shall be reduced to 1.25%.

The list of candidates must be made up of two sections: one for the appointment of standing Statutory Auditors and the other for the appointment of substitute Statutory Auditors. The lists must have a number

of candidates that is not greater than the number of members to be appointed, listed with a progressive number.

Those lists with a number of candidates that is equal or greater than three must include candidates of both sexes in such a way that at least one fifth (rounded up) of the candidates to serve as effective members and one fifth (rounded up) of the candidates to serve as substitute members are of the least represented sex.

Candidate lists that do not conform to the above conditions shall be deemed not to have been presented.

The list of candidates presented and the relative supporting documentation will be made available to the public for perusal at the registered offices of the company and on the company internet website www.vittoriaassicurazioni.com (Investor Relations/Shareholders' Meetings) by Friday **29th March 2013**.

For further information refer to the Descriptive Report of the Directors at item 3 of the agenda which will be published by 10th March 2013, as well as the applicable statutory and legal provisions.

DOCUMENTATION

The Directors report and the proposed resolutions regarding the items on the agenda shall be made available to the public at the registered offices of the company in Milan in Via Ignazio Gardella No. 2, and on the company internet website www.vittoriaassicurazioni.com (Investor Relations / Shareholders' Meeting), as provided by applicable regulations as follows:

1. by 10th March 2013:
 - The Board of Directors' Report related to the appointment of the Board of Directors (item No. 2 of the agenda for ordinary matters);
 - The Board of Directors' Report related to the appointment of the Board of Statutory Auditors (item No. 3 of the agenda for ordinary matters);
 - The Board of Directors' Report related to proposed changes to Article 7 of the current Articles of Association (the one item on the agenda for extraordinary matters).
2. by 28th March 2013:
 - The 2012 annual Financial Report including the draft annual Financial Statement, the Consolidated Financial Statements, the Report on operations and certification pursuant to Article 154-bis, paragraph 5 of the Italian Consolidated Finance Act (TUF), together with the report of the Board of Statutory Auditors and the external auditors as well as the Report on Corporate Governance and Ownership Structure (item 1 on the agenda for ordinary matters);
 - The Report on remuneration policies (item No. 4 of the agenda for ordinary matters);
3. by 29th March 2013:
 - the list of candidates presented by shareholders for the appointment of the Board of Directors and the Board of Statutory Auditors, together with the relative documentation as provided by applicable regulations and the Articles of Association.

The summary report of key figures from the last Financial Statements of subsidiaries and affiliates prepared pursuant to article 2429 of the Italian Civil Code will be available at the company's registered offices by 4th April 2013.

INFORMATION ON SHARE CAPITAL

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

For and on behalf of the Board of Directors
Chief Executive Officer
Roberto Guarena

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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 Francesco BAGGI SISINI Marco BRIGNONE Fulvia FERRAGAMO VISCONTI Bernd GIERL Pietro Carlo MARSANI Giorgio MARSIAJ Lodovico PASSERIN d'ENTREVES Luca PAVERI FONTANA Giuseppe SPADAFORA	Director Independent director Independent director Independent director Independent director Independent director Independent director Independent director Director Independent director
Mario RAVASIO	Secretary

BOARD OF STATUTORY AUDITORS

Alberto GIUSSANI	President
Giovanni MARITANO Corrado VERSINO	Standing statutory auditor Standing statutory auditor
Michele CASO' Marina MOTTURA	Substitute statutory auditor Substitute statutory auditor

GENERAL MANAGEMENT

Cesare CALDARELLI Mario RAVASIO	General Manager Joint General Manager
Paolo NOVATI Piero Angelo PARAZZINI Enzo VIGHI	Central Manager Central Manager Central Manager

INDEPENDENT AUDITOR

Deloitte & Touche S.p.A.

APPOINTMENTS AND REMUNERATION COMMITTEE

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

CONTROL AND RISK COMMITTEE

Pietro Carlo MARSANI	Independent non-executive president
Luca PAVERI FONTANA	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 Roberto 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 Roberto COSTA	Non-executive member
Roberto GUARENA	Executive member
Luca PAVERI FONTANA	Non-executive member

RELATED PARTIES COMMITTEE

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

Directors' report

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€/million

Main Key Performance Indicators			
	31/12/2012	31/12/2011	Δ %
Non Life business			
Gross Premiums written - direct Non Life business	898.5	809.9	10.9
(1) - Loss Ratio (retained)	67.3%	71.3%	(4.0)
(2) - Combined Ratio (retained)	93.1%	97.3%	(4.2)
(3) - Expense Ratio (retained)	25.2%	24.5%	0.7
Non Life business technical balance (before transferral of technical profits from investments)	66.0	27.1	143.8
Life business			
Gross Premiums written - direct Life business	119.4	127.3	(6.2)
(4) Annual Premium Equivalent (APE)	15.8	16.8	(6.0)
Segregated fund performance: Rendimento Mensile	3.40%	4.13%	(0.7)
Segregated fund performance: Valore Crescente	4.70%	4.92%	(0.2)
Segregated funds assets	648.8	630.2	3.0
Index/Unit - linked and Pension funds assets	60.4	61.5	(1.7)
Life business technical balance	4.8	4.5	6.1
Total Agencies	371	344	7.8
Average of employees	487	464	5.0
Investments with the risk borne by the Company	1,849.7	1,747.4	5.9
Overhead costs as a % of GPW - direct business	8.8%	8.6%	0.2
Total net ordinary and extraordinary income from investments with risk borne by the Company	54.4	48.6	12.1
Profit (loss) before taxation	89.4	49.9	79.1
Net profit (loss)	57.5	35.3	62.7
Shareholders' equity	364.7	318.7	14.4
ROE	16.8%	11.5%	5.3
Dividend per share	0.17	0.17	-
RATIO SOLVENCY I			
	31/12/2012	31/12/2011	Δ %
Non Life business	1.6	1.5	0.1
Life business	1.8	2.0	(0.2)
Solvency Ratio	1.7	1.6	0.1

Legend

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

Shareholders,

The financial statements for our 91th financial year submitted for your approval show a net profit of € 57,482 thousand (+62.7% compared with the net profit of € 35,329 thousand for the previous year).

Results are made up of the net contribution of non-life business for an amount of €49,096 thousand and life business for an amount of €8,386 thousand with each sector registering an increase of 64.9% and 50.7% respectively.

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

- overall increase of Non-Life premiums of 10.9% with figures as high as 15.3% in the non-marine lines (the market average for all lines as of 30th September 2012 registered a 1.26% drop), thanks to the growth of the Agency Network, the consolidation and development of the existing portfolio and to the products and guarantees on offer that are increasingly closer to the end customer;
- growth of the technical balance of the Non-Life business of +143.8% (before transferral of profits from investments) that went from €27,055 thousand on 31st December 2011 to €65,958 thousand on 31st December 2012 with a loss ratio and a combined ratio for retained business of 67.3% and 93.1% respectively (71.3% and 97.3% in the previous accounting term), which is the result of a prudent risk underwriting, a coherent claims assessment at claim settlement and at claim reserving and special care and constant attention in rationalizing administrative and commercial costs.
- Notwithstanding a 6.2% fall in premiums issued, Life business benefits from the assets of financial management where in the previous accounting term the devaluation of the Greek Bonds, sold in 2012, effected the result by €4,010 thousand.

Total premium amounted to € 1,018,324 thousand (€ 937,566 thousand in FY2011), up 8.6%. This growth is due to the increasing number of Agencies operating on the territory, to the considerable commercial organisation reinforcement executed in the development five-year plan and to the Agency network efficiency.

In detail:

Premium for direct Life business amounted to € 119,407 thousand compared with € 127,273 thousand for the previous year (-6.2%) and are broken down as follows:

	(in thousand of euros)				
	Year 2012	Year 2011	YoY change %	% of total book	
				2012	2011
Annual premiums	41,995	42,318	-0.8	35.2	33.3
Single premiums	77,412	84,955	-8.9	64.8	66.7
Totale Rami Vita	119,407	127,273	-6.2	100.0	100.0

Premiums for direct Non-Life business amounted to € 898,515 thousand (vs. € 809,904 thousand as at 31 December 2011) with a 10.9% YoY increase and are broken down as follows:

	(in thousand of euros)				
	Year 2012	Year 2011	YoY change %	% of total book	
				2012	2011
Motor business	670,091	605,804	10.6	74.6	74.8
Non - Marine lines	214,049	185,620	15.3	23.8	22.9
Specialty business	14,372	18,480	-22.2	1.6	2.3
Totale Rami Danni	898,512	809,904	10.9	100.0	100.0

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

Non Life Business - 2012 Results		(in thousands of euros)	
Line of business	2012 Technical result	2011 Technical result	Δ %
Non - Marine lines	17,904	18,600	-3.7
Specialty business	-2,410	-2,314	n.s.
Motor business	50,465	10,768	368.6
Total Non Life Business	65,958	27,055	143.8

As the table above shows, the Motor segment registered the most significant increase both in percentage as well as in absolute terms, mostly due to the following factors:

The Motor segments accounted for 74.6% and they benefited from a reduction in the loss ratio, due to a general reduction of the frequency of claims, a reduction in the number of vehicles in circulation as a result of the current recession, as well as a careful selection of the portfolio, all while maintaining prudent assessment of reported claims.

Non-marine lines show the effects of the meteorological phenomena of the first quarter of the accounting term in central Italy and the earthquake which hit the regions in the North of Italy; in relation to the latter event it is confirmed that the company's exposure in terms of claims proved to be limited, also thanks to the policy of underwriting risk related to recently constructed buildings which were built in accordance with anti-seismic building techniques.

Specialty lines, above all in relation to credit, continue to show the effects of the current economic crisis.

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

Overheads as a percentage of premiums increased from 8.6% to 8.8% in the reporting period. This light increase is due to careful cost containment by the company. The figure is particularly positive in view of the higher charges relating to implementation of the five-year plan, under which internal support structures for the scheduled enlargement of the agency and sub-agency networks will be expanded and strengthened.

Investments totalled € 1,910,177 thousand (+5.6%). Ordinary and extraordinary income from investments with risk borne by the company totalled € 54,448 thousand, up 12.1% compared with 31 December 2011. This result is affected by the amortization of the new company's headquarters, amounting to € 4,045 thousand (1,167 thousand as at 31 December 2011 for the limited amortization period).

The current financial and economic crisis calls for prudence particularly in the assessment of strategic investments, taking into account the trend and the lengthening of the economic productive cycle and the delay that it causes on expected profitability.

On the basis of these considerations, investments for an amount of €10,657 thousand have been devalued.

The 2012 financial statements draw an overall benefit of €4,762 thousand, of which €2,951 thousand is due to tax redemption of the residual deficit resulting from the merge operation of Lauro 2000 S.r.l. (incorporated into Vittoria Assicurazioni in 2011) and €1,811 thousand due to contingency assets for IRES (company tax) refunds related to previous accounting terms, which are due thanks to the fact that regional company tax, IRAP, paid in relation to the cost of employed personnel or personnel that is "engaged in an equivalent manner", is recognized to be deductible (as per article 2 of the Legislative Decree No. 201/2011).

Group shareholders' equity totalled € 442,060 thousand, up 32.5% on the € 333,625 thousand recorded at 31 December 2011. The increase reflects changes in profits/(losses) on financial assets available for sale from -39,314 thousand at 31 December 2011 to +31,266 thousand at 31 December 2012.

Group's net profit totalled 49,267 thousand (+32.3% compared with the net profit of € 37,225 thousand for the previous year).

The Strategy

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

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

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

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

As illustrated in greater detail in the following report, the Company is meeting all pre-established goals and, at year-end 2012, it had 371 agencies and 639 sub-agencies (compared with 344 and 585, respectively, in the previous year) throughout Italy.

Insurance risk management

Objectives

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

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

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

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

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

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

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

Policies

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

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

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

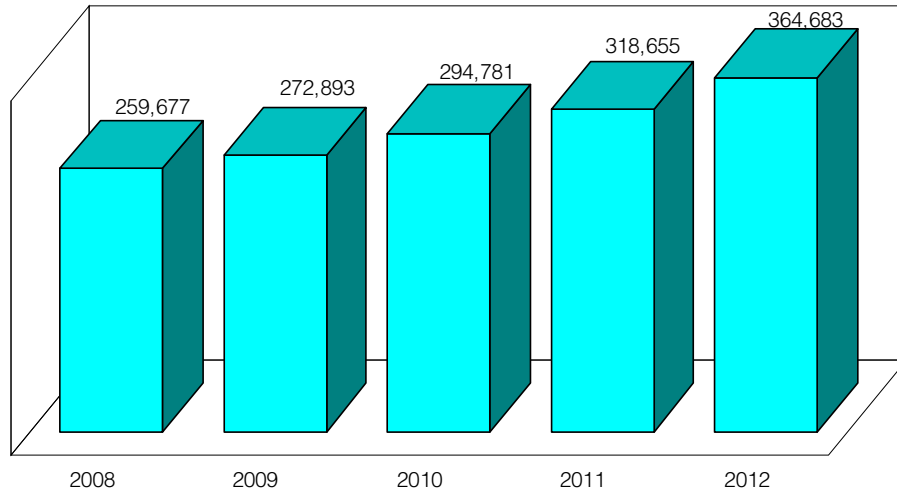
Lastly, attention is paid also to cost curbing, thanks most of all to the integrated Management/Agency operating system.

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

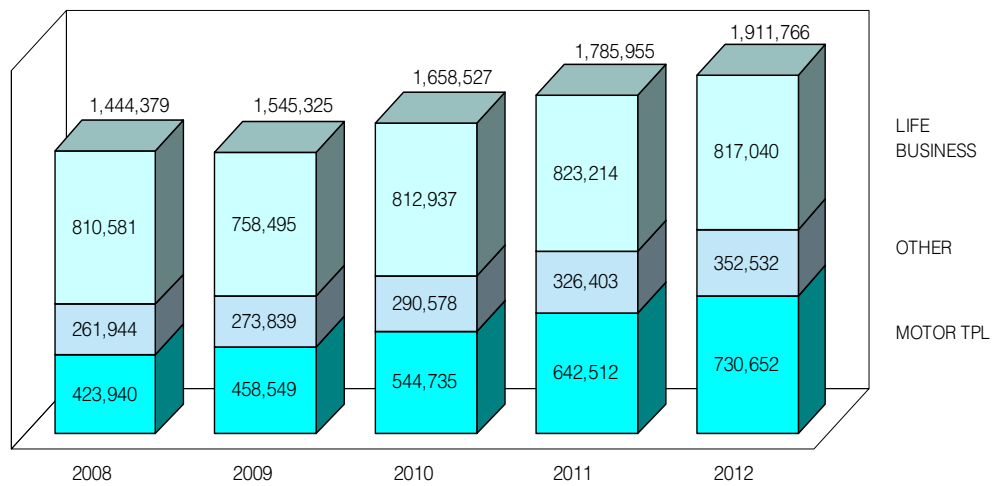
In order to permit control of risks underwritten, agents work according to a level of independence that is constantly monitored and updated, defined by limits that vary depending on the type of cover and entity of risk. Beyond these limits, only headquarters personnel have the power to sign policies.

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

SHAREHOLDERS' EQUITY (€/000)



TECHNICAL PROVISIONS, LIFE AND NON-LIFE
(net of reinsurers' share)
(€/000)



Review of operating performance

The following table compares, for each line, premiums written in FYs 2012 and 2011 and their contribution to the total portfolio mix:

COMPARISON BETWEEN GROSS PREMIUMS WRITTEN IN 2012 AND 2011 DIRECT AND INDIRECT BUSINESS

(€/000)

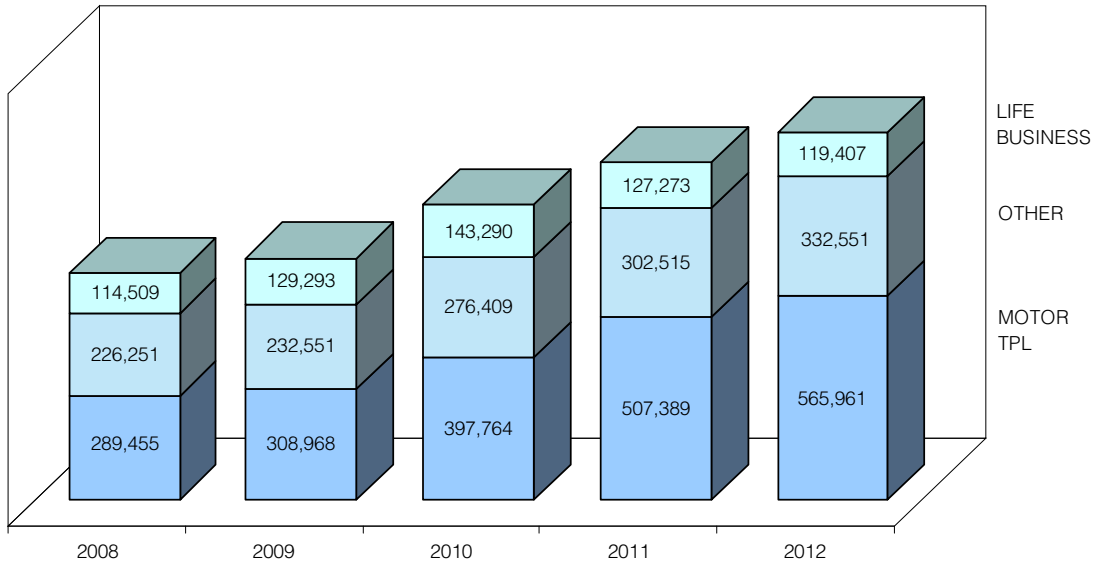
	Year 2012	Year 2011	YoY change %	% of total book	
				2012	2011
Domestic direct business					
Life business					
I Whole- and term life	104,573	92,473	13.1	10.3	9.9
III Unit-linked policies	169	94	79.8	0.0	0.0
IV Health (long-term care)	422	365	15.6	0.0	0.1
V Capitalisation	12,990	32,928	-60.6	1.3	3.5
VI Unit trust management	1,253	1,413	-11.3	0.1	0.2
Total Life business	119,407	127,273	-6.2	11.7	13.7
Non-Life business					
Accident	60,188	49,728	21.0	5.9	5.3
Health	10,831	10,605	2.1	1.1	1.1
Fire and natural events	38,187	35,151	8.6	3.7	3.7
Miscellaneous damage	34,324	28,741	19.4	3.4	3.1
General TPL (third-party liability)	40,693	36,888	10.3	4.0	3.9
Pecuniary losses	26,176	21,021	24.5	2.6	2.2
Legal protection	3,650	3,486	4.7	0.4	0.4
Total non-marine lines (exc. specialty and motor)	214,049	185,620	15.3	21.1	19.7
Railway rolling stock	3	2	50.0	0.0	0.0
Aircraft hulls	1	2	-50.0	0.0	0.0
Marine hulls	444	473	-6.1	0.0	0.1
Cargo insurance	1,095	1,052	4.1	0.1	0.1
Aviation TPL	3	2	50.0	0.0	0.0
Credit insurance	3,083	7,423	-58.5	0.3	0.8
Bond insurance	9,743	9,526	2.3	1.0	1.0
Total specialty lines	14,372	18,480	-22.2	1.4	2.0
Third-party motor liability	565,961	507,389	11.5	55.6	54.1
Third-party marine liability	706	594	18.9	0.1	0.1
Motor vehicle hulls	89,821	86,341	4.0	8.8	9.2
Support and assistance	13,603	11,480	18.5	1.3	1.2
Total motor lines	670,091	605,804	10.6	65.8	64.6
Total Non-Life business	898,512	809,904	10.9	88.3	86.3
Total direct business	1,017,919	937,177	8.6	100.0	100.0
Domestic indirect business					
Life business	267	263	1.5	0.0	0.0
Non-Life business	138	126	9.5	0.0	0.0
Total indirect business	405	389	4.1	0.0	0.0
Grand Total	1,018,324	937,566	8.6	100.0	100.0

The Company operates in France on the basis of the free-provision-of-services regime.

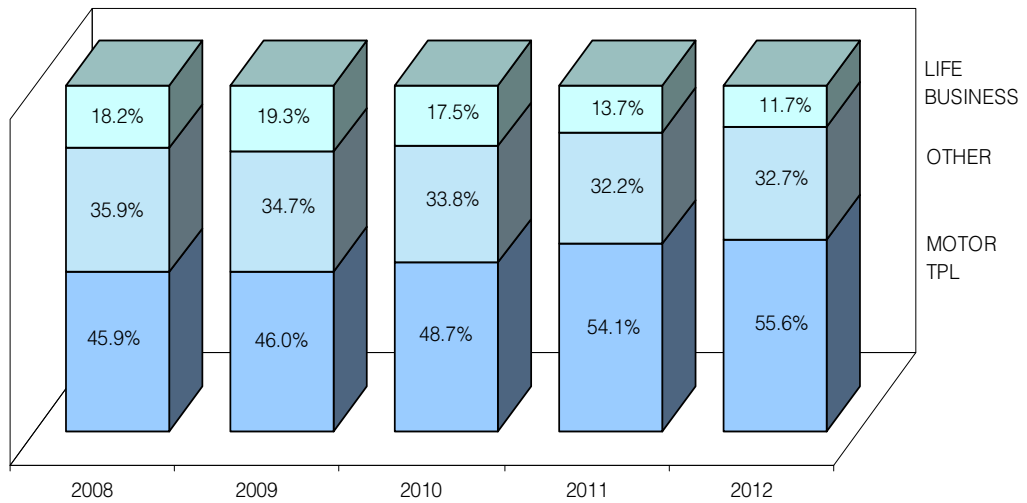
The following charts highlight premium volume and portfolio breakdown in the last five FYs.

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 FY2012 are summarised in the following table, where they are compared with data for the previous FY:

LIFE Business - 2012 Results - Net of reinsurance							(€/000)	
	2011 Results			2010 Results			Change	%
	Non - linked	Linked	Total	Non - linked	Linked	Total		
Premium Income	116,867	1,422	118,289	124,760	1,507	126,267	-7,978	-6.3
Other technical Income/(Costs)	-753	453	-300	-100	562	462	-762	-164.9
Change in Technical Provisions	-9,968	544	-9,424	-9,427	14,636	5,209	-14,633	n.s.
Claims paid	-112,288	-9,017	-121,305	-119,669	-10,293	-129,962	8,657	-6.7
Overheads	-14,640	-261	-14,901	-15,534	-289	-15,823	922	-5.8
Investment Income	27,517	7,102	34,619	22,064	-5,474	16,590	18,030	108.7
Operating Profit before Tax	6,735	243	6,978	2,093	650	2,743	4,236	154.4
Extraordinary Investment Income	3,127	-	3,127	3,127	-	3,127	n.v.	n.v.
Profit before Tax	9,862	243	10,105	5,219	650	5,869	4,236	72.2

* 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 FY2012 the funds relating to segregated funds achieved the following returns. The rate of return allocated to policyholders complies with the specific contractual terms stipulated.

(€/000)

	Rate of return 2012	Total Assets 2012	Rate of return 2011	Total Assets 2011
Vittoria Rendimento Mensile	3.40%	421,894	4.13%	422,803
Vittoria Valore Crescente	4.70%	207,233	4.92%	196,610
Vittoria Liquinvest*	2.77%	5,680	4.28%	6,787
Vittoria Previdenza*	5.57%	14,009	4.08%	4,018

* Observation period: 01/10/2011 - 30/09/2012

As done in previous years, in 2012 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 2012, compared with the previous FY's figures, for Classes I (whole/term life), IV (long-term care), and V (capital redemption).

(€/000)

	31/12/2012	31/12/2011
Claims	23,161	21,588
Accrued capital sums & annuities	52,197	75,637
Surrenders	51,666	37,986
Total	127,024	135,211

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 € 9,017 thousand vs. € 10,293 thousand in FY2011.

Reinsurance

Outward reinsurance

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

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

Ceded premiums in the FY2012 amounted to € 1,384 thousand vs. € 1,269 thousand in FY2011.

Inward reinsurance

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

Non-Life business

Technical result

The following table shows – in total and by line of business – the technical results of direct and indirect business, net of related outward reinsurance, equalisation (i.e. smoothing) reserves –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 - 2012 Results		(€/000)		
Line of business		2012	2011	Change %
Code	Description	Technical result	Technical result	
01	Accident	15,424	9,255	66.7
02	Health	-59	-1,268	-95.3
03	Land motor vehicle hulls	1,190	207	n.s.
04	Railway rolling stock	2	1	n.s.
05	Aircraft hulls	50	6	n.s.
06	Marine hulls	-5	132	n.s.
07	Cargo insurance	-403	-52	n.s.
08	Fire and natural events	3,192	5,707	-44.1
09	Miscellaneous damage	-7,341	-4,592	59.9
10	Motor TPL	43,611	7,932	449.8
11	Aviation TPL	-12	15	n.s.
12	Marine TPL	334	285	17.1
13	General TPL	-2,387	-2,713	-12.0
14	Credit insurance	-2,265	-2,602	-12.9
15	Bond insurance	222	186	19.2
16	Pecuniary losses	8,049	11,102	-27.5
17	Legal protection	1,025	1,109	-7.6
18	Support and assistance	5,329	2,344	127.4
Total Non-Life businesses		65,958	27,055	143.8

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

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

NON-MARINE BUSINESSES

Overall, Non-Marine businesses' premiums grew significantly, thanks also to the increase in the number of agencies active in Italy, to the development policy implemented vis-à-vis Motor-only customers and to the increase in the number of customers. Technical results were negative, in line compared with the previous year.

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

Accident: this business shows additional growth in terms of premiums, with respect to the increase registered in the previous accounting term, thanks to the acquisition of new customers and the development of the portfolio of existing corporate customers. The underwriting result of direct business remained positive, thanks also to the fact that there were less serious claims.

Health: This line registered a more modest increment in premiums with respect to the previous year, as a consequence of an improving underwriting result, thanks to the actions aimed at reforming the current portfolio and the revision of some frame agreements during the previous accounting term.

Fire and natural events: This line of business shows an increase in premiums and a fall in the underwriting result of the direct business due to meteorological and seismic events and a higher incidence of serious incidents.

Other asset damage: These premiums, which include cover of the risks of theft and burglary, damage due to hail, damage to electronic equipment and other technological damage, registered an increase with respect to the previous term. Underwriting results were lower than the previous year due to particularly bad weather.

General TPL: Premiums registered growth. The underwriting result improved slightly, even though it was still negative mainly because of the increased cost of claims related to third party liability of professionals, due to the increasingly punitive stance adopted by the courts, and the time needed to complete important reforms that were already started in the previous accounting term.

Various pecuniary losses: premiums in this line of business increased by 24.5% with a positive underwriting result albeit less than the previous year.

Legal protection: Premiums in this business line registered a lower increase than the previous year with a positive underwriting result in line with that of the previous accounting term.

SPECIALTY BUSINESSES

The categories in this business line show a 22.2% drop (it was -12.9% in the previous year) with a negative result for the underwriting activity in line with the previous year. In particular:

Credit: This category exclusively comprises the risks relating to Salary-Backed Loans for which the right of recourse against the financed party has been retained, in accordance with Isvap (now Ivass) regulation No. 29/2009.

The decisive 58.5% drop in underwritten premiums is a result of a conscious choice for maintaining a relationship with only a few select financial and banking partners which have demonstrated good operational results and interest even in the life line of business (another risk that is also related to Salary Backed Loans) as well as the increasingly lower availability of lenders on the market.

This category continues to register a negative result due to the joint effect of a significant reduction of underwritten premiums, the method used for calculating the Premium Reserve (which is mandatorily calculated using the pro-rata temporis method which, by its nature, does not take into account the reduction of assets as a result of mortgage payments being paid).

Bond insurance: The categories in this business line show a 2.3% increment (it was +1.6% in the previous year). This modest increase must be viewed in the context of an economic recession that persists even this year. In addition, the persistent credit-crunch (determining a lack of financing for private projects) and the stability pacts (which make it impossible for governments to issue new calls for tenders for public works) have caused a reduction in demand that was offset by an increase of the average interest rates that are applied to mortgage policies.

Notwithstanding the negative trend of the economy in general, with the consequent increase of bankruptcies in various business sectors, even this year the operational result was mildly positive.

Watercraft (sea, lake and river) hulls and railway rolling stock: Premiums for modest amount were basically in line with respect to the previous year with a worsening operational result.

Goods in transit: The premiums that were booked were in line with the previous year while the operational result was still negative, slightly worse than the previous year.

MOTOR BUSINESSES

The lines of Business show a growth in booked premiums with an overall positive technical balance. In particular:

Third-party liability for land motor vehicles and for watercraft (sea, lake, and river): The premiums booked show more development than the previous year thanks to the opening of new agencies, the

strengthening of the sales networks, the development of "Affinity Groups" and the acquisition of new customers.

Constant portfolio selection, tariff policies and careful claims management enabled the business to maintain a positive technical result, an improvement on the previous year.

Land motor vehicle hulls: Premiums show a 4.0% increment, less than the previous year. An underwriting policy that focused in particular on the combination of ancillary cover in relation to Motor TPL and the further development of Affinity Groups contributed to the result. The technical result remained positive, up on the previous year.

Assistance: Premiums grow considerably with a positive technical balance, an improvement over the preceding year.

Claims

Reported claims

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

	31/12/2012		31/12/2011		Change %	
	number	total cost	number	total cost	number	total cost
	(€/000)					
Accident insurance	8,930	25,542	8,421	22,031	6.0	15.9
Health insurance	4,780	7,282	13,963	6,931	-65.8	5.1
Fire and natural events	6,018	26,821	4,809	18,545	25.1	44.6
Miscellaneous damages	14,508	26,740	12,512	22,737	16.0	17.6
Third-party general liability	6,980	28,194	6,707	26,248	4.1	7.4
Pecuniary losses	2,071	5,053	2,153	6,411	-3.8	-21.2
Legal protection	250	145	192	98	30.2	48.0
Total non-marine businesses	43,537	119,777	48,757	103,001	-10.7	16.3
Third-party aviation liability	1	1	-	-	n.v.	n.v.
Third-party marine liability	32	231	35	140	-8.6	65.0
Cargo insurance	403	419	396	642	1.8	-34.7
Third-party aviation liability	4	77	2	-	n.s.	n.v.
Credit insurance	938	3,058	579	2,121	62.0	n.s.
Bond insurance	129	2,924	142	5,175	-9.2	-43.5
Total Special businesses	1,507	6,710	1,154	8,078	30.6	-16.9
Third-party motor liability	99,122	354,465	99,197	341,535	-0.1	3.8
Third-party marine liability	59	223	42	224	n.s.	-0.4
Motor vehicle hulls	40,686	67,093	41,560	61,503	-2.1	9.1
Support and assistance	21,396	3,633	20,965	2,925	2.1	24.2
Total motor businesses	161,263	425,414	161,764	406,187	-0.3	4.7
Total non-life businesses	206,307	551,901	211,675	517,266	-2.5	6.7

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	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Accident insurance	53.05	52.91	77.81	70.43
Health insurance	82.48	84.55	71.15	58.76
Motor vehicle hulls	84.10	83.82	89.75	83.47
Fire and natural events	78.57	80.04	81.34	78.67
Miscellaneous damages - theft	81.96	84.05	92.50	88.15
Third-party motor liability	73.43	72.64	69.54	70.35
Third-party general liability	64.30	64.80	39.98	36.89

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

		(€/000)			
Branch	Claim handling Type	31/12/12		31/12/11	
		Number	Total cost	Number	Total cost
Motor TPL - land	K-for-K - liable	67,556	141,194	69,336	144,737
Motor TPL - land	K-for-K - originator	78,120	190,815	79,244	193,133
Motor TPL - land	Non K-for-K claims	31,566	170,346	29,861	159,586
Motor TPL - watercraft	Non K-for-K claims	59	223	42	224
Total Motor T.P.L. claims handled		177,301	502,578	178,483	497,680

The company received 105,335 reports of claim events to be managed as originator (104,954 reports of claim in 2011), against which it will complete recoveries from other insurers for a total of € 147,890 thousand (€ 155,921 thousand in 2011: -5.1%), 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 31/12/2012			Claims recovered from reinsurers	Claims paid 31/12/2011			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reinsurers
	Current year	Previous years	Total		Current year	Previous years	Total			
Accident insurance	6,711	11,215	17,926	1,317	5,102	10,849	15,951	1,695	12.4	-22.3
Health insurance	3,914	2,647	6,561	0	3,955	3,111	7,066	0	-7.2	-40.0
Fire and natural events	8,182	7,586	15,768	1,777	6,613	7,685	14,298	339	10.3	n.s.
Miscellaneous damages	21,627	5,976	27,603	5,993	16,699	4,664	21,363	3,301	29.2	81.5
Third-party general liability	4,409	13,618	18,026	707	4,575	12,718	17,293	432	4.2	63.7
Pecuniary losses	413	5,741	6,154	40	378	8,612	8,990	7	-31.5	n.s.
Legal protection	20	155	175	147	3	47	50	41	n.s.	n.s.
Total non-marine businesses	45,276	46,938	92,214	9,981	37,325	47,686	85,011	5,815	8.5	71.7
Third-party aviation liability	-	45	45	42	-	6	6	1	n.v.	n.s.
Third-party marine liability	54	320	374	77	35	120	155	18	141.1	n.s.
Cargo insurance	29	775	804	247	92	734	826	4	-2.7	n.s.
Third-party aviation liability	-	12	12	12	-	-	-	-	n.v.	n.v.
Credit insurance	200	1,429	1,629	-	57	534	591	-	n.s.	n.v.
Bond insurance	4,429	5,916	10,345	5,965	1,003	3,664	4,667	2,583	121.7	130.9
Total Special businesses	4,712	8,497	13,209	6,343	1,187	5,058	6,246	2,606	111.5	143.4
Third-party motor liability	133,993	192,342	326,335	1,554	139,953	170,096	310,049	1,101	5.3	41.1
Third-party marine liability	83	122	205	-	35	69	104	-	97.7	n.v.
Motor vehicle hulls	41,311	15,477	56,787	1,357	40,185	11,649	51,835	183	9.6	n.s.
Support and assistance	3,006	1,123	4,129	3,533	2,704	794	3,497	2,977	18.1	18.7
Total motor businesses	178,393	209,064	387,457	6,444	182,877	182,608	365,485	4,261	6.0	51.2
Total non-life businesses	228,381	264,499	492,880	22,768	221,389	235,352	456,742	12,682	7.9	79.5

The additional cost borne in 2012 for the road-accident victim guarantee fund was € 13,353 thousand vs. € 11,915 thousand in the previous year.

Claims reserve run-off – Retained risks

The claims reserve existing at the beginning of FY2012, 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 16,963 thousand, i.e. 2.6% of opening reserves, as highlighted in the following table:

Retained Risks	(€/000)	
	2012	2011
Claims reserve brought forward	654,027	565,949
Amounts paid in the year related to claims occurred in previous years	(261,950)	(235,932)
Balance of claims recovered or to be recovered by policyholders	(4,309)	10,093
Claims reserve carried forward	(404,731)	(351,156)
Aggregate profit (loss) development table	(16,963)	-11,046
% of incidence on claims reserve brought forward	-2.6%	-2.0%

Reinsurance

Outward reinsurance

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

The main existing treaties relate to:

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

Premiums ceded in the FY2012 totalled € 29,372 thousand (€ 26,510 thousand as at 31 December 2011).

Inward reinsurance

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

Insurance risk analysis

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

Credit risk

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

(€/000)

Rating S&P / A.M. Best / Moody's	Current and Deposit accounts	Reinsurers' share of technical reserves	Total net balance sheet items	% of breakdown
AA+	118	910	1,028	2.3
AA	-35	379	344	0.8
AA-	-9,794	30,864	21,070	47.7
A+	-6,894	18,075	11,181	25.3
A*	-2,875	5,402	2,527	5.7
A-**	-2,885	6,011	3,126	7.1
Baa2***	-110	1,596	1,486	3.4
Unrated	403	3,005	3,408	7.7
Total	-22,072	66,242	44,170	100.0

* of which provided by A.M. Best for € 1,182 thousand

** of which provided by A.M. Best for € -5 thousand

*** provided by Moody's

Concentration risk

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

Based on the analysis of premiums as at 31 December 2012, non-life business accounts for approximately 88.0% of total company premiums, with 55.0% 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.

Risk coverage of catastrophic exposure

Earthquake exposure

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

Hail exposure

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

Flood exposure

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

Reserving risk and pricing risk

Non-life business

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

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

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

Pricing risk measures the risk that premiums may not be enough to cover claims and future expenses. In particular, considering the size of the portfolio, pricing risk for Motor TPL business is strictly monitored.

Life business

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

There are many types of insurance risks inherent in such portfolio including:

- financial risks for contracts that guarantee a minimum interest rate;
- risks deriving from biological phenomena such as death, longevity, invalidity or lack of self-sufficiency;
- risks deriving from the variation of contractual or company costs;
- redemption risks in relation to non standard termination of contracts.

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

The pricing phase, which is implemented by means of profit testing techniques, also requires the definition of further assumptions (second order assumptions) obtained from the Company's own experience or from the market if not available:

- macro-economic assumptions: trends in market interest rates, inflation, cash flow discount rates and assets' rate of return;
- mortality and expected portfolio trends;
- business assumptions: levels of commercial and administrative costs and expenses.

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

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

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

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

Policy conditions include the conditions for excluding the insurance cover.

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

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

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

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

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

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

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

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

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

Commercial organisation

Development activity took the concrete form of the inauguration of 33 new Agencies and reorganisation of another 23, while 6 Agencies have been closed. As at 31 December 2012 the Company was nationally present with 371 General Agencies (344 as at 31 December 2010) and 639 professional Sub-Agencies (585 as at 31 December 2011).

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

In addition to the courses provided directly by internal provider, and the special course provided at "Accademia Vittoria", the first edition ended during the year, the second edition began and ended over the year and the third master program edition in Complex Non-marine Risks began, to provide technical training to general agents, with the objective to improve risk selection and to explore the forces underlying risk underwriting by companies.

Products

New products

Life business

Three new products have been introduced in the Savings Line:

- o two Individual Single Premium "Capped" Whole Life policies called "Vittoria Alto Rendimento" and "Vittoria Alto Rendimento 2";
- o equal pricing for men and for women for Individual Single Premium Whole Life policies (as required by a specific EU directive);

In the "Protection Line" the following novelties have been introduced:

- o a new product, an individual Fixed Term policy with accessory guarantees in support of young students denominated "Vittoria Cresco e Lode";
- o two Term Life Insurance covering mortgages and loans;
- o three new unisex prices for Term Life Insurance (as required by a specific EU directive) to replace the catalogue with split prices for men and for women.
- o a new fixed term policy with partial refund of premiums with equal pricing for men and for women (as required by a specific EU directive);
- o a new Long Term Care policy with equal pricing for men and for women (as required by a specific EU directive) to replace the previous one.

In the context of the group framework agreement "*Convenzione Oggi per il Domani Vita*" (Today for Tomorrow), three prices have been substituted using unisex criteria (as required by a specific EU directive):

- o a TCM policy, an LTC policy and a Whole Life policy.

In the "Group Protection Line" the following novelties have been introduced:

- o two new policies related to Salary or Pension-Backed Loans;
- o a new Group policy related to Pension-Backed Loans;
- o two new Group policies related to mortgage residual debt coverage.
- o two new pricing schemes for covering death and death or invalidity.

Non-Life business

In the non-marine lines the following features were introduced:

- o two new products relating to the reimbursement of medical expenses, one of which dedicated to Affinity Groups;
- o a product relating to the insurance cover of offices and professional studios;

- o a product providing cover for mortgaged buildings with mortgages granted by primary credit institutions.

Revised Products

Life business

Activities during the whole year were focused on updating many Life products in the catalogue and on adapting products to already existing as well as new regulations issued by Ivass, Covip, Consob and the European Union.

In the "Group Protection Line" the following novelties have been introduced:

- o Group policy related to Salary or Pension-Backed Loans;
- o Group policy related to Pension-Backed Loans;
- o two new Group policies related to mortgage residual debt coverage.

In the "Supplementary Social Services Line", the demographic basis for the conversion of the Open Pension Fund and the Individual Pension Plan into an annuity have been changed (unisex pricing) (as required by a specific EU directive).

Non-Life business

In the Motor lines of business the pricing scheme of the "Linea Strada" have been revised; in particular:

- o the pricing schedule that provides for increases in 27 Italian provinces in relation to vehicles belonging to customers who are not part of Affinity Groups (pricing edition of 1st February 2012);
- o the pricing schedule that provides for the increase of the entry level premium for motor trucks (excluding caravans) belonging to customers who are not part of Affinity Groups (pricing edition of 1st February 2012);
- o the pricing that provides for raising the minimum insured value for all vehicles - excluding motorcycles and mopeds (pricing edition of 1st February 2012);
- o a pricing schedule for Motor TPL and other damages;
- o a pricing schedule that introduces equal pricing for men and for women (as required by a specific EU directive). and the new service of suspension of the Motor TPL for motorcycles;
- o new pricing that is only applicable to new customers (starting from 1st March 2013) that introduces the novelties of the 4th pricing scheme.

Lastly, a new warranty that extends the grace period provided in Article 1901 of the Italian Civil Code to 30 days.

In the non-marine lines the following revisions were made:

- o Site Environmental Liability Policy 2011;
- o Environmental Liability Policy for loading and unloading operations at third-party premises 2011;
- o Environmental Liability Policy for activities carried out c/o third party premises 2011;
- o a product providing insurance cover in the agricultural field;
- o a product providing Professional TPL cover for lawyers;
- o a product providing Professional TPL cover for consultants;
- o adjustment of the criteria regulating cover for individuals who are affected by organic brain syndrome and psychosis in general for the three health products "permanent disability from illness", "Surgical fixed indemnity" and "Daily indemnity for hospitalization".

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 € 89,379 thousand vs. € 80,253 thousand in 2011, with an increase of 11.4% YoY.

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

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

	(€/000)		
	31/12/2012	31/12/2011	Change %
Personnel expenses	45,043	40,928	10.1
Other costs	33,085	29,050	13.9
Depreciations	11,251	10,275	9.5
Gross Operating Costs	89,379	80,253	11.4
Percentage of Premiums Written	8.8%	8.6%	0.2

Overhead costs as a percentage of total direct insurance premiums were 8.8% (vs. 8.6% in FY2011).

Operating costs – direct business

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

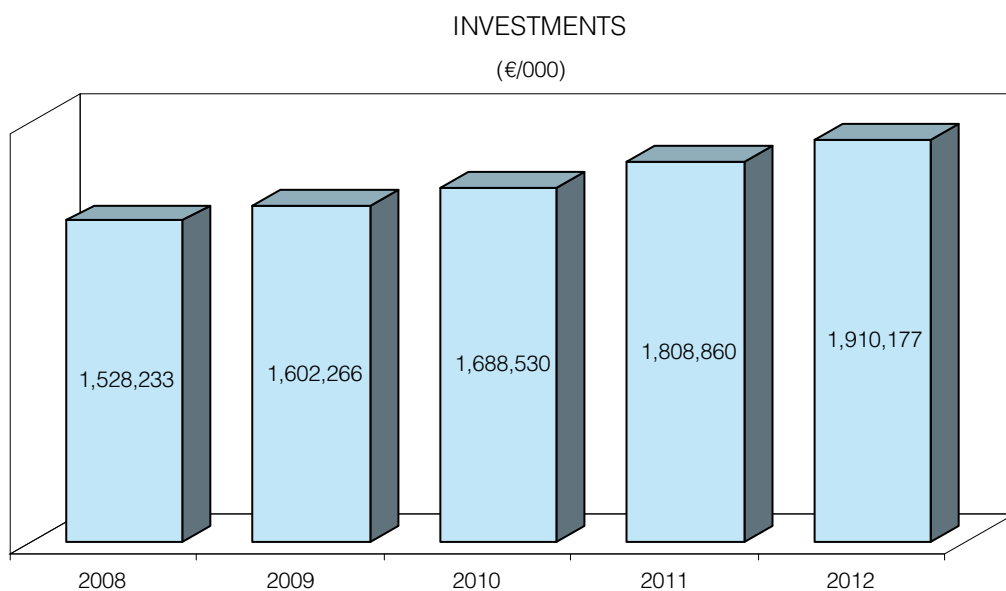
	(€/000)		
	31/12/2012	31/12/2011	Change %
Operating Costs, net of expenses transferred to acquisition, claims handling and investment management expenses (A)	58,795	53,570	9.8
- Acquisition and collection costs	147,810	135,038	9.5
- Other acquisition costs (net of operating expenses)	12,850	15,473	-17.0
Total Acquisition Costs (B)	160,660	150,511	6.7
Total Overheads (A+B)	219,455	204,081	7.5
Percentage of Premiums Written	21.6%	21.8%	-0.2

Investments

Investments reached a value of € 1,910,177 thousand with an increase of 5.6% YoY.

Their breakdown is shown in the table below:

	(€/000)		
Investments	31/12/2012	31/12/2011	Change %
Land and buildings	192,988	185,685	3.9
Investments in group and other companies			
- Equity investments	173,314	160,915	7.7
- Loans	5,200	5,200	n.v.
Other financial investments:			
- Unit trust units	25,909	5,240	n.s.
- Bonds and other fixed-interest securities	1,438,363	1,380,354	4.2
- Loans	9,351	9,777	-4.4
Deposits with ceding companies	4,618	225	n.s.
Total investments where the company bears the risk	1,849,743	1,747,396	5.9
Investments benefiting life policyholders bearing the risk	60,434	61,464	-1.7
Total investments	1,910,177	1,808,860	5.6
Bank accounts and cash-in-hand	125,973	72,144	74.6



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

	(€/000)		
	31/12/2012	31/12/2011	
Ordinary and extraordinary Income on investments (net of related costs)	Amount	Amount	Change %
Income on equity investments	877	2,735	(67.9)
Income (cost) on other investments:			
- land and buildings	(1,007)	(379)	165.7
- bonds and other fixed-interest securities	58,370	48,770	19.7
- income on unit trust units	1	91	(98.9)
- interest on loans	444	530	(16.2)
- interest on deposits with ceding companies	(272)	(1,100)	(75.3)
Total net income	58,413	50,647	15.3
Adjustments to investment values:			
- land and buildings	(4,853)	(1,167)	
- equity investments	(11,371)	(3,221)	
- unit trust units	-	(1,381)	
- bonds and other fixed-interest securities	52	(5,561)	
Total net adjustments to investment values:	(16,172)	(11,330)	
Ordinary profit (loss) on sale of investments:			
- unit trust units	69	-	
- bonds and other fixed-interest securities	2,652	(2,613)	
Total net profit on sale of investments	2,721	(2,613)	
Total net ordinary income on investments where the company bears the risk	44,962	36,704	22.5
Extraordinary profit (loss) on sale of investments:			
- equity investments	122	339	
- bonds and other fixed-interest securities	9,364	11,749	
- other financial investments	-	(240)	
Total net extraordinary profit on sale of investments	9,486	11,848	
Total net ordinary and extraordinary income on investments where the company bears the risk	54,448	48,552	12.1
Net income on investments benefiting life policyholders bearing the risk	7,103	(5,474)	
Total	61,551	43,078	42.9

The weight average ordinary return of bonds and other fixed-income securities was 5.0% (3.9% in FY2011).

As at 31 December 2012, following a worsening of the general economic situation and a reduction of the objectives, the Company deemed it prudent to devalue its portfolio investments. In this context investments for the overall amount of € 10,657 thousand were devalued thereby adjusting the book value to their current value that takes into account the balance sheet data of the companies with which the investment is held and their future growth prospects. Devaluations for an amount of € 714 thousand were made in relation to the private equity company, White Sarl Sicar, that was subsequently sold during the accounting term.

The adjustment in the value of property (lands and buildings) are in relation to amortization of the property used as registered offices in the Portello area in Milan for an amount of € 4,045 thousand (€ 1,167 thousand as of 31st December 2011 for the reduced amortization period) and the devaluation of the properties that are not instrumental for company business purposes for an amount of € 808 thousand.

Real estate

The book value of real estate at 31 December 2012 was € 192,988 thousand, including € 94,697 thousand for operating buildings used by the Company, € 11,306 thousand for buildings loaned free of charge to agencies, € 4,938 thousand for buildings used by third parties and € 82,047 thousand for assets under construction and payments on account.

The increase from 31 December 2011 of € 7,304 thousand is mainly related to two service sector buildings under construction net to amortization equal to € 4,045 thousand.

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

Concerning the **bond portfolio**, investments focused on Italian government bonds for € 348,982 thousand, of which € 300,237 thousand were designated as long-term investments, and German government bonds for € 49,960 thousand entirely designated as long-term investments.

Certificates of deposit were subscribed for € 2,921 thousand designated as long term investments.

Fixed income securities were sold for € 67,878 thousand realizing gain for € 840 thousand and write-down for € 31 thousand.

The exceptional market conditions, such as the flattening of yield curves of Supranational issuers of bonds and the German Bonds with interest rates that are practically equal to zero in the short term and negative in the medium to long term, induced the Company to consider the opportunity of realizing at least a portion of the securities held with such characteristics; with respect to long term securities, Bonds with a fixed yield rate with respect to German Bonds and supranational bonds for an amount of €57,236 thousand were sold realizing a capital gain of € 9,281 thousand. The operations were carried out in order to consolidate the latent capital gain of these securities.

During the accounting term the Company adhered to a swap proposal of the Greek authorities applicable to its sovereign debt Bonds, which was finalized in April. Subsequently, the securities received in exchange, issued by the state of Greece, which had acquired the status of long-term investment, were devalued so that the book value was worth 20% of their face value thereby realizing a capital loss of € 1,890 thousand and finally they were sold on the market for €555 thousand realizing a capital gain of € 83 thousand.

As provided by the company investment policy, during the accounting period fixed rate securities for an amount of €145,090 thousand were transferred from the long term portfolio to the trading portfolio of fixed rate securities with less than two years before expiry.

At the end of the accounting term a corporate bond that was being sold with a capital loss of €104 thousand was valued at the realized value.

In addition, the portfolio rose by € 12 thousand, due to inflows coming from policy redemptions under article 41, paragraph 2 of Legislative Decree no. 209 of 7 September 2005.

With respect to the **collective investment undertakings**, during the year, the units in the monetary fund were sold for € 4,066 thousand realising a gain of € 69 thousand.

During the year, changes in long term equity investment – excluding subsidiaries, associates and affiliates were as follows:

- Gruppo GPA S.p.A.: write-down of € 2,000 thousand for this investment;
- Medinvest International S.C.A.: write-down of € 714 thousand for this investment;
- Mediobanca S.p.A.: write-down of € 849 thousand for this investment aligning the book value to the results of the appraisal value performed by business valuation methods;
- Purchased n. 1,000 units of U.C.I. S.cons.r.l. for € 1 thousand.

During the accounting term, the three Sicar companies (investment companies) that were used as vehicles for investment in private equity (Laumor Partners Sarl Sicar, Gima Sarl Sicar and White Sarl Sicar) sold their assets at market value to Italian closed-end investment funds managed by Yarpa Investimenti SGR S.p.A., a wholly owned subsidiary of the associated company Yarpa S.p.A.. The amount invested in new funds was € 24,735 thousand.

The above mentioned investment companies have been liquidated during the accounting term with capital gains totalling € 365 thousand and capital losses totalling € 1,177 thousand; capital refunds are detailed below.

Transactions involving subsidiaries, associates and associates concerned:

- Vittoria Immobiliare S.p.A.: € 38,000 thousand were paid as additional paid-in capital;
- Vittoria Properties S.r.l.: € 6,930 thousand were paid as additional paid-in capital, of which € 4,950 thousand in the share premium reserve;
- Vittoria Service S.r.l.: write-down of € 1,264 thousand for this investment;
- Yarpa S.p.A.: € 1,147 thousand were paid as call of capital increase;
- Sint S.p.A.: € 2,554 thousand were paid as additional paid-in capital and recognising write-down of € 5,032 thousand;
- Touring Vacanze S.r.l.: write-down of € 767 thousand for this investment;
- Consorzio Movincom S.c.r.l.: write-down of € 30 thousand for this investment;
- GIMA Sicar S.A.: € 2,429 thousand paid as call of capital increase and received € 17,394 thousand as capital reimbursement;
- Laumor Partners Sarl Sicar: received € 7,390 thousand as capital reimbursement;
- White Sarl Sicar: write-down of € 714 thousand and received € 2,536 thousand as capital reimbursement.

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

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

As at 31 December 2012 these investments amounted to € 60,434 thousand (€ 61,464 thousand as 31 December 2011).

Of the total € 8,269 thousand related to unit-linked policies linked to funds outside the company, € 33,866 thousand to unit-linked policies linked to the company's internal funds, € 6,220 thousand to index-linked policies and € 12,079 thousand to the Vittoria Formula Lavoro open-ended pension fund.

Overall net return was positive and totalled € 7,103 thousand thanks to the positive trend in financial markets (€-5,474 thousand in 2011).

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 31/12/2012	% of breakdown	Amount 31/12/2011	% of breakdown
DEBT SECURITIES	1,438,363	96.0%	1,380,354	97.0%
Listed treasury bonds:	1,363,621	91.1%	1,301,039	91.5%
Fixed-interest rate	1,267,337	84.7%	1,102,243	77.5%
Variable interest rate	96,284	6.4%	198,796	14.0%
Unlisted treasury bonds:	1,769	0.1%	1,956	0.1%
Variable interest rate	1,769	0.1%	1,956	0.1%
Listed corporate bonds:	63,630	4.2%	61,052	4.3%
Fixed-interest rate	48,237	3.2%	45,555	3.2%
Variable interest rate	15,393	1.0%	15,497	1.1%
Unlisted corporate bonds:	3,222	0.2%	1,887	0.1%
Fixed-interest rate	3,222	0.2%	1,887	0.1%
Bonds of supranational issuers:	6,121	0.4%	14,420	1.0%
Fixed-interest rate	6,121	0.4%	14,420	1.0%
of which				
Total fixed-interest securities	1,324,917	92.1%	1,164,105	84.3%
Total variable-interest securities	113,446	7.9%	216,249	15.7%
Total debt securities	1,438,363	100.0%	1,380,354	100.0%
of which				
Total listed securities	1,433,372	99.7%	1,376,511	99.7%
Total unlisted securities	4,991	0.3%	3,843	0.3%
Total debt securities	1,438,363	100.0%	1,380,354	100.0%
EQUITY INSTRUMENTS (*)	33,736	2.2%	37,300	2.6%
listed shares	18,199	1.2%	19,049	1.3%
unlisted equity instruments	15,537	1.0%	18,251	1.3%
OEIC UNITS	25,909	1.8%	5,240	0.4%
TOTAL	1,498,008	100.0%	1,422,894	100.0%

(*) excluding investments in participating interests

The fixed-income securities portfolio has a duration of 3.7 years.

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

(€/000)				
Investment nature	Amount 31/12/2012	% of breakdown	Amount 31/12/2011	% of breakdown
DEBT SECURITIES	1,438,363	96.0%	1,380,354	97.0%
FIXED INTEREST RATE SECURITIES	1,324,917		1,164,105	
of which Investment portfolio	1,124,201		983,545	
of which Trading portfolio	200,716		180,560	
VARIABLE INTEREST RATE SECURITIES	113,446		216,249	
of which Investment portfolio	82,924		85,453	
of which Trading portfolio	30,522		130,796	
EQUITY INSTRUMENTS (*)	33,736	2.3%	37,300	2.6%
OEIC UNITS	25,909	1.7%	5,240	0.4%
of which Investment portfolio	25,909		1,174	
of which Trading portfolio	-		4,066	
TOTAL	1,498,008	100.0%	1,422,894	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 € 1,324,917 thousand (92.1 % of the bond portfolio with investment risk borne by the company), of which € 1,124,201 thousand classified among investment securities (i.e. for long-lasting utilisation) and € 200,716 thousand among trading securities (for temporary utilisation).

The carrying value of floating-rate debt securities exposed to interest-rate risk on cash flows totalled € 113,446 thousand (7.9% of the bond portfolio with investment risk borne by the company), of which € 82,924 thousand classified among investment securities and € 30,522 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			(€/000)
Maturity	Amount	% of breakdown	
< 1 year	228,970	17.3%	
1<X<2	191,979	14.5%	
2<X<3	101,468	7.7%	
3<X<4	108,042	8.2%	
4<X<5	107,518	8.1%	
5<X<10	521,305	39.2%	
more	65,635	5.0%	
Total	1,324,917	100.0%	

Variable - interest securities				(€/000)
Type of rate	Indexation	Amount	% of breakdown	
Constant mat. Swap	Euroswap 10Y	24,996	22.0%	
Constant mat. Swap	Euroswap 30Y	7,996	7.0%	
variable	3 months treasury bonds	1,769	1.6%	
Variable	6 months treasury bonds	66,289	58.5%	
Variable	other	12,396	10.9%	
Total		113,446	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 31/12/2012, investments in equity securities (excluding equity interests in subsidiaries, affiliates, and associates) amounted to € 33,736 thousand, of which € 18,199 thousand relating to listed stocks and € 15,537 thousand to unlisted stocks.

The company is not exposed to foreign **exchange risk** since, as at 31/12/2012, 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 31/12/2012, as shown in the previous section "Securities portfolio breakdown", financial assets listed in a regulated market accounted for over 96% of financial assets owned.

Credit risk

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

As can be seen in the table below, as at 31/12/2012 nearly all corporate bonds held by the group were rated as investment grade.

(€/000)

Rating (Standard & Poor's)	Amounts	% of breakdown
AAA	53,969	3.7%
AA+ / AA-	56,707	3.9%
A+ / A-	5,063	0.4%
BBB+ / BBB-	1,320,057	91.8%
Total investment grade	1,435,796	99.8%
Non investment grade	2,567	0.2%
Totale	1,438,363	100.0%

Human resources

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

We pursue this objective via:

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

Disclosure of existence of groups, pursuant to Article 2497-bis 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 – now IVASS) Regulation no. 15 of 20 February 2008 – holds the role of Group Company and performs activities of direction and coordination of the following companies:

Real estate companies

Vittoria Immobiliare SpA – 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
Interimmobili Srl - Rome
Gestimmobili Srl - Milan
Sivim Srl - Milan

Service companies

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

Infragroup and related-party transactions

At its meeting on 10 November 2010, the Board of Directors approved a new procedure regarding guidelines applicable to transactions with related parties pursuant to CONSOB resolution no. 17221 of 12 March 2010 and ISVAP (now IVASS) Regulation no. 25.

The procedure that had been in force since 1st January 2011 was subjected to a number of updates. In particular, regarding 2012, the procedure was modified following the institution of an appropriate committee within the Board of Directors, for the assessment of operations and transactions with associated parties, taking over from the Control and Risk Committee the task of assessing in advance the operations that are subject to be processed by the procedure.

The procedure is illustrated briefly in the report on corporate governance and proprietary assets which is available in its entirety in the Governance section of the Company internet web site www.vittoriaassicurazioni.com.

There were no financial or commercial transactions with the direct controlling company - Vittoria Capital N.V., - Netherlands – or the indirect controlling shareholders, Yafa Holding B.V. – Netherlands - and Yafa S.p.A.. The controlling shareholders do not perform direction and coordination activities, as they are holding companies. Vittoria Capital N.V. and Yafa Holding B.V. have their administrative headquarters in Italy.

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

	(€/000)			
	Subsidiaries	Associated	Total as at 31/12/12	Total as at 31/12/11
<i>Assets</i>				
Intangible Assets	-	889	889	889
Investments	125,203	14,375	139,578	123,615
Loans	50	5,000	5,050	5,050
Receivables and other assets	10,414	6	10,420	5,306
Total Assets	135,667	20,270	155,937	134,860
<i>Liabilities</i>				
Payables and other liabilities	2,124	265	2,388	1,990
Total Liabilities	2,124	265	2,388	1,990
Commitments	-	20,816	20,816	5,415
Dividends	808	-	808	2,476
Revenues for service business	558	-	558	426
Costs for service business	612	2,525	3,137	2,977
(Commissions)	7,534	-	7,534	5,699
Net income on investments	22	36	58	75

Intangibles relate to software implementations by associated company Le Api S.r.l.

Loans to subsidiaries and associates relate to Interbilancia S.r.l. and Spefin S.p.A., respectively.

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

Costs for services rendered to subsidiaries refer to the property portfolio management services provided by the companies of the Vittoria Immobiliare Group. Costs for services provided by associated companies include € 1,577 thousand for IT services rendered by Le Api S.r.l. and € 1,950 thousand for services rendered by Sint S.p.A..

Commissions were paid to subsidiaries Aspevi Milano S.r.l. (€ 5,035 thousand) and Aspevi Roma S.r.l. (€ 2,499 thousand).

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

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

Report on corporate governance and ownership structures

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

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

Report on remuneration

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

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

Performance in early months of FY2013 and business outlook

No significant events occurred after the reporting period.

Business trend of first months of 2013 is in line with targets announced to market.

Allocation of earnings

Shareholders,

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

Net profit of Non-Life Business	€	49,096,488
Net profit of Life Business	€	8,385,526
Total (equal to € 0.8531 per share)	€	57,482,014
Allocation to Life Business Legal Reserve	€	419,276
Total available net profit	€	57,062,738
of which:		
Available net profit of Non-Life Business	€	49,096,488
Available net profit of Life Business	€	7,966,250

Shareholders,

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

to each of the 67,378,924 shares comprising the entire share capital, € 0,17 for a total of € 11,454,417. Remaining, € 45,608,321 which we propose to allocate the amount of € 42,393,838 to increase the Available Reserve for Non-Life Business and the amount of € 3,214,483 to increase the Available Reserve for Life Business.

If you agree with and approve our proposal, the dividend will be paid as from 23 May 2013 c/o custodian intermediaries with detachment of coupon number 31 on 20 May 2013 and record date on 22 May 2013.

In view of the fact that pursuant to the Articles of Association, the term of office of the entire Board of Directors has now expired, you are kindly requested to elect members to serve on it, once you have determined how many members should form it and their remuneration.

You are also requested, again as set forth in the Articles of Association, to nominate members to serve on the Statutory Audit Committee whose term of office has also expired, and to determine their remuneration.

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, 8th March 2013

Report of the Board of Directors on the first item on the agenda for Ordinary matters.

Appointment of the Board of Directors, subject to prior determination of the number of members, the duration of their appointment and their remuneration.

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

The approval of the Financial Statements for the year ending 31st December 2012 marks the end of the term of office of the current Board of Directors which was appointed during the Ordinary Shareholders' Meeting of 23rd April 2010.

The Shareholders convened at the Shareholders' Meeting are therefore called upon to appoint a new Board of Directors, subject to prior determination of the number of Directors and the duration of their appointment.

Attention is drawn to the fact that article 10 of the current Articles of Association (attached to this report in its entirety) provides for the company to be administered by a Board of Directors made up of a number of Directors between seven and sixteen whose term of office shall be for a maximum of three years and who can be re-elected without limitation.

As per article 10 of the articles of Association, the appointment of the Board of Directors shall be made in accordance with the applicable regulation governing gender equality, on the basis of candidate lists presented by Shareholders in which the candidates are listed with a progressive number.

Lists of candidates may only be presented by one or a group of shareholders who hold an overall shareholding of 2.5% of the share capital with a right to vote in an Ordinary Shareholders' meeting, as determined with reference to the shareholding registered in the name of the Shareholder/s as of the day when the list is presented to the company.

Each Shareholder, the Shareholders subscribing to a relevant Shareholders' agreement as per article 122 of Legislative Decree 58/1998, the parent company, the subsidiary companies and companies under common control as per article 93 of Legislative Decree 58/1998, may not submit or be party to a joint submission, directly or through an intermediary or trust company, of more than a single list, and may not vote for several lists, and each candidate may only stand in a single list under penalty of ineligibility.

In accordance with the applicable regulations governing gender equality, those lists with a number of candidates that is equal or greater than three must include candidates of both sexes in such a way that at least one fifth (rounded up) of the candidates are of the least represented sex.

Candidate lists underwritten by those shareholders presenting the list must be deposited at the company registered offices at least twenty-five days before the Shareholders' Meeting and therefore by 25th March 2013, complete with the supporting documentation as required by article 10 of the Articles of Association and as recalled in the convening notice.

Certification to be issued by an authorized intermediary, attesting ownership of the required number of shares for presenting a list of candidates, must be delivered to the company by 29th March 2013.

Candidate lists and associated supporting documentation can also be deposited by email at the following registered email address societario.vittoria@pec.vittoriaassicurazioni.it.

Shareholders who present a minority list are reminded that the recommendations of Consob (Italian stock exchange authority) Notice DEM/9017893 dated 26th February 2009 apply to them.

The lists, including the identity of the Shareholders presenting them and the percentage shareholding held by them, together with a detailed memorandum on the personal and professional characteristics of the candidates and a declaration of the candidates where they attest to the fact that they fulfil the necessary requisites of independence, shall be made available to the public at the registered offices of the company and on the company internet website www.vittoriaassicurazioni.com by Friday 29th March 2013.

The election of the Board of Directors is regulated by article 10 of the Articles of Association. In particular, in the event that there are several lists of candidates for election, then the election will proceed as follows:

- a) the Directors to be elected shall be taken from the list obtaining the highest number of votes, in the sequential order in which they appear on the list, excepting the last one;
- b) the remaining Director shall be chosen from the list which is not associated in any way, directly or indirectly, with those who submitted or voted for the list referred to in a) above, and which obtained the second highest number of votes.

Those lists with a number of votes that corresponds to less than 1.25% of the share capital shall not be taken into account.

The procedure in article 10 of the Articles of Association also provides for mechanisms for guaranteeing the appointment of at least two directors who fulfil the requirements of article 148-ter, paragraph 3 of the TUF as well as compliance with the applicable regulation governing gender equality, which requires at least one fifth of the Directors to be of the least represented sex.

Attention is also drawn to the fact that the Directors of Vittoria Assicurazioni S.p.A. must possess the requirements of professionalism, integrity and independence applicable to officials of insurance companies as provided by the Regulations approved by the Decree No.220 of the Minister of Economic Development dated 11th November 2011, in addition to the provisions of article 147-quinquies of the TUF, and the requirements of integrity indicated in the Decree of 30th March 2000 No. 162.

Moreover, as per article 36 of the Decree Law of 6th December, No. 201, a candidate is precluded from being appointed to the position of Director of the company in the event that such candidate is a member of a corporate body for the management, surveillance or control of, or holds a senior management position in, a competitor company. For the purpose of such preclusion, those companies or group of companies operating in the credit, insurance or finance markets that are not linked by a control relationship as per article 7 of the law of 10th October 1990, No. 287 operating in the same market and in the same geographic areas as Assicurazioni S.p.A. are deemed competitors.

In addition to the requirements set forth in article 148, paragraph 3 of the TUF (requirements that, by Law and as per Articles of Association, must hold true for at least two Directors), Directors' independence must also be assessed in terms of compliance with the principles stated in the Self-Regulation Code for listed companies promoted by *Borsa Italiana* (the Italian stock exchange), to which Vittoria Assicurazioni has declared its adherence.

With respect to the latter point, your attention is drawn to the fact that the Board of Directors has approved adherence to all the principles and application criteria provided in article 3 of the Self-Regulation Code promoted by *Borsa Italiana*, with the exception of the criterion that does not deem a Director who has held such office for more than nine years as independent. Indeed, the Board of Directors deemed that an extended term of office does not constitute an obstacle for the independence of a Director, but represents on the other hand a value for the company insofar as it accounts for a thorough knowledge of the company and the insurance business for the benefit of the Board. The reasons supporting such decision are detailed in the report on corporate governance and proprietary assets.

And finally, you are called upon to determine the remuneration of the Board of Directors.

In this regard, article 15 of the Articles of Association establish that the remuneration of the Board of Directors shall be determined by the Shareholders convened in a Shareholders' meeting and distributed among the Directors as established subsequently by the Board itself. The remuneration of the Chairman, Vice Chairmen and Managing Directors and any Directors with special responsibility shall be determined by the Board of Directors upon submission of a proposal by the Appointments and Remuneration Committee and after consultation with Board of Statutory Auditors.

The remuneration of the current Board of Directors was established by a resolution of the Shareholders' meeting of 23rd April 2010 for an amount of 580,000 euros.

You are therefore requested to:

- establish the number of Directors making up the Board of Directors;
- determine the term of office of the Board;
- vote for a candidate list for the appointment of Directors to sit on the Board of Directors of the Company among the candidate lists presented as per article 10 of the Articles of Association;
- determine the remuneration of the Board of Directors.

The board shall refrain from formulating specific resolution proposals and invites the Shareholders to adopt resolutions as they may chose to formulate by themselves.

For and on behalf of the Board of Directors

Milan, 8th March 2013

Report of the Board of Directors on the third item on the agenda for Ordinary matters.

Appointment of the Board of Statutory Auditors and the determination of its members' remuneration.

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

The approval of the Financial Statements for the year ending 31st December 2012 marks the end of the term of office of the current Board of Statutory Auditors which was appointed during the Ordinary Shareholders' Meeting of 23rd April 2010.

The Shareholders convened at the Shareholders' Meeting are therefore called upon to appoint a new Board of Statutory Auditors which, as provided in article 17 of the Articles of Association (attached to this report in its entirety), will be made up of three standing Statutory Auditors and two substitutes, and to determine their remuneration.

In accordance with the current regulations and as provided by article 17 of the Articles of Association, the appointment of Statutory Auditors is made on the basis of candidate lists with the objective of ensuring that the minority have the opportunity to nominate one standing Statutory Auditor and one substitute Statutory Auditor, in accordance with the applicable regulation governing gender equality.

Lists of candidates may only be presented by one or a group of shareholders who hold an overall shareholding of 2.5% of the share capital, with a right to vote in an Ordinary Shareholders' meeting, as determined with reference to the shares that are registered in the name of the shareholder/s as of the day when the list is presented to the company.

Each Shareholder, the Shareholders subscribing to a relevant shareholders' agreement as per article 122 of Legislative Decree 58/1998, the parent company, the subsidiary companies and companies under common control as per article 93 of Legislative Decree 58/1998, may not submit or be party to a joint submission, directly or through an intermediary or trust company, of more than a single list, and may not vote for several lists, and each candidate may only stand in a single list under penalty of ineligibility.

Candidate lists underwritten by those shareholders presenting the list must be deposited at the company registered offices at least twenty-five days before the Shareholders' Meeting and therefore by 25th March 2013, complete with the following supporting documentation as required by article 17 of the Articles of Association: (i) information related to the identity of the Shareholder/s presenting the list, with an indication of the overall percentage shareholding; (ii) a declaration of the Shareholders who do not individually or jointly hold a controlling or a relative majority stake, attesting to the fact that they do not have a relationship as provided in the applicable regulations, with shareholders holding a controlling or a relative majority stake. (iii) a detailed memorandum on the personal characteristics of the candidates, together with a declaration of the candidates where they attest to the fact that they fulfil the necessary requisites required by Law and that they accept the nomination, as well as a list of any administrative and auditing posts held in other companies.

Certification to be issued by an authorized intermediary attesting ownership of the required number of shares for presenting a list of candidates must be delivered to the company by 29th March 2013.

Candidate lists and associated supporting documentation can also be deposited by email at the following registered email address societario.vittoria@pec.vittoriaassicurazioni.it.

In the event that at the end of the above mentioned term ending 25th March 2013, only one list has been presented, or there are only lists that prove to be associated with each other for the purpose of applicable laws and regulations, then other lists may be presented up to the third day following such end of term, i.e. up to 28th March 2013; in such case the ownership threshold for presenting a list of candidates shall be reduced to 1.25%.

The list of candidates presented and the relative supporting documentation will be made available to the public for perusal at the registered offices of the company and on the company internet website www.vittoriaassicurazioni.com (Investor Relations/Shareholders' Meetings) by Friday 29th March 2013.

The list of candidates must be made up of two sections: one for standing members of the Statutory Audit Committee and another for substitute members. The lists must have a number of candidates that is not greater than the number of Statutory Auditors to be appointed, listed with a progressive number.

In accordance with the applicable regulations governing gender equality, those lists with a number of candidates that is equal or greater than three must include candidates of both sexes in such a way that at least one fifth (rounded up) of the candidates in the list to be appointed as standing Statutory Auditors are of the least represented sex and at least one fifth (rounded up) of the candidates in the list to be appointed as substitute Statutory Auditors are of the least represented sex.

Attention is drawn to the fact that candidates can not be appointed as Statutory Auditors or, if already appointed, Statutory Auditors will have their appointment terminated in the event that there is cause for ineligibility or termination of appointment as determined by applicable laws and regulations, or if they do not meet the necessary requirements for appointment, including those in relation to the limitation of multiple appointments as provided in applicable laws and regulations.

In particular, candidates for the post of Statutory Auditor must meet the requirements of professionalism, integrity and independence applicable to officials of insurance companies as provided by the Regulations approved by Decree of the Minister of Economic Development of 11th November 2011 No.220 , and the Ministerial Decree of 30th March 2000 No. 162. In this respect it should be noted that according to the provisions of article 17 of the Articles of Association, the requirement set forth in article 1, paragraph 2, letters b) and c), and paragraph 3 of the Ministerial Decree of 30th March 2000, No 162, apply if the professional experience is matured respectively in: (i) the finance, credit, insurance, reinsurance, real estate and actuarial sectors; (ii) in the legal, economic, financial, technical or scientific fields in relation to the sectors listed under the preceding point (i).

Moreover, candidates identified by the provisions of article 148, paragraph 3 of the TUF may not be appointed as Statutory Auditors.

Lastly, as per article 36 of the Decree Law of 6th December, No. 201, a candidate is precluded from being appointed to the position of Statutory Auditor of the company in the event that such candidate is a member of a corporate body for the management, surveillance or control of, or holds a senior management position in a competitor company. For the purpose of such preclusion, those companies or group of companies operating in the credit, insurance or finance markets that are not linked by a control relationship as per article 7 of the law of 10th October 1990, No. 287, operating in the same market and in the same geographic areas as Vittoria Assicurazioni S.p.A. are deemed competitors.

The election of the Board of Statutory Auditors is regulated by article 17 of the Articles of Association. In particular, in the event that there are several lists of candidates for election, the first two candidates on the list obtaining the highest number of votes and the first candidate on the list obtaining the second highest number of votes who, pursuant to legal and regulatory provisions, proves not to be directly or indirectly associated with the shareholders who submitted or voted for the list obtaining the highest number of votes, shall be elected Statutory Auditors. The latter shall be nominated Chairman of the Board of Statutory Auditors.

The first candidate on the list of substitute Statutory Auditors obtaining the highest number of votes and the first candidate on the list obtaining the second highest number of votes who, pursuant to legal and regulatory provisions proves not to be directly or indirectly associated with the shareholders who submitted or voted for the list obtaining the highest number of votes, shall be elected substitute Statutory Auditors.

In the event of a tie vote between two or more lists, the eldest candidates are appointed Statutory Auditors until all the available posts have been filled.

Should the above procedure not ascertain the appointment of standing members of a Board of Statutory Auditors in accordance with the applicable regulation governing gender equality, then the process of composition of the Board shall proceed with the substitution of candidates as required from the list that obtained the highest number of votes taking into account the sequential order in which they appear on the list.

Should there only be one candidate list, then all the standing Statutory Auditors and the substitute Statutory Auditors on the list shall be appointed. In the event that there are no candidate lists at all then those candidates voted during the Shareholders' Meeting shall be appointed, provided that they obtain a relative majority of the votes cast during the Shareholders' Meeting, and without prejudice to conformance

with the applicable regulations governing gender equality. In these two cases, the Shareholders convened in the Shareholders' Meeting will be called upon to appoint a Chairman of the Board of Statutory Auditors.

As per article 2400, the Statutory Auditors shall be appointed for three accounting terms which will expire on the date of the Shareholders' Meeting that is called to approve the 2015 Financial Statements.

Lastly, you are called upon to determine the remuneration of standing Statutory Auditors as provided in article 2402 of the Italian Civil Code. The remuneration of the current Board of Statutory Auditors was established by a resolution of the Shareholders' Meeting of 23rd April 2010 to be determined in accordance with the fee structure of Certified Accountants.

You are therefore requested to:

- appoint members of the Board of Statutory Auditors by voting for candidate lists that have been presented in accordance with article 17 of the Articles of Association;
- appoint a Chairman of the Board of Statutory Auditors, in the event that it proves not to be possible on the basis of the procedure set forth in the Articles of Association.
- determine the remuneration of the members of the Board of Statutory Auditors on the basis of proposals that may be formulated by Shareholders during the Shareholders' Meeting.

For and on behalf of the Board of Directors:

Milan, 8th March 2013

Report of the Board of Directors on the first item on the agenda for Extraordinary matters.

Changes to Article 7 (Shareholders' Meetings) of the Articles of Association; relative resolutions.

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

We have called this Shareholders' meeting in an Extraordinary session in order to submit for your approval a few adjustments to Article 7 of the Articles of Association of your company that are necessary as a result of regulatory provisions that have been introduced since its original formulation (or last review).

Indeed, the proposed changes are intended to adapt the Articles of Association to the new provisions of Article 2369 of the Italian Civil Code and Articles 125-bis and 126-bis of the Italian Consolidated Finance Act ("*Testo Unico della Finanza*" referred to in Italian and in this document as "TUF"), as modified by the Legislative Decree No. 91/2012 (hereinafter referred to as the "Decree"), relating to the exercise of some rights of shareholders of listed companies.

In particular, Article 1 of the Decree modifies the first Paragraph of Article 2369 of the Italian Civil Code providing that, for shareholders' meetings of listed companies other than cooperatives, the single call rule shall apply (with the resulting change in the quorum for convening a meeting and for passing resolutions in Ordinary or Extraordinary sessions), unless the Articles of Association of the company do not expressly provide for multiple calls. In this respect, our recommendation is to maintain the existing provision for multiple calls for Shareholders' Meetings of your company and, consequently, to change the 7th paragraph of Article 7 of the Articles of Association by adding an express exclusion of Article 2369 of the Italian Civil Code.

Furthermore, while the new Article 125-bis of the TUF, as modified by Article 3 of the Decree, establishes that the publication of a convening notice for a meeting can be deemed fulfilled upon its publication on the internet website of the company, it also expressly includes the publication of an excerpt, as opposed to the entire text, of the convening notice in daily newspapers as another method of publishing the information as regulated by Consob (the Italian stock exchange authority).

Whereas Paragraph 6 of the current Article 7 of the Articles of Association of Vittoria Assicurazioni S.p.A. establishes a requirement for the publication of the convening notice in its entirety on the company internet website and also on either one of two Italian newspapers, namely **Sole 24 Ore** and **Corriere della Sera**, we propose to change such regulation to the effect that publication on a newspaper can be limited to an excerpt.

Finally, taking into account that Article 3 of the Decree has integrated Article 126-bis of the TUF, by making the procedure that is required for shareholders to request additions to the agenda also applicable to the presentation of resolution proposals on matters that are already on the agenda, we propose to adapt and simplify Paragraph 9 of Article 7 of the Articles of Association to the effect that the *pro-tempore* provisions of Law shall apply to requesting additions to the agenda or the presentation of resolution proposals on matters that are already on the agenda and that such provisions be detailed in the meeting convening notices.

The following table illustrates a comparison between the current Article 7 with the new version that we are proposing for your approval.

Current version	Proposed version
Article 7 - Shareholders' Meeting	Article 7 - Shareholders' Meeting
Notification and constitution of Shareholders' Meetings, both Ordinary and Extraordinary, and any resolutions adopted by the same, shall be governed by the provisions of the Law.	Notification and constitution of Shareholders' Meetings, both Ordinary and Extraordinary, and any resolutions adopted by the same, shall be governed by the provisions of the Law.
The Shareholders' Meeting shall adopt resolutions on matters that are determined by the applicable regulations and the Articles of Association to fall under its responsibility.	The Shareholders' Meeting shall adopt resolutions on matters that are determined by the applicable regulations and the Articles of Association to fall under its responsibility.
In particular, in addition to establishing the fees that are due to bodies that are appointed by it, the Shareholders' Meeting shall also approve the remuneration policies for the members of corporate bodies and for company personnel, including remuneration schemes based on financial instruments.	In particular, in addition to establishing the fees that are due to bodies that are appointed by it, the Shareholders' Meeting shall also approve the remuneration policies for the members of corporate bodies and for company personnel, including remuneration schemes based on financial instruments.
The Shareholders convened at a Shareholders' Meeting shall be guaranteed adequate information in relation to the implementation of the remuneration policies.	The Shareholders convened at a Shareholders' Meeting shall be guaranteed adequate information in relation to the implementation of the remuneration policies.
Shareholders' Meetings shall be called by the Board of Directors and held at the Company's registered offices or elsewhere in Italy.	Shareholders' Meetings shall be called by the Board of Directors and held at the Company's registered offices or elsewhere in Italy.
The Shareholders' Meeting convening notice, including information as required by applicable laws, shall be published in accordance with legal requirements:	The Shareholders' Meeting convening notice, including information as required by applicable laws, shall be published in accordance with legal requirements:
- on the company's internet website;	- on the company's internet website;
- whenever required by mandatory provisions or pursuant to a decision by the Directors, in the Official Gazette and/or in either one of two Italian newspapers; IL SOLE 24 ORE or CORRIERE DELLA SERA;	- whenever required by mandatory provisions or pursuant to a decision by the directors, <u>even in the form of an excerpt</u> in the Official Gazette and/or in either one of two Italian newspapers; IL SOLE 24 ORE or CORRIERE DELLA SERA
- using the other methods of publication as provided for by <i>pro-tempore</i> Laws and regulations.	- using the other methods of publication as provided for by <i>pro-tempore</i> Laws and regulations.
The Shareholders' Meeting convening notice may indicate a date for a second and a third call. If no	<u>By way of exception to Article 2369 of the Italian Civil Code</u> , the Shareholders' Meeting convening

<p>such indication is given, a Shareholders' Meeting can be convened on the second or third call in the manner and within the term set forth by Law.</p>	<p>notice may indicate a date for a second and a third call. If no such indication is given, a Shareholders' Meeting can be convened on the second or third call in the manner and within the term set forth by Law.</p>
<p>The Directors shall call a Shareholders' Meeting promptly, when requested by a Shareholder or a group of Shareholders representing at least 5% of the share capital.</p>	<p>The Directors shall call a Shareholders' Meeting promptly, when requested by a Shareholder or a group of Shareholders representing at least 5% of the share capital.</p>
<p>Shareholders who, individually or jointly, represent at least one fortieth of the share capital may request the addition of an item on the agenda in accordance with the provisions of applicable regulations as indicated in the convening notice, specifying in their request the additional topics that they propose. Requests must be made in writing. Any such additions to the agenda shall be notified to Shareholders in the same manner and within the term set forth by the applicable regulations for the the publication of Shareholders' Meeting convening notices. Shareholders may not request the addition of topics for discussion for which the Law establishes that resolutions can only be carried during a Shareholders' Meeting as proposed by the Directors or when such resolutions are based on Directors' projects or reports.</p>	<p>Shareholders who, individually or jointly, represent at least one fortieth of the share capital may request the addition of matters for discussion, specifying in their request the additional topics proposed, <u>or present resolution proposals on matters that are already on the agenda, in the manner</u> and in accordance with the provisions of applicable regulations which are also indicated in the convening notice.</p>
<p>The Shareholders who request the addition of items on the agenda shall deposit a report with the Company on the matters they request to be discussed within the applicable term for presenting such requests. The report shall be made public in the manner and within the applicable term as provided by <i>pro-tempore</i> regulations.</p>	

You are hereby reminded that once approved by resolution of the Shareholders' Meeting the proposed changes will only become effective when approved by IVASS (the Italian Institute for the Surveillance of Insurance Companies) as per Article 196 of the Legislative Decree No. 209/2005.

For and on behalf of the Board of Directors:

Milan, 8th March 2013

Financial statements
as at and for the year ended
31 December 2012

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	4,865,092	
b) non-life businesses	4	3,381,702	5 8,246,794
2. Other acquisition costs	6	0	
3. Start-up and capital costs	7	0	
4. Goodwill	8	1,774,459	
5. Other deferred costs	9	34,188,846	10 44,210,099
C. INVESTMENTS			
I - Land and buildings			
1. Operating buildings	11	94,696,734	
2. Buildings used by third parties	12	16,243,576	
3. Other buildings	13	0	
4. Other property rights	14	0	
5. Assets under construction and payments on account	15	82,047,484	16 192,987,794
II - Investments in group and other companies:			
1. Equity investments in:			
a) parent companies	17	0	
b) subsidiaries	18	125,203,467	
c) related companies	19	0	
d) associated companies	20	14,374,635	
e) other companies	21	33,736,239	22 173,314,341
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	50,000	
c) related companies	31	0	
d) associated companies	32	5,000,000	
e) other companies	33	150,001	34 5,200,001 35 178,514,342
		to carry forward	44,210,099

Previous year

				181	0
		182	0		
183	4,571,611				
184	3,762,772	185	8,334,383		
		186	0		
		187	0		
		188	2,059,859		
		189	36,519,975	190	46,914,217
		191	97,834,921		
		192	17,442,114		
		193	0		
		194	0		
		195	70,408,318	196	185,685,353
197	0				
198	81,536,994				
199	0				
200	42,078,145				
201	37,299,448	202	160,914,587		
203	0				
204	0				
205	0				
206	0				
207	0	208	0		
209	0				
210	50,000				
211	0				
212	5,000,000				
213	150,001	214	5,200,001	215	166,114,588
		to carry forward			46,914,217

BALANCE SHEET

ASSETS

Current year

		brought forward			44,210,099
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	25,908,765	
3. Bonds and other fixed-interest securities					
a) listed	41	1,433,371,642			
b) unlisted	42	4,991,629			
c) convertible bonds	43	0	44	1,438,363,271	
4. Loans					
a) secured loans	45	4,708,829			
b) loans on policies	46	2,785,589			
c) other loans	47	1,856,255	48	9,350,673	
5. Shares in investment pools			49	0	
6. Deposits with banks			50	0	
7. Other financial investments			51	0	52 1,473,622,709
IV - Deposits with ceding companies					53 4,618,154 54 1,849,742,999
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT					
I - Investments relating to index-linked policies					55 48,355,275
II - Investments relating to pension fund management					56 12,078,491 57 60,433,766
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES					
I - NON-LIFE BUSINESSES					
1. Premium reserve			58	14,562,675	
2. Claims reserve			59	45,821,043	
3. Profit participation and reimbursement reserve			60	0	
4. Other technical reserves			61	0	62 60,383,718
II - LIFE BUSINESSES					
1. Mathematical reserves			63	11,331,931	
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	34,872	
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management			68	0	69 11,366,803 70 71,750,521
				to carry forward	2,026,137,385

Previous year

	brought forward		46,914,217
216	0		
217	0		
218	0	219	0
		220	5,239,812
221	1,376,510,803		
222	3,842,853		
223	0	224	1,380,353,655
225	5,263,508		
226	3,272,748		
227	1,240,607	228	9,776,864
		229	0
		230	0
		231	0
		232	1,395,370,331
		233	225,219
		234	1,747,395,491
		235	51,120,056
		236	10,343,598
		237	61,463,654
		238	13,379,212
		239	43,073,567
		240	0
		241	0
		242	56,452,779
		243	16,752,934
		244	0
		245	0
		246	0
		247	17,049
		248	0
		249	16,769,983
		250	73,222,762
	to carry forward		1,928,996,124

BALANCE SHEET

ASSETS

Current year

	brought forward			Current year	
					2,026,137,385
E. RECEIVABLES					
I - Receivables relating to direct insurance due from:					
1. Policyholders					
a) premiums for the year	71	64,676,034			
b) premiums for previous years	72	186,255	73	64,862,289	
2. Insurance brokers and agents			74	92,737,604	
3. Current account companies			75	8,164,468	
4. Amounts to be recovered from policyholders and third parties			76	47,203,024	77
					212,967,385
II - Receivables relating to reinsurance due from:					
1. Insurance and reinsurance companies			78	4,603,466	
2. Reinsurance brokers and agents			79	0	80
					4,603,466
III. - Other receivables				81	39,127,314
					82
					256,698,165
F. OTHER ASSETS					
I - Tangible assets and inventory:					
1. Office furniture and machines and internal transport systems			83	7,353,996	
2. Registered chattel property			84	144,244	
3. Plant and machinery			85	807,633	
4. Inventory and other assets			86	0	87
					8,305,873
II - Liquid funds					
1. Bank and postal accounts			88	125,966,293	
2. Cheques on hand and cash-in-hand			89	7,205	90
					125,973,498
III - Own shares or quotas				91	0
IV - Other assets					
1. Suspense reinsurance accounts			92	0	
2. Sundry assets			93	54,501,490	94
					54,501,490
					95
					188,780,861
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interest				96	18,534,021
2. Rent instalments				97	208,466
3. Other prepayments and accrued income				98	4,442,355
					99
					23,184,842
TOTAL ASSETS					100
					2,494,801,253

Previous year

	brought forward		1,928,996,124
251	59,804,254		
252	8,192,698	253	67,996,952
		254	81,721,460
		255	9,656,781
		256	53,291,651
		257	212,666,844
		258	3,818,363
		259	0
		260	3,818,363
		261	30,656,625
		262	247,141,832
		263	7,983,736
		264	82,486
		265	826,868
		266	0
		267	8,893,090
		268	72,098,663
		269	45,602
		270	72,144,265
		271	0
		272	0
		273	37,465,707
		274	37,465,707
		275	118,503,062
		276	16,129,902
		277	1,180,728
		278	3,709,767
		279	21,020,397
		280	2,315,661,415

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

A. SHAREHOLDERS' EQUITY				
I	- Subscribed share capital or equivalent fund	101	67,378,924	
II	- Share premium reserve	102	33,355,418	
III	- Revaluation reserves	103	10,938,990	
IV	- Legal reserve	104	11,903,747	
V	- Statutory reserves	105	0	
VI	- Reserves for purchase of own shares and shares of parent company	106	0	
VII	- Other reserves	107	183,623,956	
VIII	- Retained earnings or losses carried forward	108	0	
IX	- Net profit (loss) for the year	109	57,482,014	110 364,683,049
B. SUBORDINATED LIABILITIES				111 0
C. TECHNICAL RESERVES				
I - NON-LIFE BUSINESSES				
1.	Premium reserve	112	345,800,010	
2.	Claims reserve	113	793,115,439	
3.	Profit participation and reimbursement reserve	114	0	
4.	Other technical reserves	115	408,603	
5.	Equalisation reserves	116	4,243,760	117 1,143,567,812
II - LIFE BUSINESSES				
1.	Mathematical reserves	118	746,094,311	
2.	Complementary insurance premium reserve	119	146,568	
3.	Reserve for payable amounts	120	22,031,183	
4.	Profit participation and reimbursement reserve	121	50,374	
5.	Other technical reserves	122	11,193,537	123 779,515,973 124 1,923,083,785
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	48,355,275	
II	- Reserves arising from pension fund management	126	12,078,491	127 60,433,766
	to carry forward			2,348,200,600

Previous year

		281	67,378,924	
		282	33,355,418	
		283	10,938,990	
		284	11,107,451	
		285	0	
		286	0	
		287	160,545,400	
		288	0	
		289	35,329,268	290 318,655,451
				291 0
292	324,051,661			
293	697,100,416			
294	0			
295	408,603			
296	3,807,748	297	1,025,368,428	
298	733,726,960			
299	159,314			
300	26,150,991			
301	42,136			
302	12,266,380	303	772,345,781	304 1,797,714,209
		305	51,120,056	
		306	10,343,598	307 61,463,654
	to carry forward			2,177,833,314

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

	brought forward			2,348,200,600
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES				
1 Pension and similar provisions	128	0		
2 Provision for taxation	129	1,893,922		
3 Other provisions	130	1,891,337	131	3,785,259
F. DEPOSITS FROM REINSURERS			132	19,510,058
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising from direct insurance business due to:				
1. Insurance brokers and agents	133	3,956,399		
2. Current account companies	134	1,950,051		
3. Guarantee deposits and premiums paid by policyholders	135	42,745		
4. Guarantee funds in favour of policyholders	136	4,001,608	137	9,950,803
II - Payables arising from reinsurance business due to:				
1. Insurance and reinsurance companies	138	11,784,910		
2. Reinsurance brokers and agents	139	0	140	11,784,910
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	3,433,450
VIII - Other sums payable				
1. Policyholders' tax due	146	19,911,555		
2. Other sums payable to taxation authorities	147	26,624,013		
3. Social security charges payable	148	3,031,798		
4. Sundry payables	149	26,039,388	150	75,606,754
IX - Other liabilities				
1. Suspense reinsurance accounts	151	0		
2. Commissions on premiums under collection	152	15,888,475		
3. Other liabilities	153	6,620,477	154	22,508,952
	155			123,284,869
	to carry forward			2,494,780,786

Previous year

brought forward			2,177,833,314
	308	0	
	309	8,759,080	
	310	741,337	311 9,500,417
			312 24,417,501
313	4,285,132		
314	1,632,401		
315	239,390		
316	4,576,111	317 10,733,034	
318	11,190,253		
319	0	320 11,190,253	
		321 0	
		322 0	
		323 0	
		324 0	
		325 3,805,789	
326	18,454,316		
327	13,075,197		
328	2,253,762		
329	24,518,828	330 58,302,103	
331	0		
332	14,346,526		
333	5,506,129	334 19,852,655	335 103,883,834
to carry forward			2,315,635,066

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
brought forward			2,494,780,786
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest	156	0	
2. Rent instalments	157	0	
3. Other accrued expenses and deferred income	158	20,467	159 20,467
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160 2,494,801,253

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	7,084,262
2. Endorsements		166	0
3. Other personal guarantees		167	0
4. Collateral		168	1,660,000
III - Guarantees given by third parties in the interest of the company			
IV - Commitments			
V - Third party assets			
VI - Assets pertaining to pension funds managed in favour and on behalf of third parties		172	12,078,491
VII - Securities held by third parties			
VIII - Other memorandum and contingency accounts			
		173	1,570,534,837
		174	0

Previous year

brought forward		2,315,635,066
	336	0
	337	0
	338	26,349
	339	26,349
	340	2,315,661,415

Previous year

	341	0
	342	0
	343	20,500,000
	344	0
	345	6,458,000
	346	0
	347	0
	348	1,899,366
	349	0
	350	6,165,199
	351	6,065,594
	352	10,343,598
	353	1,453,248,006
	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	898,649,503	
	b) (-) outwards reinsurance premiums	2	29,372,418	
	c) Change in gross premium reserve	3	21,750,892	
	d) Change in reinsurer premium reserve	4	1,183,531	5 848,709,724
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)			6 13,299,643
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			7 3,046,241
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE			
	a) Amounts paid			
	aa) Gross amount paid	8	502,213,506	
	bb) (-) reinsurers' share	9	22,768,365	10 479,445,141
	b) Change in recoveries, net of reinsurers' share			
	aa) Gross amount recovered	11	3,209,483	
	bb) (-) reinsurers' share	12	1,946,384	13 1,263,099
	c) Change in claims reserve			
	aa) Gross amount	14	96,021,066	
	bb) (-) reinsurers' share	15	2,753,896	16 93,267,170
5	CHANGE IN OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE			17 571,449,212
6	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE			18
7	OPERATING COSTS:			19
	a) Acquisition commissions	20	131,865,170	
	b) Other acquisition costs	21	38,198,233	
	c) Change in commissions and other acquisition costs to be amortised	22	-381,069	
	d) Premium collection commissions	23	9,895,676	
	e) Other administrative costs	24	24,054,808	
	f) (-) Profit participation and other commissions received by reinsurers	25	6,218,107	26 198,176,849
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			27 15,735,597
9	CHANGE IN EQUALISATION RESERVES			28 436,012
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)			29 79,257,938

Previous year

			111	810,030,065	
			112	26,510,497	
			113	45,835,772	
			114	877,728	115
					738,561,524
					116
					10,402,087
					117
					3,964,916
			118	465,080,579	
			119	12,762,101	120
					452,318,478
			121	14,317,270	
			122	277,307	123
					14,039,963
			124	91,646,476	
			125	3,568,747	126
					88,077,729
					127
					526,356,244
					128
					129
			130	119,667,398	
			131	37,911,342	
			132	-425,991	
			133	9,052,202	
			134	21,199,433	
			135	7,926,007	136
					180,330,359
					137
					8,223,097
					138
					561,564
					139
					37,457,263

PROFIT AND LOSS ACCOUNT

Current year

II. LIFE BUSINESS TECHNICAL ACCOUNT				
1	PREMIUMS, NET OF OUTWARDS REINSURANCE:			
	a) Gross premiums accounted for	30	119,673,511	
	b) (-) outwards reinsurance premiums	31	1,384,340	32
				118,289,171
2	INCOME ON INVESTMENTS:			
	a) Income on equity investments	33	507,029	
	(of which: from group companies	34	507,029	
	b) Income on other investments:			
	aa) land and buildings	35		
	bb) other investments	36	31,787,106	37
	(of which: from group companies	38	2,348	
	c) Adjustments to investment values	39	801,364	
	d) Profit on sale of investments	40	870,229	
	(of which: from group companies	41		42
				33,965,728
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT			43
				8,887,161
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			44
				557,216
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:			
	a) Amounts paid			
	aa) Gross amount paid	45	131,650,978	
	bb) (-) reinsurers' share	46	6,226,238	47
				125,424,740
	b) Change in reserve for amounts payable			
	aa) Gross amount	48	-4,119,808	
	bb) (-) reinsurers' share	49		50
				-4,119,808
				51
				121,304,932
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE			
	a) Mathematical reserves:			
	aa) Gross amount	52	6,128,216	
	bb) (-) reinsurers' share	53	-5,421,003	54
				11,549,219
	b) Complementary insurance premium reserve:			
	aa) Gross amount	55	-12,746	
	bb) (-) reinsurers' share	56		57
				-12,746
	c) Other technical reserves			
	aa) Gross amount	58	-1,072,843	
	bb) (-) reinsurers' share	59	17,823	60
				-1,090,666
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management			
	aa) Gross amount	61	-1,029,888	
	bb) (-) reinsurers' share	62		63
				-1,029,888
				64
				9,415,919

Previous year

		140	127,535,893			
		141	1,268,885	142	126,267,008	
		143	2,261,365			
(of which: from group companies		144	2,261,365)			
	145					
	146	29,339,319	147	29,339,319		
(of which: from group companies		148	3,890)			
		149	94,453			
		150	1,180,922			
(of which: from group companies		151)	152	32,876,059	
				153	3,742,830	
				154	648,253	
	155	138,463,904				
	156	5,676,356	157	132,787,548		
	158	-3,198,788				
	159	-372,901	160	-2,825,887	161	129,961,661
	162	5,874,421				
	163	-4,454,462	164	10,328,883		
	165	3,003				
	166		167	3,003		
	168	-558,023				
	169	-4,856	170	-553,167		
	171	-14,992,694				
	172		173	-14,992,694	174	-5,213,975

PROFIT AND LOSS ACCOUNT

Current year

7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE			65	8,237
8	OPERATING COSTS:				
	a) Acquisition commissions	66	4,693,394		
	b) Other acquisition costs	67	6,480,796		
	c) Change in commissions and other acquisition costs to be amortised	68	293,481		
	d) Premium collection commissions	69	1,363,718		
	e) Other administrative costs	70	2,910,640		
	f) (-) Profit participation and other commissions received by reinsurers	71	254,135	72	14,900,932
9	CAPITAL AND FINANCIAL CHARGES:				
	a) Investment management charges and interest payable	73	2,642,016		
	b) Adjustments to investment values	74	2,830,934		
	c) Loss on sale of investments	75	46,601	76	5,519,551
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	1,784,615
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			78	857,083
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)			79	3,112,012
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)			80	4,795,995
III. NON-TECHNICAL ACCOUNT					
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I. 10)			81	79,257,938
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II. 13)			82	4,795,995
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:				
	a) Income on equity investments	83	500,538		
	(of which: from group companies	84	500,538)		
	b) Income on other investments:				
	aa) land and buildings	85	207,749		
	bb) other investments	86	32,271,695	87	32,479,444
	(of which: from group companies	88	36,348)		
	c) Adjustments to investment values	89	1,244,722		
	d) Profit on sale of investments	90	1,897,543		
	(of which: from group companies	91		92	36,122,247

Previous year

			175	5,981

		176	6,326,848	
		177	6,754,069	

		178	1,590,247	
		179	1,213,876	
		180	3,178,357	
		181	60,116	
		182	15,822,787	

		183	2,809,795	
		184	6,221,948	
		185	4,740	
		186	9,036,483	

		187	9,216,998	

		188	185,527	

		189		

		190	4,518,688	

		191	37,457,263	

		192	4,518,688	

		193	561,474	
		194	561,474	
	(of which: from group companies	-----)
		195	206,338	
		196	23,681,546	
		197	23,887,883	
	(of which: from group companies	198	74,379)

		199	437,920	
		200	239,482	
	(of which: from group companies	201)
		202	25,126,760	

PROFIT AND LOSS ACCOUNT

Current year

4	(+) INCOME ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (caption II) 12)		93	3,112,012
5	CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:			
	a) Investment management charges and interest payable	94	4,219,754	
	b) Adjustments to investment values	95	15,387,147	
	c) Loss on sale of investments	96		97
6	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)		98	13,299,643
7	OTHER INCOME		99	3,917,426
8	OTHER CHARGES		100	16,527,703
9	RESULT OF ORDINARY BUSINESS		101	77,771,371
10	EXTRAORDINARY INCOME		102	12,303,424
11	EXTRAORDINARY EXPENSE		103	716,855
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS		104	11,586,569
13	PROFIT (LOSS) BEFORE TAXATION		105	89,357,940
14	TAXATION ON PROFIT FOR THE YEAR		106	31,875,926
15	NET PROFIT (LOSS) FOR THE YEAR		107	57,482,014

Previous year

			203	
	204	2,594,210		
	205	5,639,225		
	206	4,028,053	207	12,261,488
			208	10,402,087
			209	5,116,592
			210	11,756,100
			211	37,799,628
			212	15,152,041
			213	3,047,450
			214	12,104,591
			215	49,904,219
			216	14,574,951
			217	35,329,268

EXPLANATORY NOTES TO ACCOUNTS

To Our Shareholders

Together with the Balance Sheet and Income Statement for the financial year ending on 31 December 2012, we also submit for your approval these Explanatory Notes, which, pursuant to Article 2423 of the Italian Civil Code, are an integral part of the year-end financial statements.

Format and content of year-end financial statements

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

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

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

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

Part A – Accounting policies

Part B – Information on the balance sheet and income statement

Part C – Other information and cash flow statement.

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

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

Restated balance sheet captions are shown net of reinsurance effects.

Other disclosures

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

Reclassified balance sheet

(€/000)

ASSETS	31/12/2012	31/12/2011
Investments		
Land and buildings	192,988	185,685
Investments in group and other companies		
- Equity investments	173,314	160,915
- Loans	5,200	5,200
Other financial investments:		
- Unit trust units	25,909	5,240
- Bonds and other fixed-interest securities	1,438,363	1,380,354
- Loans	9,351	9,777
Deposits with ceding companies	4,618	225
Investments benefiting life policyholders	60,434	61,464
Total investments	1,910,177	1,808,860
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	64,862	67,997
- Insurance brokers and agents	92,738	81,721
- Current account companies	8,164	9,657
- Amounts to be recovered from policyholders and third parties	47,203	53,292
Receivables relating to reinsurance business	4,603	3,818
Other receivables	39,127	30,657
Total receivables	256,697	247,142
Intangible assets	44,210	46,914
Tangible assets and inventory	8,306	8,893
Liquid funds	125,973	72,144
Other assets	54,501	37,465
Prepayments and accrued income	23,185	21,020
TOTAL ASSETS	2,423,049	2,242,438

Reclassified balance sheet

(€/000)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2012	31/12/2011
Shareholders' equity		
- Share capital	67,379	67,379
- Share premium reserve	33,355	33,355
- Revaluation reserves	10,939	10,939
- Legal reserve	11,904	11,107
- Other reserves	183,624	160,545
- Net profit (loss) for the year	57,482	35,329
Total shareholders' equity	364,683	318,654
Technical reserves, net of reinsurance		
- Premium reserve	331,237	310,672
- Claims reserve	747,294	654,027
- Mathematical reserves	734,762	716,974
- Reserve for amounts payable	22,031	26,151
- Other technical reserves	16,008	16,667
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	60,434	61,464
Total technical reserves	1,911,766	1,785,955
Payables		
Deposits from reinsurers	19,510	24,418
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	3,956	4,285
- Current account companies	1,950	1,632
- Guarantee deposits and premiums paid by policyholders	43	239
- Guarantee funds in favour of policyholders	4,002	4,576
Payables arising from reinsurance business	11,785	11,190
Other sums payable	75,607	58,302
Total payables	116,853	104,642
Provisions for contingencies and other charges	3,785	9,500
Employees' leaving entitlement	3,433	3,806
Other liabilities	22,509	19,855
Accrued expenses and deferred income	20	26
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,423,049	2,242,438

Reclassified individual profit and loss account

(€/000)

	31/12/2012	31/12/2011
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	119,407	127,273
(-) Charges relating to claims	127,024	135,211
(-) Change in mathematical and other technical reserves	3,815	-9,650
(+) Other technical captions, net	-308	456
(-) Operating costs	15,082	15,863
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	25,334	23,840
(+) income on investments where policyholders bear the risk - Class D	7,103	-5,474
Direct insurance result	5,615	4,671
Outwards reinsurance result	-307	-365
Retained direct insurance result	5,308	4,306
Indirect and retroceded insurance result	-512	213
Result of life business technical account	4,796	4,519
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	898,512	809,904
(-) Change in premium reserve	21,787	45,842
(-) Charges relating to claims	594,942	542,385
(+) Other technical captions, net	-12,689	-4,259
(-) Operating costs	204,373	188,218
Direct insurance result	64,721	29,200
Outwards reinsurance result	1,605	-1,635
Retained direct insurance result	66,326	27,565
Indirect and retroceded insurance result	68	52
Total retained direct insurance result	66,394	27,617
(-) Change in equalisation reserves	436	562
(+) Income on investments transferred from the non-technical account	13,300	10,402
Result of non-life business technical account	79,258	37,457
Result of technical account	84,054	41,976
(+) Income on non-life business investments net of the portion transferred to the technical account	3,216	2,463
(+) Income on investments transferred from the life business technical account	3,112	-
(+) Other income	3,917	5,117
(-) Other charges	16,527	11,756
Result of ordinary business	77,772	37,800
(+) Extraordinary income	12,302	15,151
(-) Extraordinary expense	716	3,047
Profit (loss) before taxation	89,358	49,904
(-) Taxation on profit for the year	31,876	14,575
Net profit (loss)	57,482	35,329

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 ISVAP (now IVASS) regulation no. 22 of 4 April 2008 and of dispositions require by corporate law (Italian Legislative Decree no. 6 of 17 January 2003 and the following integrations and modifications), are described below.

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

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

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

Technical insurance captions

Classification of risks by business line

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

NON-LIFE

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

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

LIFE

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

Gross premiums

LIFE/ NON-LIFE

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

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

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

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

Operating costs

NON-LIFE/
LIFE

Operating costs include:

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

Premium reserve

NON-LIFE

The Non-Life premium reserve is calculated on a pro-rata temporis basis, contract by contract, based on premiums written net of direct 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 (now IVASS) 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 (now IVASS) Regulation no. 16 of 4 March 2008 defines the business lines and the criteria of calculation, which are recalled below:

- Suretyship insurance: the additional reserve follows the criteria envisaged by article no. 14 of above mentioned Regulation;
- Hail insurance: the additional reserve follows the criteria envisaged by articles no. 16 and 17 of above mentioned Regulation;

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

The premium reserve is supplemented by:

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

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

Other technical reserves

NON-LIFE

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

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

The estimate is based on a comparison between estimated cash inflows (all premiums expected to be collected in future years on the contracts held in portfolio at December 2012) and estimated cash outflows (all losses expected to be paid for the contracts held in portfolio at December 2012).

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

Equalisation reserves

NON-LIFE

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

The item includes:

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

Equalisation reserving for 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	<p>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.</p> <p>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.</p>
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Claims reserve

NON-LIFE	<p>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).</p>
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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 (now IVASS) Regulation no. 16 of 4/03/2008.

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

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

The claims reserve includes the estimate for IBNR claims, i.e. claims pertaining to the year that have been incurred but not yet reported by year-end but pertaining to

the year. Amounts are calculated considering the average cost of the current generation.

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

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

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

Mathematical reserves and other technical reserves

LIFE

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

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

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

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

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

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

Reversals and profit participation

NON-LIFE/LIFE

Profit participation includes all amounts pertaining to the year, paid and to be paid to Profit participation includes all amounts pertaining to the year, paid and to be paid to policyholders or other beneficiaries, including amounts used to increase technical reserves or reduce future premiums, as long as they constitute distribution of technical profits arising from non-life and life insurance activities, after deduction of amounts accrued in previous years' that are no longer necessary.

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

Other technical costs

LIFE/
NON-LIFE

Other technical costs include:

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

Other technical income

LIFE/
NON-LIFE

Other technical income includes:

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

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 (now IVASS), a part of investment income, net of financial charges, from the non-technical to the technical account.

ISVAP (now IVASS) 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 (now IVASS), 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 (now IVASS) 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.

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 (now IVASS) 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 (now IVASS) ordinance of 1707/1996 (use of financial derivatives by insurance companies) and the ISVAP (now IVASS) 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;
- Goodwill is recognised as an asset upon approval of the board of statutory auditors, if acquired against payment, within the limit of the amount paid and is amortised in 5 years. If the goodwill residual useful life is reasonably higher than five years, the amortisation period can be extended up to twenty years, giving appropriate disclosure.

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

NON-LIFE

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

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

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

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

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

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

Conversion into euro

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

Part B

Information on Balance Sheet and Income Statement

BALANCE SHEET

ASSETS

CLASS B – INTANGIBLE ASSETS

	31/12/2011	31/12/2012	Change
	46,914	44,210	-2,704

Intangible assets are stated net of amortisation of € 9,057 thousand (2011: € 8,140 thousand). Amortisation is calculated as stated in "Part A - Accounting policies" of these Explanatory Notes. The Appendix 4 to these Explanatory Notes detailed changes over the year.

B.1 – Deferred Acquisition costs

	31/12/2011	31/12/2012	Change
	8,334	8,247	-87

Acquisition commissions are amortised as described in the "Accounting Policies" chapter. If all policies have reached their full maturity, the different duration used for amortisation vs. actual policy duration would have led to an increase in shareholders' equity, before the related tax effect, in shareholders' equity of € 718 thousand (2011: € 945 thousand) for the Life business.

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

	31/12/2011	31/12/2012	Change
	4,572	4,865	+293

Life business deferred acquisition commissions changed due to:

commissions on policies acquired in the year	+1,441
commissions for policies cancelled in the year	-285
annual amortization	-863

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

	31/12/2011	31/12/2012	Change
	3,762	3,382	-380

Non-Life business deferred acquisition commissions changed due to:

commissions on policies acquired in the year	+3,297
annual amortization	-3,677

B.4 – Goodwill

	31/12/2011	31/12/2012	Change
	2,060	1,774	-286

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

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

The first item is amortised in 5 years charging € 279 thousand to 2012 profit and loss; the VIF is amortised on the basis of the expected useful life of the portfolio acquired, charging € 7 thousand to 2012 profit and loss.

B.5 – Other deferred costs

	31/12/2011	31/12/2012	Change
	36,520	34,189	-2,331

Deferred expenses, stated in year-end accounts at cost, are directly amortised. The decreasing over the year of € 2,331 thousand is due to acquisitions for € 6,767 thousand, amortisation for € 8,771 thousand and net disposals for € 327 thousand.

Changes over the year are shown in the following table:

	31/12/2011	31/12/2012	Change
Software applications	32,451	31,404	-1,047
Software applications under completion	667	359	-308
Refurbishment of HQ and agency premises	1,176	1,257	81
Other deferred costs	2,226	1,169	-1,057
Total	36,520	34,189	-2,331

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

The item "Other deferred costs" refers to costs borne mainly for new agencies start-up process.

CLASS C - INVESTMENTS

	31/12/2011	31/12/2012	Change
	1,747,395	1,849,743	+102,348

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

C.I Land and buildings

	31/12/2011	31/12/2012	Change
	185,684	192,988	+7,304
<i>Of which:</i>			
C.I 1. Operating buildings	97,834	94,697	3,137
C.I 2. Buildings used by third parties	17,442	16,244	-1,198
C.I 5. Assets under construction and payments on account	70,408	82,047	+11,639

The most significant increments are due to the necessary revaluation carried out pursuant to the following Law Decrees:

- Monetary – law 576/75 e law 72/83 509
- Tax reasons and voluntary 1,019
- Mandatory – law 413/91 897
- Law of 28 January 2009 – no. 2 11,206

Change over the year is mainly due to the growing changing for assets about to be completed and for decreasing changing for impairment on buildings equal to € 808 thousand, annual amortization for a total amount of € 4,045 thousand relating to the company's headquarter in Milan, of which € 3,647 thousand relating to owner occupied properties and for € 398 thousand relating to owner not occupied properties.

C.II Investments in group and in other companies

	31/12/2011	31/12/2012	Change
	166,115	178,514	+12,399

The total value of subsidiaries, affiliates, associates and other companies are shown below. Details and related changes involving these companies are shown in Appendices 6 and 7 to these Explanatory Notes. Any differences between acquisition value and Associated shareholder's equity are attributable to surplus values not recognised to equity.

C.II 1. Equity investments

	31/12/2011	31/12/2012	Change
	160,915	173,314	+12,399

C.II 1.b Subsidiaries

	31/12/2011	31/12/2012	Change
	81,537	125,203	+43,666

Changes over the year are referred to:

- Vittoria Immobiliare S.p.A.: € 38,000 thousand were paid as additional paid-in capital;
- Vittoria Properties S.r.l.: € 6,930 thousand were paid as additional paid-in capital, of which € 4,950 thousand in the share premium reserve;
- Vittoria Service S.r.l.: write-down of € 1,264 thousand for this investment.

Financial instruments allocated to Life segregated funds amounted to € 48,454 thousand.

C.II 1.d Associated companies

	31/12/2011	31/12/2012	Change
	42,078	14,375	-27,703

Changes over the year are mainly due to:

- Consorzio Movincom S.c.r.l.: paying out to cover loss and write-down of € 30 thousand for this investment;
- GIMA Sicar S.A.: € 2,429 thousand paid as call of capital increase and received € 17,394 thousand as capital reimbursement;
- Laumor Partners Sarl Sicar: received € 7,390 thousand as capital reimbursement;
- Sint S.p.A.: € 2,554 thousand were paid as additional paid-in capital and recognising write-down of € 5,032 thousand;
- Touring Vacanze S.r.l.: write-down of € 767 thousand for this investment;
- White Sarl Sicar: write-down of € 714 thousand and received € 2,536 thousand as capital reimbursement;
- Yarpa S.p.A.: € 1,147 thousand were paid as call of capital increase.

C.II 1.e Other investee companies

	31/12/2011	31/12/2012	Change
	37,300	33,736	-3,564

Changes over the year are referred to the following operations:

- Gruppo GPA S.p.A.: write-down of € 2,000 thousand for this investment;
- Medinvest International S.C.A.: write-down of € 714 thousand for this investment;
- Mediobanca S.p.A.: write-down of € 849 thousand for this investment;
- Purchased n. 1,000 units of U.C.I. S.cons.r.l. for € 1 thousand.

C.II 3. Loans to group companies

	31/12/2011	31/12/2012	Change
	5,200	5,200	-

Of which:

C.II 3.b Subsidiaries

	31/12/2011	31/12/2012	Change
	50	50	-

The amount as at 31 December 2012 entirely referred to the loan toward Interbilancia Srl. The loan duration is more than 1 year and the current interest rate applied is 0,20% as a short term loan.

C.II 3.d Associated companies

	31/12/2011	31/12/2012	Change
	5,000	5,000	-

The amount as at 31 December 2012 entirely referred to the loan toward Spffin Finanziaria SpA. The loan duration is more than 1 year and the current interest rate applied is 0.29%.

C.II 3.e Other companies

	31/12/2011	31/12/2012	Change
	150	150	-

The amount as at 31 December 2012 entirely referred to the loan toward GPA Group SpA. The loan duration is more than 1 year and the current interest rate applied is 1.11%.

C.III Other financial investments

	31/12/2011	31/12/2012	Change
	1,395,371	1,473,623	+78,252

The account refers to the following items:

C.III 2 Units in mutual investment funds

	31/12/2011	31/12/2012	Change
	5,240	25,909	+20,669

The change is mainly due to the following transactions:

- purchasing of the closed-end investment fund Alfa for € 6,706 thousand;
- purchasing of the closed-end investment fund Beta for € 18,029 thousand;
- liquidation of BNP INSTICASH fund for € 4,066 thousand realising gain for € 69 thousand.

Financial instruments allocated to Life segregated funds amounted to € 1,174 thousand.

C.III 3 Bonds and other fixed-income securities

	31/12/2011	31/12/2012	Change
	1,380,354	1,438,363	+58,009
<i>Of which:</i>			
C.III 3.a Listed	1,376,511	1,433,372	+56,861
C.III 3.b Not listed	3,843	4,991	+1,148

The following table provides a breakdown of the bond portfolio as at 31 December 2012:

- Italian government securities 90.0%
- Foreign government securities 5.4%
- Italian corporate bonds 0.9%
- Foreign corporate bonds 3.7%

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

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

- increase depending on normal portfolio management and trading for € 398,941 thousand and decrease depending on reimbursements and sales for € 349,059 thousand;
- adjustment of zero coupon for € 5,588 thousand;
- transfer at fair value, following policy surrenders, of securities from Class D to Class C for € 12 thousand;
- adjustment for positive and negative trading margins respectively for € 3,107 thousand and € 3,137 thousand;
- impairment of Greek government bonds for € 1,890 thousand;
- recovery of past losses for € 2,046 thousand;
- impairment of EUROP.CREDIT.LUX S20 16/07/2014 at the redemption value of 10 January 2013 for € 104 thousand;
- appreciation of BTP I/L 15.09.2016 2.10% inflation-indexed for € 224 thousand;

- adherence to the swap option related to the Greek sovereign debt Bonds (the so-called PSI - Private Sector Involvement) that was offered in the context of the EU bailout plan of 24th February 2012 caused a €3,487 thousand outflow of the original Bonds that were traded out and a corresponding inflow of the Bonds that were received in exchange. Accruals related to interest for an amount of €229 thousand were added to these Bonds.

Financial instruments allocated to Life segregated funds amounted to € 598,997 thousand.

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

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

- decrease depending on reimbursements for € 1,938 thousand;
- purchasing of certificates of deposit for € 2,920 thousand;
- adjustment for positive issue differentials for € 166 thousand.

Financial instruments allocated to Life segregated funds amounted to € 108 thousand.

The following table provides a comparison of the financial instruments required by Article 2427/2 of the Italian Civil Code, as at 31 December 2012, of the book value with the relative «fair value» from the market trend at year end.

	Account class	Carrying value FY 2012	Fair value	Notes
(€/000)				
Investments - Other investee companies		178,514	187,086	
- Equity investments in other investee companies	C.II.1	173,314	181,886	
<i>of which carried at a value higher than fair value</i>		<i>18,638</i>	<i>13,996</i>	1)
- Bonds issued by other investee companies	C.II.3.b)	50	50	
- Loans to affiliate companies	C.II.3.d)	5,000	5,000	
- Loans to other investee companies	C.II.3.e)	150	150	
Other financial investments		1,473,623	1,527,636	
- Units in mutual investment funds	C.III.2	25,909	26,415	(*)
<i>of which carried at a value higher than fair value</i>		<i>6,706</i>	<i>6,663</i>	2)
- Bonds and other fixed-income securities	C.III.3	1,438,363	1,491,870	(*)
<i>of which carried at a value higher than fair value</i>		<i>163,711</i>	<i>160,839</i>	3)
- Loans	C.III.4	9,351	9,351	

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

1) Related to shareholding in Mediobanca.

2) Related to the closed-end investment fund Alfa.

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

	31/12/2011	31/12/2012	Change
	9,777	9,351	-426
<i>Of which:</i>			
C.III 4.a Secured loans	5,263	4,709	-554
C.III 4.b Loans against insurance policies	3,273	2,786	-487
C.III 4.c Other loans	1,241	1,856	+615

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

C.III 4.a Secured loans

	31/12/2011	31/12/2012	Change
	5,263	4,709	-554

The item consists solely of mortgage loans granted by the company. The minimum interest rate applied to mortgages is 3.0%.

The amount of mortgage with a residual duration of more than 1 year and 5 years is, respectively € 4,702 thousand and € 2,813 thousand.

C.III 4.b Loans against insurance policies

	31/12/2011	31/12/2012	Change
	3,273	2,786	-487

These are loans granted to company Life policyholders.

These loans can be considered to have a duration of more than 5 years. The current interest rate applied to the loans is equal to the rate of return of segregated funds retroceded to policyholders, increased by 1 point.

C.III 4.c Other loans

	31/12/2011	31/12/2012	Change
	1,241	1,856	+615

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

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

The amount of loans with a residual duration of more than 1 year and 5 years is, respectively € 1,390 thousand and € 728 thousand.

C.IV Deposits with ceding companies

	31/12/2011	31/12/2012	Change
	225	4,618	+4,393

The amount of these deposits relates to the technical reserves for indirect business. Increasing over the year is mainly due to the inward reinsurance contract for Life business with Scor for € 4,402 thousand.

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

31/12/2011	31/12/2012	Change
61,464	60,434	-1,030

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

31/12/2011	31/12/2012	Change
51,120	48,355	-2,765

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

Index - Linked portfolio	-455
• decreases due to redemptions	-878
• adjustment for positive issue differentials	+3
• alignment at fair value - write-ups	+420
Unit - Linked portfolio	-2,310
• increase due to purchase and subscription of securities	+3,857
• decreases following sales of securities, redemptions and switch	-11,086
• profit/loss on internal fund management	+4,144
• alignment at fair value - write-ups	+786
• alignment at fair value - write-downs	-11

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

D.II Investments relating to pension fund management

31/12/2011	31/12/2012	Change
10,344	12,079	+1,735

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

• balance of social security management (net collection)	+225
• financial management result	+1,856
• management expenses	-159
• substitute tax receivable	-187

These investments are entirely concerning to the open pension fund called “Vittoria Formula Lavoro” and are shown in the Appendix 12 to these Explanatory Notes.

For further details, please refer to the Pension fund’s annual report, enclosed to this annual financial report.

CLASS D bis – REINSURERS' SHARE OF TECHNICAL RESERVES

	31/12/2011	31/12/2012	Change
	73,223	71,750	-1,473

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

Their breakdown by insurance segment is as follows:

	31/12/2011	31/12/2012	Change
D Bis. I Non - Life business	56,453	60,383	+ 3,930
<i>Of which:</i>			
Premium reserve	13,379	14,562	+ 1,183
Claims reserve	43,074	45,821	+ 2,747
D Bis. II Life business	16,770	11,367	- 5,403
<i>of which:</i>			
Mathematical reserves	16,753	11,332	- 5,421
Other technical reserves	17	35	+ 18

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

CLASS E - RECEIVABLES

	31/12/2011	31/12/2012	Change
	247,142	256,698	+9,556

The amount is payable from 2013. This item is shown net of related adjustment provisions.

The changes over the year are detailed as follows:

E.I Receivables relating to direct insurance transaction

	31/12/2011	31/12/2012	Change
	212,667	212,967	+300
<i>Towards:</i>			
E.I.1 Policyholders	67,997	64,862	-3,135
E.I.2 Insurance agents and brokers	81,721	92,738	+11,017
E.I.3 Insurance companies – current accounts	9,657	8,164	-1,493
E.I.4 Policyholders and third parties for recoverables	53,292	47,203	-6,089

In particular:

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

	31/12/2011	31/12/2012	Change
	67,997	64,862	-3,135
<i>Of which:</i>			
E.I 1.a For current years' premiums	59,804	64,676	+4,872
E.I 1.b For previous years' premiums	8,193	186	-8,007

This item is shown net of related adjustment provisions, which, as at 31 December 2012, totalled € 14,097 thousand (€ 4,097 thousand as at 31 December 2011).

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

	31/12/2011	31/12/2012	Change
	81,721	92,738	+11,017

These are amounts receivable from insurance agents and brokers, net of related provision, which, as at 31 December 2012, totalled € 6,305 thousand (€ 4,306 thousand as at 31 December 2011).

Receivables from agents include for € 14,098 thousand charge-backs against leaving indemnities paid to agents. € 78,640 thousand of the residual amount, receivable of € 7,691 thousand was still to be paid on 28 February 2013.

In addition, the total amount includes receivables toward subsidiary companies, in particular, Aspevi Roma Srl for € 1,675 thousand and Aspevi Milano Srl for € 6,931 thousand.

The amount of receivables with a residual duration of more than 1 years and 5 year, are respectively € 12,172 thousand and € 5,746 thousand.

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

	31/12/2011	31/12/2012	Change
	9,657	8,164	-1,493

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

	31/12/2011	31/12/2012	Change
	53,292	47,203	-6,089

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

E.II - Receivables relating to reinsurance business

	31/12/2011	31/12/2012	Change
1. Insurance and reinsurance companies	3,818	4,603	+785

This item comprises receivables stemming from current accounts reflecting the results of technical management of reinsurance treaties net of related provision of € 2,114 thousand (€ 1,304 thousand as at 31 December 2011).

E.III – Other receivables

	31/12/2011	31/12/2012	Change
	30,657	39,127	+8,470

The most significant items forming “Other receivables” are:

- receivables from Financial Administration for € 32,341 thousand for tax credits on mathematical reserves in accordance with D.L. 209/2002, advance payouts on Non – Life business (ex D.L. 282/2004), Group’s VAT receivable and receivables on local tax (IRPEG and IRES) for which reimbursement has been requested including related interests (€ 26,290 thousand as at 31 December 2011); these receivables are considered collectable essentially by next year. These receivables include also receivables stemming from tax consolidation;
- receivables from employees for € 331 thousand (€ 551 thousand as at 31 December 2011);
- receivables for insurance agreements for € 864 thousand (€ 850 thousand as at 31 December 2011);
- advance payouts for claims for € 2,036 thousand (€ 291 thousand as at 31 December 2011);
- receivables toward subsidiary companies for € 858 thousand for tax consolidation (€ 37 thousand as at 31 December 2011).

The amount of receivables with a residual duration of more than 1 and 5 years are, respectively, € 13,780 thousand and € 103 thousand.

CLASS F – OTHER ASSETS

	31/12/2011	31/12/2012	Change
	118,503	188,781	+70,278

Of which:

F. I Tangible assets and inventory

	31/12/2011	31/12/2012	Change
	8,893	8,306	-587
F. I.1 Office, furniture & machinery, and internal transport systems	7,984	7,354	-630
F. I.2 Registered chattels	82	144	62
F. I.3 Plant and equipment	827	808	-19

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

	31/12/2011	31/12/2012	Change
Furniture	5,547	5,344	-203
Fittings	713	785	+72
Ordinary office machinery	1,254	833	-421
Electronic office machinery	470	392	-78
Total	7,984	7,354	-630

Assets related to the item F.I Tangible assets and inventory are stated at cost less cumulative depreciation. The change is due to the purchases during the year for € 1,619 thousand and amortisation for € 2,194 thousand and net disposals for € 12 thousand.

F. II Cash & cash equivalents

	31/12/2011	31/12/2012	Change
	72,144	125,974	+53,830

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

The total amount is composed for € 125,967 thousand by bank deposits and post office current accounts and for € 7 thousand by cheques and cash in hand.

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

F. IV Other assets

	31/12/2011	31/12/2012	Change
	37,466	54,501	+17,035

The main items forming this caption are shown below:

- deferred tax assets relating to previous years' taxable items for € 53,600 thousand (€ 36,790 thousand as at 31 December 2011). For details, reference should be made to the schedule shown later on in the chapter "Information on the balance sheet and income statement";
- invoices to be issued and credit notes to be received for € 661 thousand (€ 515 thousand as at 31 December 2011).

CLASS G – ACCRUED INCOME & PREPAID EXPENSES

	31/12/2011	31/12/2012	Change
	21,020	23,185	+2,165
G.1 Interest	16,130	18,534	+2,404
G.2 Rent instalments	1,181	209	-972
G.3 Other accrued income & prepaid expenses	3,709	4,442	+733

G.1 Interest

This refers mainly to interest totalling € 18,464 thousand on fixed-income securities (€ 16,056 thousand as at 31 December 2011).

G.2 Rent instalments

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

G.3 Other accrued income & prepaid expenses

The item refers to prepaid expenses calculated on miscellaneous invoices.

BALANCE SHEET

LIABILITIES

CLASS A – SHAREHOLDERS' EQUITY

	31/12/2011	31/12/2012	Change
	318,655	364,683	+46,028

The outline of changes in shareholders' equity as at 31 December 2012 is shown below, as required by Article 2427 Civil Code:

	(€/000)						
	Share capital	Legal reserve	Share premium	Revaluation reserve (1)	Available reserve	Net profit for the year	Total
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	-	-
Allocation to earnings reserve 2007	-	443	-	-	30,499	30,942	-
Revaluation real estate 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
Dividend distribution	-	-	-	-	-	11,180	11,180
Loan conversion	23	-	31	-	-	-	54
Allocation to earnings reserve 2008	-	1,897	-	-	24,862	26,759	-
Revaluation real estate reserve	-	-	-	52	-	-	52
2009 net profit	-	-	-	-	-	24,290	24,290
Balance as at 31/12/2009	65,789	8,430	31,129	10,939	132,316	24,290	272,893
Dividend distribution	-	-	-	-	-	11,184	11,184
Loan conversion	1,590	-	2,226	-	-	-	3,816
Allocation to earnings reserve 2009	-	1,215	-	-	11,891	13,106	-
2010 net profit	-	-	-	-	-	29,256	29,256
Balance as at 31/12/2010	67,379	9,645	33,355	10,939	144,207	29,256	294,781
Dividend distribution	-	-	-	-	-	11,455	11,455
Allocation to earnings reserve 2010	-	1,462	-	-	16,339	17,801	-
2011 net profit	-	-	-	-	-	35,329	35,329
Balance as at 31/12/2011	67,379	11,107	33,355	10,939	160,546	35,329	318,655
Dividend distribution	-	-	-	-	-	11,454	11,454
Allocation to earnings reserve 2011	-	797	-	-	23,078	23,875	-
2011 net profit	-	-	-	-	-	57,482	57,482
Balance as at 31/12/2012	67,379	11,904	33,355	10,939	183,624	57,482	364,683

(1) As at 31/12/2012 the item comprise reserve pursuant to Italian Laws 2/2009

As at 31 December 2012 share capital, fully paid in, consisted of 67,378,924 ordinary shares of a par value of € 1.00 each, authorised, issued and fully released.

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

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 31/12/2012	Possibility of utilization (*)	Available amount	Summary of utilisation in the previous 3 financial years	
				to cover losses	for other reasons
Share capital	67,379				
Equity reserves					
Share premium reserves	33,355	A, B, C	31,782		
Revaluation reserves (2)					
Revaluation reserve - Law 185/2008	10,939	A, B, C	10,939		
Earnings reserves					
Legal reserve	11,903	B	-		
Other available reserves	183,624	A, B, C	183,624		-
Net profit for the year	57,482	A, B, C	57,482		
Total shareholders' equity	364,682		283,827		
Non-distributable portion of share premium reserve (1)			1,573		
Non-distributable portion (3)			-		
Residual distributable portion			283,827		

(*) A: for capital increases

B: to cover losses

C: for distribution to shareholders

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

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

(3) 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 C – TECHNICAL RESERVES

	31/12/2011	31/12/2012	Change
	1,797,714	1,923,084	+125,370

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

C.I – Non-Life business

	31/12/2011	31/12/2012	Change
	1,025,368	1,143,568	+118,200
C.I.1 - Premium reserve	324,052	345,800	+21,748
C.I.2 - Claims reserve	697,100	793,115	+96,015
C.I.4 - Other technical riserve	409	409	-
C.I.5 - Equalisation reserve	3,807	4,244	+437

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

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

C.I.1 – Premium reserve

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

	31/12/2011	31/12/2012	Change
For directly insured risks	323,933	345,720	+ 21,787
For inwardly insured risks	119	80	- 39
Gross reserves	324,052	345,800	+ 21,748
Reinsurers' share	13,379	14,563	+ 1,184
Net reserves	310,673	331,237	+ 20,564

Pro-rata temporis reserve integrations of FY2012 are concerned to Bond and Accident lines, Fire and Miscellaneous damage in relation to earthquake risk.

In accordance with the IVASS clarification regarding an Additional reserve for Hail line of business, the Company did not set up this reserve considered the lack of risks existing as at 31 December 2012.

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:

	31/12/2011	31/12/2012	Change
Pro-rata temporis reserve	315,134	339,990	+ 24,856
Unexpired risks reserve	-	2,037	+ 2,037
Additions to pro-rata temporis reserve	8,799	3,693	- 5,106
Total direct insurance premium reserve	323,933	345,720	+ 21,787

Unexpired risk reserve as at 31 December 2012 is referred to Miscellaneous damage line and has been evaluated in accordance with the IVASS Regulation n. 16 article 11, set out in "Part A - Accounting policies" to this financial report.

C.I.2 – Claims reserve

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

	31/12/2011	31/12/2012	Change
For directly insured risks	696,344	792,317	+ 95,973
For inwardly insured risks	756	798	+ 42
Gross reserves	697,100	793,115	+ 96,015
Reinsurers' share	42,786	45,539	+ 2,753
Retrocessionaries' share	287	282	- 5
Net reserves	654,027	747,294	+ 93,267

Non-Life Business:

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

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

The actuarial method identified – agreed with the appointed Motor TPL actuary – is of the Chain-Ladder type. This method estimates the amount of future payments, until run-off of generations, constructing – using the historical series available – the triangles of cumulative amounts paid (organised by event) and calculating on the latter the observable development factors. These factors are then applied to cumulative data up to the current balance-sheet year to calculate estimated future payments.

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

For pre-KFK claims an adequate number of claims durations is available. Based on these (separately for property-only and hybrid claims), an observable development vector was calculated for the first 10 years. The tail factors were obtained by applying appropriate regression functions.

For KFK claims the historical series of observable data is to 6 years (5 development factors). In order to complete the run-off triangle we used the development-factor vector (property-only or hybrid) obtained for pre-KFK claims, but factoring in appropriate considerations and adjustments based, in particular, on observation on the different speeds of claim settlement by amount.

Other risks:

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

IBNR claims:

Calculation of the reserve for IBNR (incurred but not reported) claims requires estimation for each business of both the number and average cost of late claims. The estimate was made using as its source the balance-sheet input forms for the years 1999-2012 taking in consideration possible gaps between prior year allocation and the final amount.

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

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

C.I.4 - Other technical reserves

	31/12/2011	31/12/2012	Change
	409	409	-

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

Both methods appraised a positive value, but less than 2011 value, therefore we decided to leave the 2011 value.

C.I.5 - Equalisation reserve

	31/12/2011	31/12/2012	Change
	3,807	4,244	+437

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

	<i>Line of business</i>	31/12/2011	31/12/2012	Change
03	Land vehicle hulls	2,208	2,477	+ 269
05	Aircraft hulls	138	138	-
07	Cargo (goods in transit)	99	103	+ 4
08	Fire and natural elements	1,050	1,166	+ 116
09	Other property damage	312	360	+ 48
Total equalisation reserve		3,807	4,244	+ 437

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

C.II - Life business

	31/12/2011	31/12/2012	Change
	772,346	779,516	+7,170
C.II.1 - Mathematical reserves	733,727	746,094	+12,367
C.II.2 - Complementary insurance premium reserve	160	147	-13
C.II.3 - Reserve for payable amounts	26,151	22,031	-4,120
C.II.4 - Profit participation and reversal reserve	42	50	+8
C.II.5 - Other technical reserves	12,266	11,194	-1,072

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

Changes over the year are detailed by line and type in Appendices 14 and 27 to these Explanatory Notes.

C.II.1 - Mathematical reserves

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

	31/12/2011	31/12/2012	Change
For directly insured risks	733,506	741,480	+ 7,974
For inwardly insured risks	221	4,614	+ 4,393
Gross reserves	733,727	746,094	+ 12,367
Reinsurers' share	16,753	11,332	- 5,421
Net reserves	716,974	734,762	+ 17,788

The mathematical reserves comprise an additional reserve for longevity risk relating to annuity agreements and capital agreements with a contractually guaranteed coefficient of conversion to an annuity (art. 50 of ISVAP Regulation no. 21 of 28 March 2008) amounting to € 760 thousand (€ 1,926 thousand in the previous year); in the case of capital agreements, account is taken of the propensity to convert to an annuity when it is calculated.

The mathematical reserves also include additional reserves for the guaranteed interest rate risk (art. 47 of ISVAP Regulation no. 21 of 28 March 2008) amounting to € 1,095 thousand (€ 568 thousand in the previous year), obtained by joint analysis of the asset and liability portfolios of the segregated internal funds "Vittoria Rendimento Mensile" and "Vittoria Valore Crescente", the average rates of return on which were used to value the "Liquinvest" and "Vittoria Previdenza" funds.

C.II.2 - Complementary insurance premium reserve

The complementary insurance premium reserve refers solely to direct business.

C.II.3 - Reserve for payable amounts

Breakdown and changes of reserve for payable amounts over the year are shown in the following table:

	<i>31/12/2011</i>	<i>31/12/2012</i>	<i>Change</i>
For directly insured risks	26,138	22,019	- 4,119
For inwardly insured risks	13	12	- 1
Gross reserves	26,151	22,031	- 4,120

C.II.4 - Profit participation and reversal reserve

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

	<i>31/12/2011</i>	<i>31/12/2012</i>	<i>Change</i>
For directly insured risks	39	47	+ 8
For inwardly insured risks	3	3	-
Gross reserves	42	50	+ 8

C.II.5 - Other technical reserves

The amount of this item as at 31 December 2012 is € 11,194 thousand and refers solely to operating expenses and is split as follows by line of business:

	<i>31/12/2011</i>	<i>31/12/2012</i>	<i>Change</i>
Line of Business I	11,411	10,361	- 1,050
Line of Business III	3	1	- 2
Line of Business IV	97	145	+ 48
Line of Business V	755	687	- 68
Total	12,266	11,194	- 1,072

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

	<i>31/12/2011</i>	<i>31/12/2012</i>	<i>Change</i>
For directly insured risks	12,266	11,194	- 1,072
Gross reserves	12,266	11,194	- 1,072
Reinsurers' share	17	35	+ 18
Net reserves	12,249	11,159	- 1,090

CLASS E – PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES

	31/12/2011	31/12/2012	Change
	9,500	3,785	-5,715
E.2 – Tax provision	8,759	1,894	-6,865
E.3 – Other provisions	741	1,891	+1,150

E.2 – Tax provision

The change mainly was due to:

- provision of deferred tax liabilities relating to accrual of capital gain on financial assets for € 831 thousand (€ 1,103 thousand as at 31 December 2011);
- use of deferred tax liabilities relating to capital gains made in previous financial years for use of portion pertaining to the financial year in question for € 416 thousand (€ 141 thousand as at 31 December 2011);
- use of provision for releasing of Lauro 2000 S.r.l.'s merger deficit for € 5,528 thousand (€ 7,799 thousand as at 31 December 2011);
- use for payment of grater taxes, penalties and interests for € 1,750 thousand stemming from a fiscal investigation from Tax Investigation (Guardia di Finanza).

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

E.3 – Other provisions

The caption as at 31 December 2012 is related to the Sofigea fund - pursuant to Article 7, Italian Legislative Decree 576/78 and a provisioning for litigations in progress for € 1,150 thousand.

CLASS F – DEPOSITS RECEIVED FROM REINSURERS

	31/12/2011	31/12/2012	Change
	24,418	19,510	-4,908

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

CLASS G – PAYABLES AND OTHER LIABILITIES

	31/12/2011	31/12/2012	Change
	103,884	123,285	+19,401
G.I - Payables arising from direct insurance business	10,733	9,951	-782
G.II - Payables arising from reinsurance business	11,190	11,785	+595
G.VII - Reserve for employee severance indemnities	3,806	3,433	-373
G.VIII – Other payables	58,302	75,607	+17,305
G.IX – Other liabilities	19,853	22,509	+2,656

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

G.I - Payables arising from direct insurance business

	31/12/2011	31/12/2012	Change
	10,733	9,951	-782
<i>Of which:</i>			
G.I.1 – due to insurance agents and brokers	4,285	3,956	-329
G.I.2 – due to current accounts with other insurers	1,633	1,950	+317
G.I.3 – due to policyholders for performance deposits and premiums	239	43	-196
G.I.4 – due to guarantee funds for policyholders	4,576	4,002	-574

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

	31/12/2011	31/12/2012	Change
	4,285	3,956	-329

These amounts refer to balances not yet settled as at 31 December 2012 and to indemnities payable for cessation of agency mandates.

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

	31/12/2011	31/12/2012	Change
	1,633	1,950	+317

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

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

	31/12/2011	31/12/2012	Change
	239	43	-196

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

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

	31/12/2011	31/12/2012	Change
	4,576	4,002	-574

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

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

	31/12/2011	31/12/2012	Change
	11,190	11,785	+595

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

G.VII Reserve for employee severance indemnities

	31/12/2011	31/12/2012	Change
	3,806	3,433	-373

The item expresses the retirement allowance provision towards personnel as at 31 December 2012, in compliance with the Italian Civil Code.

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

- decrease due to indemnities paid out for severance and to advance payouts granted for € 512 thousand;
- increase due to provisioning for the year for € 2,086 thousand;
- transfers to Pension Fund and Social Security fund for € 1,947 thousand.

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

	31/12/2011	31/12/2012	Change
	58,302	75,607	+17,305
<i>Of which:</i>			
G.VIII.1 – for policyholders' taxes	18,454	19,912	+1,458
G.VIII.2 – for miscellaneous taxes	13,075	26,624	+13,549
G.VIII.3 – for social security & pension agencies	2,254	3,032	+778
G.VIII.4 – other sundry payables	24,519	26,039	+1,520

G.VIII.1 Other payables for policyholders' taxes

	31/12/2011	31/12/2012	Change
	18,454	19,912	+1,458

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

G.VIII.2 Other payables for miscellaneous taxes

	31/12/2011	31/12/2012	Change
	13,075	26,624	+13,549

The amount as at 31 December 2012 is mainly composed as follows:

- tax deduction on wages & salaries for € 1,041 thousand (€ 919 thousand as at 31 December 2011);
- tax deduction on fees for self-employed staff and advisors for € 531 thousand (€ 523 thousand as at 31 December 2011);
- substitute tax on Lauro 2000 S.r.l.'s merger deficit for € 4,912 thousand (€ 3,336 thousand as at 31 December 2011);
- local tax to be paid (IRES/IRAP) on year's result for 19,757 thousand (€ 6,309 thousand as at 31 December 2011).

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

	31/12/2011	31/12/2012	Change
	2,254	3,032	+778

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

G.VIII.4 Other sundry payables

	31/12/2011	31/12/2012	Change
	24,519	26,039	+1,520

The amount as at 31 December 2012 is mainly composed as follows:

- amounts payable to employees for payments settled in January 2013 and also for accruals for holidays not taken for € 4,699 thousand (€ 3,772 thousand as at 31 December 2011);
- trade payables for € 6,031 thousand (€ 12,683 thousand as at 31 December 2011);
- fees payable to professionals for € 5,146 thousand (€ 3,945 thousand as at 31 December 2011);
- amounts payable to subsidiaries for tax consolidation for € 1,315 thousand (€ 1,199 thousand as at 31 December 2011).

G.IX – Other liabilities

	31/12/2011	31/12/2012	Change
	19,853	22,509	+2,656
<i>Of which:</i>			
G.IX.2 – commissions on premiums under collection	14,347	15,888	+1,541
G.IX.3 – sundry liabilities	5,506	6,621	+1,115

G.IX.2 Commissions on premiums under collection

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

G.IX.3 Sundry liabilities

This item is mainly relative to the following components:

- invoices and notes to be received from suppliers for € 5,625 thousand (€ 5,044 thousand as at 31 December 2011);
- technical accounts to be settled with agencies for € 996 thousand (€ 411 thousand as at 31 December 2011).

CLASS H – ACCRUED LIABILITIES & DEFERRED INCOME

	31/12/2011	31/12/2011	Change
	26	20	-6
H.3 – Other accrued liabilities & deferred income	26	20	-6

H.3 - Other accrued liabilities & deferred income

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

GUARANTEES, COMMITMENTS, AND OTHER MEMORANDUM ACCOUNTS

	31/12/2011	31/12/2012	Change
	1,504,680	1,638,740	+134,060
I. Guarantees given	20,500	20,500	-
II. Guarantees received	8,357	8,744	+387
IV. Commitments	6,165	20,816	+14,615
V. Third-party assets	6,066	6,066	-
VI. Assets pertaining to pension funds managed for and on behalf of third parties	10,344	12,079	+1,735
VII. Securities lodged with third parties	1,453,248	1,570,535	+117,287

I – Guarantees given

	31/12/2011	31/12/2012	Change
I.3 – Other personal guarantees	20,500	20,500	-

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

II – Guarantees received

	31/12/2011	31/12/2012	Change
	8,357	8,744	+387
<i>Of which:</i>			
II.1 - Sureties	6,357	7,084	+627
II.4 – Collateral	1,900	1,660	-240

II.1 - Sureties

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

II.4 - Collateral

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

IV - Commitments

This item as at 31 December 2012 is related to the commitments for private equity operations.

V – Third-party assets

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

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

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

VII – Securities lodged with third parties

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

INCOME STATEMENT

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

	31/12/2011	31/12/2012	Change
	37,457	79,258	+41,801

Technical costs and revenues are classified as follows:

I. 1 – Premiums, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	738,562	848,710	+110,148
<i>Of which:</i>			
a) Gross premiums written	810,030	898,649	+88,619
b) (-) Ceded premiums	26,510	29,372	+2,862
c) (-) Change in gross premium reserve	45,836	21,751	-24,085
d) Change in reinsurers' share of premium reserve	878	1,184	+306

The Company develops its business entirely in Italy. As shown in the Management Report, the Company operates in France on the basis of the free-provision-of-services regime.

The breakdown of premiums by business has been indicated in the Management Report, whilst the classification by line and type is shown in Appendix 25 to these Explanatory Notes.

I. 2 – (+) Portion of investment income transferred from non-technical account

	31/12/2011	31/12/2012	Change
	10,402	13,300	+2,898

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 (now IVASS) Regulation no. 22 of 4 April 2008.

I. 3 – Other technical income, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	3,965	3,046	-919

This item is mainly referred to:

- reversal of commissions for previous years' cancelled premiums for € 483 thousand (€ 141 thousand in the previous year);
- € 1,592 thousand for other technical items mainly relating to recoveries of settlement costs related to claims subject to knock-for-knock agreements (€ 2,105 thousand in the previous year) and € 172 thousand for recoveries on arbitrations of settlement costs related to claims subject to knock-for-knock agreements (€ 193 thousand in the previous year);
- € 550 thousand related to recoveries of receivables for premiums under litigation (€ 398 thousand in the previous year);
- € 176 thousand for recoveries of commissions related to claims in other delegation (€ 116 thousand in the previous year).

I. 4 – Charges relating to claims, net of recoveries and outwards reinsurance

	31/12/2011	31/12/2012	Change
	526,356	571,449	+45,093
<i>Of which:</i>			
aa) Amounts paid – gross amount	465,081	502,213	+37,132
bb) (-) Reinsurers' share	12,762	22,768	+10,006
aa) Change in recoveries net of reinsurers' share			
– gross amount	-14,317	-3,209	-11,108
bb) (-) Reinsurers' share	-277	-1,946	-1,669
aa) Change in claims reserve – gross amount	91,646	96,021	+4,375
bb) (-) Reinsurers' share	3,569	2,754	-815

Amounts paid

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.

Change in recoveries net of reinsurers' share

This is the balance between amounts to be recovered from policyholders and third parties for deductibles, subrogation and remedying of claims at the previous year-end, the amounts recovered during the year and amounts yet to be recovered at year-end.

Change in claims reserve

The item includes estimated indemnities, direct and settlement costs to be paid in future years for claims reported during the current and previous years and not yet settled as at 31 December.

I. 7 – Operating costs

	31/12/2011	31/12/2012	Change
	180,330	198,177	+17,847
<i>Of which:</i>			
a) Acquisition commissions	119,667	131,865	+12,198
b) Other acquisition costs	37,911	38,198	+287
c) Change in commissions and other acquisition costs to be amortised	-426	-381	-45
d) Premium collection commissions	9,052	9,896	+844
e) Other administrative expenses	21,200	24,055	+2,855
f) (-) Commissions received by reinsurers	7,926	6,218	-1,708

They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and common costs incurred for the sales network. The caption also includes overheads and depreciation of tangible assets not allocated to claims settlement and investments. This caption includes costs repaid to the subsidiaries Gestimmobili Srl for € 312 thousand and Vittoria Properties for € 85 thousand, to the associates S.In.T. SpA for € 1,529 thousand, Le API Srl for € 1,577 thousand and Consorzio Movincom for € 30 thousand.

I.8 - Other technical charges, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	8,223	15,736	+7,513

The caption includes items relating to:

- technical cancellations of premiums and cancellations of uncollectible premiums for € 1,144 thousand (€ 1,549 thousand in the previous year);
- allocations to the provision for bad debt toward policyholders for € 13,000 thousand (€ 4,097 thousand in the previous year);
- other technical charges mainly relating to services supporting insurance covers and costs for premiums under litigation for € 1,076 thousand (€ 2,557 thousand in the previous year). The caption also includes fees paid out to the associates S.In.T SpA and Consorzio Movincom relating to technical services for € 133 thousand (€ 654 thousand in the previous year) and for € 133 thousand respectively.

I.9 - Change in equalisation reserves

	31/12/2011	31/12/2012	Change
	561	436	-125

The change detailed for line of business is shown in the caption C. I. 5 in the Balance Sheet.

II.13 - RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT

	31/12/2011	31/12/2012	Change
	4,519	4,796	+277

Technical costs and revenues are classified as follows:

II. 1 – Premiums, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	126,267	118,289	-7,978
<i>Of which:</i>			
a) Gross premiums written	127,536	119,673	-7,863
b) (-) Ceded premiums	1,269	1,384	+115

A premiums breakdown by line of business is shown in the Directors' report and classified by line of business (direct and indirect business) in Appendix 27 to these Explanatory Notes.

II. 2 – Investments income

	31/12/2011	31/12/2012	Change
	32,876	33,966	+1,090
<i>Of which:</i>			
a) Income from equity investments	2,261	507	-1,754
b) Income from other investments	29,339	31,787	+2,448
c) Write-backs on investments	95	802	+707
d) Profits made on sale of investments	1,181	870	-311

- a) The caption includes the dividend entirely collected and recognised by the subsidiary Vittoria Immobiliare SpA;
- b) The caption includes:
 - income on fixed-income securities for interest, issue and trading differentials for € 31,017 thousand (€ 28,808 thousand in the previous year);
 - income from units in mutual investment funds for € 20 thousand (€ 65 thousand in the previous year);
 - interest on loans for € 156 thousand (€ 455 thousand in the previous year), of which accrued interest on the loan granted to the GPA SpA for € 2 thousand;
 - interest on reinsurance deposits for € 343 thousand (€ 11 thousand in the previous year).
- c) The caption refers to bond previously debased;
- d) The caption refers to capital gains arising from fixed-income securities' reimbursement and alienation.

Investment income are detailed in Appendix 21 to these Explanatory Notes, which also report non-technical account data relating to Non-Life business investment.

II.3 - Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments relating to pension fund management

	31/12/2011	31/12/2012	Change
	3,743	8,887	+5,144

The increasing is due to the positive trend of the financial markets compared with the last year trend.

A breakdown of unrealised gains relating to investments benefiting policyholders bearing the risk is shown in Appendix 22 to these Explanatory Notes.

II.4 - Other technical income, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	648	557	-91

The caption includes commissions relating to first-year premiums cancelled and commissions retroceded by financial managers in relation to investments of unit-linked premiums and pension funds.

II.5 - Charges relating to claims, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	129,962	121,305	-8,657
<i>Of which:</i>			
aa) Amounts paid – gross amount	138,464	131,651	-6,813
bb) (-) Reinsurers' share	5,676	6,226	+550
aa) Change in reserve for payable amounts – gross amount	-3,199	-4,120	-921
bb) (-) Reinsurers' share	-373	-	+373

They refer to claims, policies that have matured, surrenders, and annuities.

II.6 - Change in mathematical reserves and other technical reserves, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	-5,214	9,416	+14,630
<i>Of which:</i>			
aa) Mathematical reserves – gross amount	5,874	6,128	+254
bb) (-) Reinsurers' share	-4,455	-5,421	-966
aa) Complementary insurance premium reserve – gross amount	3	-13	-16
aa) Other technical reserves – gross amount	-558	-1,073	-515
bb) (-) Reinsurers' share	-5	17	+22
aa) Technical reserves when investment risk is borne by policyholders or relating to pension fund management	-14,993	-1,030	+13,963

This refers to the change in technical reserves; for further information about evaluation and accounting method, please refer to the chapter "Part A - Accounting Policies" to these Explanatory Notes.

II.7 - Reversals and profit participation, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	6	8	+2

This item comprises amounts paid in the year for profit participation, as well as the change in the related reserve. The amount is solely referred to direct business.

II. 8 – Operating costs

	31/12/2011	31/12/2012	Change
	15,823	14,901	-922
<i>Of which:</i>			
a) Acquisition commissions	6,327	4,693	-1,634
b) Other acquisition costs	6,754	6,481	-273
c) Change in commissions and other acquisition costs to be amortised	1,590	294	-1,296
d) Premium collection commissions	1,214	1,363	+150
e) Other administrative expenses	3,178	2,911	-267
f) (-) Commissions received by reinsurers	60	254	+194

They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and common costs incurred for the sales network. The caption also includes overheads and depreciation of tangible assets not allocated to investment-related costs.

II.9 - Capital and financial charges

	31/12/2011	31/12/2012	Change
	9,036	5,520	-3,516
<i>Of which:</i>			
a) Investment management costs and interest expense	2,809	2,642	-167
b) Investment write-downs	6,222	2,831	-3,391
c) Losses on sale of investments	5	47	+42

- a) The caption mainly refers to:
- costs relating to equity portfolio for € 44 thousand (€ 34 thousand in the previous year);
 - costs relating to fixed-income securities for issue and trading differentials, taxes, and operating and personnel expenses for € 1,774 thousand (€1,624 thousand in the previous year);
 - interest on deposits from reinsurers for € 494 thousand (€ 1,000 thousand in the previous year).
- b) The item refers to impairment on bond classified in the investment portfolio for € 1,994 thousand (€ 1,381 thousand in the previous period) and for € 837 thousand due to the amortizations for real estate assets relating to the new Vittoria's headquarters (€ 172 thousand in the previous year).

Appendix 23 to these Explanatory Notes reports details relating to Capital and financial charges on Life investments.

II.10 – Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and to investments connected with pension fund management

	31/12/2011	31/12/2012	Change
	9,217	1,785	-7,432

The decrease over the year is due to the positive trend of the financial markets compared with the last year trend.

Details of charges and unrealised capital losses relating to the above types of investments are provided in Appendix 24 to these Explanatory Notes.

II.11 - Other technical charges, net of outwards reinsurance

	31/12/2011	31/12/2012	Change
	185	857	+672

The item refers to technical cancellations and losses due to uncollectible insurance premiums.

II.12 – (-) Income on investments transferred to non-technical account

	31/12/2011	31/12/2012	Change
	-	3,112	+3,112

The caption includes investment income transferred to the non-technical account as required by Article 55 of Italian Legislative Decree no. 173/97. As at 31 December 2012, the calculation, was carried out in accordance with ISVAP (now IVASS) Regulation no. 22 of 4 April 2008.

RESULT OF NON-TECHNICAL ACCOUNT

31/12/2011	31/12/2012	Change
7,929	5,302	-2,627

Non-technical costs and revenues are classified as follows:

III. 3 – Income from Non-Life investments

	31/12/2011	31/12/2012	Change
	25,127	36,122	+10,995
<i>Of which:</i>			
a) Income from equity investments	562	501	-61
b) Income from other investments	23,888	32,479	+8,591
c) Write-backs on investments	438	1,245	+807
d) Profits made on sale of investments	239	1,897	+1,658

- a) This caption includes the dividend collected by the other subsidiaries.
- b) The caption consists of the following items:
- land and buildings amounting to € 208 thousand (€ 206 thousand in the previous year), of which € 144 thousand relating to rental and € 64 thousand relating to expenses recover and other income;
 - other investments amounting to € 32,272 thousand (€ 23,682 thousand in the previous year), of which € 32,236 thousand relating to income on fixed-income securities for interest, issue and trading differentials and € 36 thousand relating to interest on loan granted to the associate Spefin Finanziaria SpA;
- c) The caption refers to write-backs of financial instruments previously impaired;
- d) The caption refers to capital gains arising from fixed-income securities' reimbursement and alienation.

Appendix 21 to these Explanatory Notes reports details relating to Income from Life and Non-Life investments.

III.4 - (+) Income on investments transferred from Life business technical account

31/12/2011	31/12/2012	Change
-	3,112	+3,112

Please refer to information reported in Life technical account chapter.

III.5 - Capital and financial charges of Non-Life business

	31/12/2011	31/12/2012	Change
	12,261	19,607	-7,346
<i>Of which:</i>			
a) Investment management costs and interest expense	2,594	4,220	+1,626
b) Investment write-downs	5,639	15,387	+9,748
c) Loss on sale of investments	4,028	-	-4,028

- a) The caption mainly includes:
- operating and personnel expenses relating to the equity portfolio for € 87 thousand (€ 54 thousand in the previous year);
 - costs for fixed-income securities relating to issue and trading differentials, taxes, and operating and personnel expenses amounting to € 3,107 thousand (€ 1,992 thousand in the previous year);

- housing expenses, taxes and building management costs for € 891 thousand (€ 435 thousand in the previous year);
 - interest on deposits from reinsurers for € 121 thousand (€ 111 thousand in the previous year).
- b) The capture refers to write-downs of financial instruments like so indicated in the Management report, and it is related for € 11,371 thousand to write-downs of participation (€ 3,220 thousand in the previous year), to amortizations referred to real estate assets for € 3,208 thousand (€ 995 thousand in the previous year) and for € 808 thousand to write-downs on real property.

Appendix 23 to these Explanatory Notes reports details relating to Capital and financial charges of Life and Non-Life investments.

III.6 - (-) Investment income transferred to the Non-Life business technical account

	31/12/2011	31/12/2012	Change
	10,402	13,300	+2,828

Please refer to information reported in Non-Life technical account chapter.

III.7 - Other income

	31/12/2011	31/12/2012	Change
	5,116	3,917	-1,199

This caption includes income other than that on investments, such as that relating to the general balance-sheet classes E - Receivables and F - Other assets.

As at 31 December 2012, the caption is mainly related to, as follows:

- interest on bank current account for € 1,482 thousand (€ 1,265 thousand in the previous year);
- infra-group charges for € 565 thousand (€ 426 thousand in the previous year);
- other interest accruing mainly on tax receivables and recoveries from agents for € 516 thousand (€ 330 thousand in the previous year);
- other financial income for € 793 thousand (€ 398 thousand in the previous year);
- use of bad debt provisions toward policyholders for € 1,997 thousand e use of tax provisions for € 300 thousand;
- foreign-exchange gains on technical and financial items for € 103 thousand (€ 41 thousand in the previous year).

III.8 - Other charges

	31/12/2011	31/12/2012	Change
	11,756	16,528	+4,772

As at 31 December 2012, the captions mainly includes:

- interest and charges on bank current account for € 389 thousand (€ 417 thousand in the previous year);
- annual amortisation of SACE goodwill for € 285 thousand (€ 573 thousand in the previous year);
- annual amortisation of intangible assets for € 8,771 thousand (€ 7,567 thousand in the previous year);
- taxes for € 977 thousand (€ 2,278 thousand in the previous year).

III.10 - Extraordinary income

	31/12/2011	31/12/2012	Change
	15,152	12,303	-2,849

This item contains income from sale of long-term investments and other profits made on the sale of assets classified in the general balance-sheet Class F - Other assets.

Their main breakdown is shown below:

- capital gains on sale of fixed-income securities amounting to € 9,364 thousand, of which € 2,780 thousand coming from Life business management and € 6,584 thousand coming from Non-Life business management (€ 11,749 thousand in the previous year);
- capital gains on sale of equity investments relating to associated and other companies for € 585 thousand coming from Non-Life business management (overall was € 2,895 thousand in the previous year).

III.11 - Extraordinary charges

	31/12/2011	31/12/2012	Change
	3,047	717	-2,330

This item contains charges relating to sale of long-term investments and other losses arising from the sale of assets classified in the general balance-sheet Class F - Other assets.

Their main breakdown is shown below:

- incidental costs and charges amounting to € 247 thousand (€ 59 thousand in the previous year);
- capital losses on sale of equity investments relating to associated companies amounting to € 347 thousand coming from Non-Life business management (€ 2,062 thousand in the previous year).

III.14 - Taxation

	31/12/2011	31/12/2012	Change
	14,575	31,876	+17,301

The current taxes are referred to IRES (corporate income local tax) and IRAP (regional business local tax) estimate relating to 2012, in accordance with tributary regulations in force, applying as tax rates 27.50% for IRES purpose and 6.82% for IRAP purpose. Reconciliation between the tax charge recognised in the financial statements and theoretical tax charge is shown below:

	(€/000)					
	Taxable base		Tax		Tax rate	
	IRES	IRAP	actual	theoretical	actual	theoretical
IRES						
Profit before taxation	89,358			24,573		27.50%
+ Temporary differences deductible in future years	71,180					
- Temporary differences taxable in future years	3,028					
+ Use of temporary differences	-8,109					
Permanent differences:						
+ Non-deductible interest and taxes	1,615					
+ Non-deductible accruals, costs and expenses	885					
+ Investment Portfolio	10,656					
- Tax-exempt income and Dividends	962					
- Other deductible items	4,745					
Taxable base	156,850					
Current IRES			43,134			
IRAP						
Profit before taxation		89,358		6,094		6.82%
- Profit & Loss items not taxable/deductible for IRAP purpose		5,305				
Life insurance business profit & loss + Non-life insurance business profit & loss		84,053				
+ Permanent taxable differences		61,390				
- Permanent deductible differences		23,592				
Theoretical taxable base		121,851				
+(Increase - Decrease) of temporary differences		-3,234				
Taxable base		118,617				
Current IRAP			8,090			
Substitute tax on merger deficit	16,109	16,109		2,577		
Total current Tax relating to 2012				53,801		
Deferred tax assets						
Taxable base for deferred tax assets of the previous year	131,759	8,159				
(Increase - Decrease) in deferred tax assets during the current year	61,563	-1,762				
Taxable base for deferred tax assets of the current year	193,322	6,397				
Deferred IRES assets on (Increase - Decrease)				16,930		
Deferred IRAP assets on (Increase - Decrease)				-120		
Total deferred tax assets relating to 2012				16,810		
Deferred tax liabilities						
Taxable base for provision for deferred tax liabilities of the previous year	21,493	16,109				
(Increase - Decrease) in the provision for deferred tax liabilities during the current year	1,503	0				
Adjustments to the provision for deferred tax liabilities of the previous year	16,109	16,109				
Taxable base for provision for deferred tax liabilities of the current year	6,887	0				
Deferred IRES liabilities on (Increase - Decrease)				-4,017		
Deferred IRAP liabilities on (Increase - Decrease)				-1,099		
Total deferred tax liabilities relating to 2012				-5,115		
Total IRES relating to 2012				22,187		24.83%
Total IRAP relating to 2012				7,111		7.96%
Total Substitute tax on merger deficit relating to 2012				2,577		2.88%
Total tax relating to 2012				31,876	30,667	35.67% 34.32%

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.

Schedules of deferred taxes pursuant to article 2427 of the civil code, are shown as follows:

**SCHEDULE OF DEFERRED TAXES PURSUANT TO
ARTICLE 2427 OF THE CIVIL CODE**

(€/000)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	Taxable base	tax rate	Taxable base	tax rate	Tax
2011 deferred tax assets					
Exchange rate fluctuations	4		-		1
Depreciation of tangible assets	1,631		376		473
Provisions for bad debts	12,809		-		3,522
Directors' fees	428		-		118
Goodwill	1,315		1,315		451
Change in life technical reserves (as per decr. 78/2010)	197		-		54
Change in non-life claims reserves (as per decr. 209/2002)	113,896		6,468		31,764
Provision for NCWC renewal	1,480		-		407
	131,760	27.50%	8,159	6.82%	36,790
2012 use to deferred tax assets					
Exchange rate fluctuations	4		-		1
Depreciation of tangible assets	239		-		66
Participation	443		-		122
Provisions for bad debts	537		-		148
Directors' fees	428		-		118
Change in non-life claims reserves (as per decr. 209/2002)	6,931		3,234		2,127
Provision for NCWC renewal	1,480		-		407
	10,062	27.50%	3,234	6.82%	2,988
2012 increase in deferred tax assets					
Exchange rate fluctuations	3		-		1
Depreciation of tangible assets	1,408		1,412		483
Participation	443		-		122
Provisions for bad debts	18,983		-		5,220
Directors' fees	1,005		-		276
Goodwill	60		60		21
Change in life technical reserves (as per decr. 78/2010)	157		-		43
Change in non-life claims reserves (as per decr. 209/2002)	48,965		-		13,465
Provision for risk and charges	95		-		26
	71,119	27.50%	1,472	6.82%	19,658
2012 deferred tax assets					
Exchange rate fluctuations	3		-		1
Depreciation of tangible assets	2,800		1,788		892
Provisions for bad debts	31,255		-		8,595
Directors' fees	1,005		-		276
Goodwill	1,375		1,375		472
Change in life technical reserves (as per decr. 78/2010)	354		-		97
Change in non-life claims reserve (as per decr. 209/2002)	155,930		3,234		43,101
Provision for risk and charges	600		-		165
	193,322	27.50%	6,397	6.82%	53,600

SCHEDULE OF DEFERRED TAXES PURSUANT TO
ARTICLE 2427 OF THE CIVIL CODE

(€/000)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	Taxable base	tax rate	Taxable base	tax rate	Tax
2011 deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	5,287		-		1,454
Division by instalments of realised gains on Real Estate	87		-		24
Exchange rate fluctuations	11		-		3
Merger deficit	16,109		16,109		-
	21,494	27.50%	16,109	6.82%	1,481
2012 use to deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	1,428		-		393
Division by instalments of realised gains on Real Estate	87		-		24
Exchange rate fluctuations	11		-		3
Participation	426		-		117
Merger deficit *	16,109		16,109		5,529
	18,061	27.50%	16,109	6.82%	6,065
2012 increase in deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	3,023		-		831
Exchange rate fluctuations	5		-		1
Participation	426		-		117
	3,454	27.50%	-	6.82%	950
2012 deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	6,882		-		1,893
Exchange rate fluctuations	5		-		1
Merger deficit	-		-		5,529
	6,887	27.50%	-	6.82%	3,635

* for merger Lauro 2000 Srl

Part C: Other information

Solvency margin

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

	(€/000)		
	Non - life business	Life business	Total
Required Solvency Margin	143,398	46,274	189,672
Solvency Margin Assets	232,672	83,277	315,949
Surplus/Deficit	89,274	37,003	126,277
Ratio	1.6	1.8	1.7

If consolidated companies and Yam Invest NV had been equity-accounted using the method typical of consolidated accounts, instead of at historical cost, net capital relating to available equity (i.e. excluding the portion assigned to Life segregated accounts) would have been € 49,893 thousand higher.

As a result of the above considerations, the items forming shareholders' equity increased from € 315,949 thousand to € 365,842 thousand. This, compared with the required amount of solvency margin of € 189,672 thousand, leads to a ratio of 1.93.

	(€/000)	
Required Solvency Margin		189,672
Solvency Margin Assets	315,949	
Higher net equity of consolidated companies	<u>49,893</u>	
Solvency Margin Assets		365,842
Ratio		1.93

Assets allocated to coverage of technical reserves

Non-Life Business

(€ million)			
	31/12/11	31/12/12	Change
Technical Reserves (A)	1024.5	1,142.7	118.2
Securities issued or secured by Governments			766.8
Bonds or other similar securities			2.1
Units of undertaking for collective investment			0.0
Shares traded in a regulated market			12.1
Shares not traded in a regulated market			23.3
Real Estate			149.6
Other investments			17.6
Receivables			125.0
Bank accounts			43.2
Othe assets			3.0
Total Assets Allocated (B)			1,142.7
% of coverage (B/A)			100.0%

Life Business

(€ million)			
	31/12/11	31/12/12	Change
Mathematical and Other Technical Reserves	746.0	746.0	0.0
Reserve for payable amounts	26.1	22.0	-4.1
Technical Reserves (A)	772.1	768.0	-4.1
Securities issued or secured by Governments			617.6
Bonds or other similar securities			48.2
Shares traded in a regulated market			0.0
Real Estate			73.0
Other investments			6.4
Receivables			16.1
Bank accounts			4.3
Othe assets			4.0
Total Assets Allocated (B)			774.9
% of coverage (B/A)			100.9%

(€ million)			
	31/12/07	31/12/12	Change
Technical Reserves when investment risk is borne by policyholders	61.5	60.4	-1.1
Total Assets Allocated	61.5	60.4	-1.1

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 2012 numbered 492 heads (469 heads to 31 December 2011). The average number of employees on the payroll during the year, by category and calculated according to in-force presence, was as follows:

	31/12/2012	31/12/2011
Managers	23	24
Officers	141	132
Administrative staff	323	308
Total	487	464

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 FY2012 for services rendered to the Company by the auditing company Deloitte & Touche SpA – and by entities forming part of its network.

Type of services rendered	(€/000)	
	Auditing company	Entities forming part of its network
Independent audit services	205,750	-
Verifications for issue of attestations	50,000	-
Other services	-	-

Breakdown of direct insurance premiums by business category and geographical area

The breakdown of the company's premiums – all referring to the Italian portfolio - by official Ministerial business line is shown in Appendices 19 and 20.

The following table shows the geographical breakdown of premiums, calculated on the basis of agency locations.

Regions	Agencies	Non-Life Business		Life Business	
		Premiums	%	Premiums	%
(€/000)					
NORTH					
Emilia Romagna	33	66,923		8,211	
Friuli Venezia Giulia	4	8,697		1,598	
Liguria	15	35,726		3,998	
Lombardy	89	208,138		39,249	
Piedmont	42	78,929		9,028	
Trentino Alto Adige	7	9,208		1,073	
Valle d'Aosta	1	3,519		268	
Veneto	33	53,650		8,305	
Total	224	464,790	51.7	71,730	60.1
CENTRE					
Abruzzo	12	48,727		5,737	
Lazio	27	86,844		10,769	
Marche	16	28,453		2,632	
Tuscany	42	85,784		8,180	
Umbria	14	44,044		6,592	
Total	111	293,852	32.7	33,910	28.4
SOUTH AND ISLANDS					
Basilicata	2	7,845		826	
Calabria	2	5,482		58	
Campania	8	31,663		3,190	
Molise	2	1,015		4	
Puglia	6	23,274		5,448	
Sardinia	7	30,773		659	
Sicily	9	39,748		3,582	
Total	36	139,800	15.6	13,767	11.5
Total ITALY	371	898,442	100.0	119,407	100.0
France	0	70	0.0	0	0.0
OVERALL TOTAL	371	898,512		119,407	

Real estate assets

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

	AT 31 DECEMBER 2012				(€/000)
	Value before	Monetary	Fiscally-driven	Law 02/2009	T o t a l
	revaluations	revaluations	and voluntary	Revaluations	2012
			revaluations		
BUILDINGS HELD FOR INVESTMENT					
Operating buildings					
Milano - Via V. Colonna 2	272	0	0	477	749
Milano - Via I. Gardella 2	93,618	0	0	0	93,618
PERUGIA - Via Pellas 44	130	11	0	189	330
Total operating buildings	94,020	11	0	666	94,697
Buildings used by third parties					
Acqui - Piazza Matteotti 25	43	10	77	63	193
Alessandria - P.za Carducci 1	67	79	0	102	248
Asti - C.So Alfieri 130	26	57	0	264	347
Biella - Piazza V. Veneto 16	-20	43	34	274	331
Brescia - Via Saffi 1	68	67	0	395	530
Busto Arsizio - Via C. Tosi 8	65	31	0	197	293
Como - V.Le Rosselli 13	-3	22	77	549	645
Cremona - P.Za Roma 7	85	24	23	271	403
Cuneo - Piazza Europa 26	-11	75	0	420	484
Ferrara - Via Don Minzoni 17	0	10	93	287	390
Gallarate - P.Za Risorgimento 10	23	7	44	98	172
Livorno - Via Grande 225	90	5	0	187	282
Lodi - C.So V. Emanuele li° 12	-20	10	41	209	240
Milano - Via Ariosto 21	2,349	0	0	609	2,958
Milano - Via B. D'Alviano 2	-7	46	62	532	633
Milano - Via Correggio 3	134	0	0	95	229
Modena - Via Ganaceto 39	-32	13	46	553	581
Napoli - Via S. Carlo 26	2	45	155	1,197	1,399
Parma - Via Longhi 1	-39	42	62	439	504
Perugia - Via Pellas 44 - AG	87	7	0	126	220
Pescara - Via Sulmona 2	2	37	0	192	231
Pisa - Piazza Toniolo 10	64	41	52	343	500
Pistoia - Via S. Fedi 67	62	39	0	176	277
Pontedera - C.So Matteotti 108	46	41	0	205	292
Rovigo - C.So Del Popolo 4	54	24	0	121	199
Sondrio - Via C. Alessi 16	46	15	0	97	158
Terni - Via Beccaria 22	6	28	0	195	229
Trieste - Via Torrebianca 18	6	36	21	136	199
Udine - Via Carducci 4	23	72	0	247	342
Varese - Via Mazzini 1	133	71	41	289	534
Venezia Mestre - Via Verdi 4	-47	65	26	330	374
Verona - C.So Porta Nuova 53	-74	257	129	1,062	1,374
Vicenza - C.So Palladio 155	62	76	36	280	454
Total buildings used by third parties	3,290	1,395	1,019	10,540	16,244
Buildings under construction					
Milano - Palazzo A	44,322	0	0	0	44,322
Milano - Palazzo C	33,316	0	0	0	33,316
Milano - Area Commerciale	4,410	0	0	0	4,410
Total buildings under construction	82,048	0	0	0	82,047
TOTAL BUILDINGS HELD FOR INVESTMENT	179,358	1,406	1,019	11,206	192,988
TOTAL BUILDINGS	179,358	1,406	1,019	11,206	192,988

Statement of source and application of funds

	(€/000)	
	31/12/2012	31/12/2011
SOURCE OF FUNDS		
Net profit for the year	57,482	35,329
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	89,148	85,252
premium reserve	21,000	45,522
life business technical reserves	15,663	-3,350
Increase (-) Decrease (+) in receivables from policyholders	3,135	-9,027
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-19,026	-14,641
Net increase (-) decrease (+) in intangible assets	2,704	-3,161
Increase in specific provisions	-5,715	7,919
Employees' leaving entitlement:		
accruals	2,084	1,947
utilisation	-2,457	-2,113
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-20,995	-30,714
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	19,184	29,441
Adjustments to securities	17,993	10,162
Adjustments to class D securities	-1,195	804
Funds generated by ordinary activities	179,005	153,370
Disposal of fixed assets	-	696
Sale of bonds and other fixed-interest securities	357,622	333,518
Sale of investments	27,321	177,448
Sale of unit trusts	4,066	3,812
Sale of class D	11,964	29,460
Repayment of loans and borrowings	2,827	2,968
Other financial disinvestments	-	1,039
Funds generated by disinvesting activities	403,800	548,941
Subordinated bond issue into ordinary shares	-	-290
Total funds generated	582,805	702,021

(€/000)

	31/12/2012	31/12/2011
APPLICATION OF FUNDS		
Buildings	12,157	167,460
Fixed-interest securities	417,400	431,374
Investments	51,090	64,167
Unit trusts	24,735	-
Class D investments	9,739	15,272
Loans to third parties	2,401	1,986
Previous year's dividend distributed	11,454	11,454
Total application of funds	528,976	691,713
Increase/decrease in liquid funds	53,829	10,307
TOTAL	582,805	702,020
Liquid funds at the beginning of the year	72,144	61,837
Liquid funds at the end of the year	125,973	72,144

Investments in subsidiaries

Vittoria Immobiliare SpA

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 60,000,000 - % equity interest: 95.32%.

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 8 March 2013 show shareholders' equity of € 56,258 thousand, including € 3,842 thousand of net loss for the year. The consolidated financial statements, prepared for the purposes of parent company consolidation, show consolidated shareholders' equity of € 57,778 thousand, including the year's net loss of € 3,851 thousand.

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

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 5,150,000 - % equity interest: 100.0%.

A company active in real estate trading.

The draft financial statements reviewed by the Board of Directors on 25 February 2013 show shareholders' equity of € 26,758 thousand, including the year's net profit of € 1,096 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 25 February 2013 show shareholders' equity of € 12,221 thousand, including the year's net profit of € 56 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 25 February 2013 show shareholders' equity of € 771 thousand, including the year's net loss of € 117 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 25 February 2013 show shareholders' equity of € 78 thousand, including the year's net loss of € 8 thousand.

Forum Mondadori Residenze Srl

Registered offices in Milan - Galleria San Babila 4/B

Share capital: € 1,000,000 - % equity interest: 100.00% direct

The draft financial statements reviewed by the Board of Directors on 25 February 2013 show shareholders' equity of € 9,772 thousand, including the year's loss of € 132 thousand.

Vittoria Properties Srl

Registered offices in Milan – Via Gardella 2

Share capital: € 8,000,000 - % 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 25 February 2013 show shareholders' equity of € 18,214 thousand, including the year's net loss of € 130 thousand.

Interbilancia Srl

Registered offices in Milan – Via Gardella 2

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 reviewed by the Board of Directors on 5 March 2013 show shareholders' equity of € 430 thousand including the year's net profit of € 41 thousand.

Vittoria Service Srl

Registered offices in Milan – Via Gardella 2

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.

Draft financial statements reviewed by the Board of Directors on 5 March 2013 show shareholders' equity of € 151 thousand including the year's net loss of € 1,105 thousand.

Investments in associate companies

S.In.t. SpA

Registered offices in Turin – Via Bertola 34

Share capital: € 5,000,000 - % equity interest: 48.19%

Draft financial statements as at 31 December 2012 reviewed by the Board of Directors on 4 March 2013 show shareholders' equity of € 5,726 thousand, including the year's net loss of € 2,900 thousand.

Yarpa SpA

Registered offices in Genoa – Via Roma 3

Share capital: € 38,201,600 - % equity interest: 25.90%

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 "Maestrato" 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.

Litigation

Litigation existing at the end of the period is related to the normal operation linked to the claims management.

Tax situation

For the three-year period 2011 - 2013, the Company has confirmed its option for the National Consolidated Tax Regime (article 117 and subsequent articles of the Decree No. 917 of the President of the Republic of Italy dated 22nd December 1986) including its subsidiary companies, namely Immobiliare Bilancia S.r.l., Immobiliare Bilancia Prima S.r.l., Immobiliare Bilancia Seconda S.r.l., Immobiliare Bilancia Terza S.r.l. and Acacia 2000 S.r.l.; for the same three-year period the IRES (Italian company tax) Consolidated tax option was selected for the two controlled subsidiaries, namely VAIMM Sviluppo S.r.l. e Vittoria Properties S.r.l.. For the three-year period 2012-2014 the National Consolidated Tax Regime option was renewed for Vittoria Immobiliare S.p.A., Gestimmobili S.r.l., Interimmobili S.r.l., Forum Residenze Mondadori S.r.l. and Interbilancia S.r.l. and it was also adopted by the two controlled subsidiaries Cadorna Re S.r.l. and VRG Domus S.r.l.

In 2008 the Company revalued property pursuant to Law No. 2 dated 28th January 2009, thereby obtaining recognition of a greater value for the purpose of IRES and IRAP (Italian regional company tax), starting from the 2013 fiscal term (with reference to a possible transfer of the property, recognition is postponed to 2014) by paying a substitute tax on booked gains of 3% for property that can be amortized and 1.5% for property that can not be amortized. The book value of the property was aligned with the market value as determined by a valuation of the property by an independent expert.

In view of such increased asset values, the Company has created a provision for such purpose for an amount that is equal to the revaluation amount less substitute tax.

For further details related to the booked surplus value and the accounting criteria, refer to the section of these notes to the Financial Statements with comments on the specific balance sheet line items.

With reference to 2012, the Company exercised its option to settle VAT in the context of the Group of companies pursuant to the Ministerial Decree dated 13th December 1979, together with the following controlled subsidiaries: Vittoria Immobiliare, Gestimmobili S.r.l., Interimmobili S.r.l., Acacia 2000 S.r.l., VRG Domus S.r.l., Cadorna Re S.r.l., Vittoria Properties S.r.l., Immobiliare Bilancia Prima S.r.l., Immobiliare Bilancia Seconda S.r.l., Immobiliare Bilancia Terza S.r.l. and Forum Residenze Mondadori S.r.l.

It should be noted that even for 2013 Vittoria Assicurazioni exercised this option with the same list of controlled subsidiaries as in the previous sentence.

On 31st December 2012, the Company calculated IRES tax refunds that were due, in view of the possibility of deducting IRAP tax related to the cost of employed personnel or personnel "engaged in an equivalent manner", as per article 2 of the Legislative Decree No. 201/2011, by booking the contingency assets deriving from less IRES tax that was due for the years 2007-2011 for an amount of €1,800 thousand. The application for the refund, including the amounts for companies that are part of the IRES national consolidation, will be made as from March 2013.

The introduction of the I.M.U. tax (current Italian property tax) starting from 1st January 2012 to replace the I.C.I. tax (previous Italian property tax) and the increments in the taxable amount and/or the tax rate have resulted in an increase in the Company's tax burden of € 550 thousand.

In 2011 Vittoria Assicurazioni incorporated Lauro 2000 S.r.l., a company that was previously a 100% controlled subsidiary. Following this fusion, Vittoria Assicurazioni in its 2012 Income Tax Return relating to 2011 earnings proceeded to redeem IRES and IRAP tax on a part of the diminished income due to offsetting as a result of the fusion, by paying the substitute tax as provided in Article 172, Paragraph 10-bis of the Decree of the President of the Republic of Italy No. 917/1986. In the 2013 Income Tax Return relating to 2012 earnings, Vittoria

Assicurazioni will proceed to redeem IRES and IRAP tax on the remaining part of the diminished income due to offsetting as a result of the above mentioned fusion,

In 2009, the Company was subject to a tax inspection by the Italian Tax Authorities for fiscal years 2004, 2005 and 2006, from which disputes related to IRES, IRAP and VAT have ensued. Between 2009 and 2011 higher assessments for all three years under inspection were notified with details of higher IRES and IRAP, fines and interest for an overall amount of € 101 thousand; regarding VAT, the higher tax rate, the fines and interest amount to € 387 thousand. The Company has settled its tax obligations related to IRES and IRAP for all three years by utilizing, in its entirety, a Tax provision of approximately €101 thousand that was set aside in 2009 and which proved to be sufficient. Regarding VAT, the Company has appealed against the assessments for the three years, relying on a favourable precedent established in the first instance of judgement in a case that is identical in kind referred to 2003 and in several other precedents in favour of other companies. The Company has already obtained a favourable judgement in the first and second instance with reference to the 2004 assessment (pending appeal of the Tax Authorities with the Supreme Court of Cassation) and the first instance with reference to the assessments of 2005 and 2006 (pending an appeal with the Regional Tax Commission of Lombardy).

In the course of 2011 a tax inspection was made by the "Guardia di Finanza di Milano" (the Milan Tax Police Force) in relation to fiscal years 2007 and 2008, that was completed in January 2012. This inspection gave rise to disputes related to IRES tax and Vittoria Assicurazioni S.p.A. has given notice of adherence to the claim made by the tax police in accordance with article 5-bis of the Legislative Decree No. 218/1997. For the purpose of covering the liabilities due to the increased tax, fines and interest the Company set aside an amount of €1.75 million on 31st December 2011 as a Tax Provision, taking into account the claim.

In the course of 2012, partial assessments as a consequence of the notice of adherence to the claim of the Tax police were notified and the Company proceeded to pay the greater value of IRES tax that was assessed, the applicable discounted fines and interest using up the provision for tax that was set aside on 31st December 2011, thereby settling the assessment claims.

The Board of Directors

Milan, 8th March 2013

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196	Annex 19	Summarised non-life business technical account
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198	Annex 21	Income on investments (captions II.2 and III.3)
199	Annex 22	Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management (caption II.3)
200	Annex 23	Capital and financial charges (captions II.9 and III.5)
201	Annex 24	Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management (caption II.10)
202	Annex 25	Non-life business - Summarised technical account by line of business - Domestic portfolio
204	Annex 26	Non-life business - Summarised technical account
205	Annex 27	Life business - Summarised technical account by line of business - Domestic portfolio
206	Annex 28	Life business - Summarised technical account
207	Annex 29	Life and non-life business - Summarised technical account - Foreign portfolio
208	Annex 30	Intercompany relationships
210	Annex 31	Summarised direct insurance premiums accounted for
211	Annex 32	Personnel expenses and directors' and statutory auditors' fees

Previous year

			181
182			
184	3,763		
186			
187			
188			
189	31,044		190 34,807
191	75,491		
192	17,442		
193			
194			
195	36,305	196	129,238
197			
198	30,641		
199			
200	36,314		
201	29,454	202	96,409
203			
204			
205			
206			
207		208	
209			
210			
211			
212	5,000		
213		214	5,000
		215	101,409
	to carry forward		34,807

Previous year

	brought forward		34,807
216			
217			
218	219		
	220	4,066	
221	707,583		
222	162		
223	224	707,745	
225			
226			
227	228		
	229		
	230		
	231	232	711,811
		233	234
			942,458
	238	13,379	
	239	43,074	
	240		
	241		242
			56,453
	to carry forward		1,033,718

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current year	
		brought forward			1,125,858
E. RECEIVABLES					
I - Receivables relating to direct insurance due from:					
1. Policyholders					
a) premiums for the year	71	57,482			
b) premiums for previous years	72	186	73	57,668	
2. Insurance brokers and agents			74	74,397	
3. Current account companies			75	8,164	
4. Amounts to be recovered from policyholders and third parties			76	47,203	77 187,432
II - Receivables relating to reinsurance due from:					
1. Insurance and reinsurance companies					
			78	4,505	
2. Reinsurance brokers and agents			79		80 4,505
III - Other receivables					
				81	29,879 82 221,816
F. OTHER ASSETS					
I - Tangible assets and inventory:					
1. Office furniture and machines and internal transport systems					
			83	6,345	
2. Registered chattel property					
			84	144	
3. Plant and machinery					
			85	760	
4. Inventory and other assets					
			86		87 7,249
II - Liquid funds					
1. Bank and postal accounts					
			88	112,777	
2. Cheques on hand and cash-in-hand					
			89	7	90 112,784
III - Own shares or quotas					
				91	
IV - Other assets					
1. Suspense reinsurance accounts					
			92		
2. Sundry assets					
			93	53,374	94 53,374 95 173,407
of which: giro account with life business					
			901		
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interest					
				96	10,490
2. Rent instalments					
				97	208
3. Other prepayments and accrued income					
				98	3,879 99 14,577
TOTAL ASSETS					100 1,535,658

		Previous year			
	brought forward			1,033,718	
251	48,936				
252	7,722	253	56,658		
		254	65,949		
		255	9,552		
		256	53,292	257	185,451
		258	3,688		
		259		260	3,688
				261	22,515
				262	211,654
		263	6,893		
		264	82		
		265	827		
		266		267	7,802
		268	55,554		
		269	46	270	55,600
				271	
		272			
		273	36,649	274	36,649
		903		275	100,051
				276	8,359
				277	1,181
				278	3,631
				279	13,171
				280	1,358,594

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

Current year

A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	39,427
II	- Share premium reserve	102	19,032
III	- Revaluation reserves	103	10,939
IV	- Legal reserve	104	7,885
V	- Statutory reserves	105	
VI	- Reserves for purchase of own shares and shares of parent company	106	
VII	- Other reserves	107	143,167
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit/(loss) for the year	109	49,096
		110	269,546
B. SUBORDINATED LIABILITIES			111
C. TECHNICAL RESERVES			
I	- NON-LIFE BUSINESSES		
	1. Premium reserve	112	345,800
	2. Claims reserve	113	793,115
	3. Profit participation and reimbursement reserve	114	
	4. Other technical reserves	115	409
	5. Equalisation reserves	116	4,244
		117	1,143,568
	to carry forward		1,413,114

Previous year

	281	39,427	
	282	19,032	
	283	10,939	
	284	7,367	
	285		
	286		
	287	120,089	
	288		
	289	29,765	290 226,619
			291
292	324,052		
293	697,100		
294			
295	409		
296	3,808		297 1,025,369
to carry forward			1,251,988

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

		Current year	
	brought forward		1,413,114
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	819
3.	Other provisions	130	1,891
			131
			2,710
F. DEPOSITS FROM REINSURERS			
			132
			8,143
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133	3,084
2.	Current account companies	134	1,923
3.	Guarantee deposits and premiums paid by policyholders	135	
4.	Guarantee funds in favour of policyholders	136	4,002
		137	9,009
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138	11,583
2.	Reinsurance brokers and agents	139	140
			11,583
III	- Bond issues	141	
IV	- Due to banks and other financial institutions	142	
V	- Secured debts	143	
VI	- Sundry loans and other financial payables	144	
VII	- Employees' leaving entitlement	145	2,982
VIII	- Other sums payable		
1.	Policyholders' tax due	146	19,795
2.	Other sums payable to taxation authorities	147	22,167
3.	Social security charges payable	148	2,700
4.	Sundry payables	149	22,916
		150	67,578
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152	14,722
3.	Other liabilities	153	5,809
		154	20,531
	of which: giro account with life business	902	155
			111,683
	to carry forward		1,535,650

Previous year		
brought forward		1,251,988
	308	
	309	5,300
	310	741
	311	6,041
	312	7,648
313	3,560	
314	1,631	
315		
316	4,576	317
		9,767
318	10,764	
319		320
		10,764
	321	
	322	
	323	
	324	
	325	3,289
326	18,368	
327	11,251	
328	2,002	
329	20,593	330
		52,214
331		
332	12,763	
333	4,112	334
		16,875
904		335
		92,909
to carry forward		1,358,586

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

		Current year	
brought forward			1,535,650
<hr/>			
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest	156		
2. Rent instalments	157		
3. Other accrued expenses and deferred income	158	8	159
			8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			1,535,658

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
			1,660
III	- Guarantees given by third parties in the interest of the Company		169
IV	- Commitments		170
			20,816
V	- Third party assets		171
			6,066
VII	- Securities held by third parties		173
			857,121
VIII	- Other memorandum and contingency accounts		174

Previous year

brought forward		1,358,586
	336	
	337	
	338	8
	339	8
	340	1,358,594

Previous year

	341	
	342	
	343	7,634
	344	
	345	6,458
	346	
	347	
	348	1,899
	349	
	350	6,165
	351	6,066
	353	771,621
	354	

Company VITTORIA ASSICURAZIONI S.p.A.

BALANCE SHEET - LIFE BUSINESS

ASSETS

Current year

A. SHARE CAPITAL PROCEEDS TO BE RECEIVED				1
of which: called-up	2			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	3	4,865		
2. Other acquisition costs	6			
3. Start-up and capital costs	7			
4. Goodwill	8	1,774		
5. Other deferred costs	9	5,333		
			10	11,972
C. INVESTMENTS				
I - Land and buildings				
1. Operating buildings	11	21,626		
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	39,314	16	60,940
II - Investments in group and other companies:				
1. Equity investments in:				
a) parent companies	17			
b) subsidiaries	18	60,812		
c) related companies	19			
d) associated companies	20			
e) other companies	21	60,812	22	60,812
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	60,812
			35	60,812
		to carry forward		11,972

Previous year				
				181
182				
183	4,572			
186				
187				
188	2,060			
189	5,476			190 12,108
191	22,344			
192				
193				
194				
195	34,103	196	56,447	
197				
198	50,896			
199				
200	5,765			
201	7,845	202	64,506	
203				
204				
205				
206				
207		208		
209				
210	50			
211				
212				
213	150	214	200	215 64,706
	to carry forward			12,108

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year	
		brought forward	11,972
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	7,596
	3. Bonds and other fixed-interest securities:		
	a) listed	41	674,900
	b) unlisted	42	4,855
	c) convertible bonds	43	44
	4. Loans		
	a) secured loans	45	
	b) loans on policies	46	2,786
	c) other loans	47	48
	5. Shares in investment pools		49
	6. Deposits with banks		50
	7. Other financial investments	51	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			
II - LIFE BUSINESSES			
	1. Mathematical reserves	63	11,332
	2. Complementary insurance premium reserve	64	
	3. Reserve for amounts payable	65	
	4. Profit participation and reimbursement reserve	66	
	5. Other technical reserves	67	35
	6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	69
		to carry forward	900,279

Valori dell'esercizio precedente

brought forward			12,108
216	-----		
217	-----		
218	219		
	220	1,173	
221	668,928		
222	3,681		
223	224	672,609	
225	5,263		
226	3,273		
227	1,241	228	9,777
		229	
		230	
		231	
		232	683,559
		233	
		225	
		234	804,937
		235	
		51,120	
		236	
		10,344	237
			61,464
		243	16,753
		244	
		245	
		246	
		247	17
		248	
		249	16,770
	to carry forward		895,279

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year		
		brought forward		900,279
E. RECEIVABLES				
I	- Receivables relating to direct insurance due from:			
	1. Policyholders			
	a) premiums for the year	71	7,194	
	b) premiums for previous years	72	7,194	
	2. Insurance brokers and agents	74	18,341	
	3. Current account companies	75		
	4. Amounts to be recovered from policyholders and third parties	76	25,535	
II	- Receivables relating to reinsurance due from:			
	1. Insurance and reinsurance companies	78	98	
	2. Reinsurance brokers and agents	79	98	
III	- Other receivables		9,248	34,881
F. OTHER ASSETS				
I	- Tangible assets and inventory:			
	1. Office furniture and machines and internal transport systems	83	1,009	
	2. Registered chattel property	84		
	3. Plant and machinery	85	48	
	4. Inventory and other assets	86	1,057	
II	- Liquid funds			
	1. Bank and postal accounts	88	13,191	
	2. Cheques on hand and cash-in-hand	89	13,191	
III	- Own shares or quotas			
IV	- OTHER ASSETS			
	1. Suspense reinsurance accounts	92		
	2. Sundry assets	93	1,127	15,375
	of which: giro account with non-life business	901		
G. PREPAYMENTS AND ACCRUED INCOME				
	1. Interest		8,044	
	2. Rent instalments			
	3. Other prepayments and accrued income		564	8,608
TOTAL ASSETS				959,143

Previous year		brought forward			
					895,279
251	10,868				
252	470	253	11,338		
		254	15,773		
		255	105		
		256		257	27,216
		258	130		
		259		260	130
				261	8,142
				262	35,488
		263	1,089		
		264			
		265			
		266		267	1,089
		268	16,545		
		269		270	16,545
				271	
		272			
		273	816	274	816
		903		275	18,450
				276	7,771
				277	
				278	79
				279	7,850
				280	957,067

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	27,952
II	- Share premium reserve	102	14,323
III	- Revaluation reserves	103	
IV	- Legal reserve	104	4,018
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	8,386
		110	95,136
B. SUBORDINATED LIABILITIES			
			111
C. TECHNICAL RESERVES			
II - LIFE BUSINESSES			
1.	Mathematical reserves	118	746,094
2.	Complementary insurance premium reserve	119	147
3.	Reserve for amounts payable	120	22,031
4.	Profit participation and reimbursement reserve	121	50
5.	Other technical reserves	122	11,194
			123
			779,516
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	48,355
II	- Reserves arising from pension fund management	126	12,078
		127	60,433
to carry forward			935,085

Previous year

		281	27,952	
		282	14,323	
		283		
		284	3,740	
		285		
		286		
		287	40,457	
		288		
		289	5,564	290 92,036
				291
	298	733,727		
	299	159		
	300	26,151		
	301	42		
	302	12,266		303 772,345
		305	51,120	
		306	10,344	307 61,464
	to carry forward			925,845

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
		brought forward	935,085
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	1,074
3.	Other provisions	130	131 1,074
F. DEPOSITS FROM REINSURERS			
			132 11,367
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133 872	
2.	Current account companies	134 27	
3.	Guarantee deposits and premiums paid by policyholders	135 43	
4.	Guarantee funds in favour of policyholders	136	137 942
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138 201	
2.	Reinsurance brokers and agents	139	140 201
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		145 451
VIII	- Other sums payable		
1.	Policyholders' tax due	146 117	
2.	Other sums payable to taxation authorities	147 4,457	
3.	Social security charges payable	148 331	
4.	Sundry payables	149 3,124	150 8,029
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152 1,169	
3.	Other liabilities	153 813	154 1,982 155 11,605
	of which: giro account with non-life business	902	
		to carry forward	959,131

Previous year

brought forward		925,845
	308	
	309	3,459
	310	3,459
		311
		3,459
		312
		16,770
313	726	
314	2	
315	239	
316	317	967
318	426	
319	320	426
	321	
	322	
	323	
	324	
	325	517
326	86	
327	1,824	
328	252	
329	3,926	330
		6,088
331		
332	1,583	
333	1,394	334
		2,977
904		335
		10,975
to carry forward		957,049

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
brought forward			959,131
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest	156		
2. Rent instalments	157		
3. Other accrued expenses and deferred income	158	12	159 12
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160	959,143

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	12,078
VII - Securities held by third parties		173	713,414
VIII - Other memorandum and contingency accounts		174	

Previous year		
	brought forward	957,049
	336	
	337	
	338	18
	339	18
		340
		957,067

		Previous year	
		341	
		342	
		343	12,866
		344	
		345	
		346	
		347	
	348		
	349		
	350		
	351		
	352	10,344	
	353	681,627	
	354		

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Company VITTORIA ASSICURAZIONI S.p.A.

Year 2012

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	79,258	21	4,796	41	84,054
Income on investments	+	2	36,122		42	36,122
Capital and financial charges	-	3	19,607		43	19,607
Income on investments transferred from the life business technical account	+		24	3,112	44	3,112
Income on investments transferred to the non-life business technical account	-	5	13,300		45	13,300
Operating result	6	82,473	26	7,908	46	90,381
Other income	+	7	3,448	27	47	3,918
Other expense	-	8	15,128	28	48	16,527
Extraordinary income	+	9	9,176	29	49	12,303
Extraordinary expense	-	10	717	30	50	717
Profit (loss) before taxation	11	79,252	31	10,106	51	89,358
Taxation on profit for the year	-	12	30,156	32	52	31,876
Net profit (loss) for the year	13	49,096	33	8,386	53	57,482

Year 2012

Company VITTORIA ASSICURAZIONI S.p.A.

Assets - Changes in intangible assets (caption B) and
land and buildings (caption C.I)

		Intangible assets B	Land and buildings C.I
Gross opening book value	+	1 46,914	31 185,685
Increase of the year	+	2 11,178	32 12,156
for: acquisitions or increases		3 11,178	33 12,156
write-backs		4	34
revaluations		5	35
other variations		6	36
Decrease of the year	-	7 285	37 808
for: sales or decreases		8 285	38
permanent write-downs		9	39 808
other variations		10	40
Gross closing book value (a)		11 57,807	41 197,033
Amortisation and depreciation:			
Opening book value	+	12	42
Increase of the year	+	13 13,597	43 4,045
for: amortisation/depreciation charge of the year		14 13,597	44 4,045
other variations		15	45
Decrease of the year	-	16	46
for: disposals		17	47
other variations		18	48
Closing book value (b) (*)		19 13,597	49 4,045
Book value (a - b)		20 44,210	50 192,988
Current value			51 251,804
Total revaluations		22	52
Total write-downs		23	53 808
(*) of which resulting from fiscally-driven entries		24	54

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2012

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	+	1 160,915	21	41 5,200
Increase of the year	+	2 76,632	22	42 1,000
for: acquisitions, subscriptions or lending		3 44,930	23	43 1,000
write-backs		4	24	44
revaluations		5		
other variations		6 31,702	26	46
Decrease of the year:	-	7 64,233	27	47 1,000
for: sales or repayments.....		8 2,536	28	48 1,000
write-downs		9 11,371	29	49
other variations		10 50,326	30	50
Book value		11 173,314	31	51 5,200
Current value		12 181,886	32	52
Total revaluations		13		
Total write-downs.....		14 11,371	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
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. - Piazza Bodoni 3 - 10123 Torino	242
3	d	NQ	2	YARPA S.p.A. - Via Roma 3 - 16121 Genova	242
3	d	NQ	2	YARPA S.p.A. NON INT LIB - Via Roma 3 - 16121 Genova	242
4	e	NQ	2	GRUPPO G.P.A. S.p.A. - Via Melchiorre Gioia 124 - 20125 Milano	242
5	e	Q	2	CAM FINANZIARIA S.p.A. - Via G.Negri 8 - 20123 Milano	242
5	e	Q	2	CAM FINANZIARIA S.p.A. - Via G.Negri 8 - 20123 Milano	242
6	e	NQ	3	BANCA PASSADORE & C. S.p.A. - Via E.Vernazza 27 - 16121 Genova	242
7	e	NQ	3	BCC VALDOSTANA Soc.Coop. - Fraz.Taxel 26 - 11020 Gressan AO	242
8	e	NQ	3	ROVIGO BANCA Credito Cooperativo - Via Casalini n.10 - 45100 Rovigo	242
9	e	NQ	9	DOWNALL ITALIA S.r.l. - Piazza Sicilia 6 - 20146 Milano	242
10	e	NQ	9	SOFIGEA S.r.l. in liq. - Via 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	b	NQ	2	INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
14	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
15	d	NQ	9	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	242
15	d	NQ	9	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	242
16	b	NQ	4	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
16	b	NQ	4	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
17	b	NQ	4	IMMOBILIARE BILANCIA PRIMA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
18	b	NQ	4	IMMOBILIARE BILANCIA SECONDA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
19	b	NQ	4	IMMOBILIARE BILANCIA TERZA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
20	e	NQ	3	BCC APUANA Soc.Coop. - Viale Eugenio Chiesa n.4 - 54100 Massa	242
21	e	Q	3	MEDIOBANCA S.p.A. - P.tta E.Cuccia 1 - 20121 Milano	242
22	e	NQ	9	MEDIORISCHI S.p.A. - Via Melchiorre Gioia 124 - 20125 Milano	242
23	b	NQ	9	VITTORIA SERVICE S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
24	d	NQ	7	CONSORZIO MOVINCOM S.c.r.l. - Via Bertola 34 - 10122 Torino	242
25	e	NQ	2	YAM INVEST N.V. - Herengracht 514 - 1017 CC Amsterdam	242
26	b	NQ	4	FORUM MONDADORI RESIDENZE S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
27	e	NQ	3	BCC DI SIGNA Soc.Coop. - Piazza Michelacci 1-2 - 50058 Signa FI	242
28	e	NQ	3	BCC DI INZAGO Soc.Coop. - Piazza Maggiore 36 - 20065 Inzago MI	242
29	e	NQ	3	BCC DEL VOMANO Soc.Coop. - Via Pellecchia, 14 - 64100 Teramo	242
30	d	NQ	2	WHITE SARL SICAR - 9, rue du Laboratoire - L-1911 Lussemburgo	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 %	Indirect %
60,000,000	120,000	56,258,234	-3,841,766		54.75		54.75
60,000,000	120,000	56,258,234	-3,841,766		40.57		40.57
5,000,000	5,000,000	5,646,099	-2168672,08		48.19		48.19
38,201,600	81,280,000	22,226,777	-2,029,157		6.40		6.4
38,201,600	81,280,000	22,226,777	-2,029,157		19.50		19.5
8,528,000	16,400,000				9.74		9.74
407,638,188	783,919,592				3.96		3.96
50,000,000	50,000,000				2.76		2.76
5,536,623	1,072,989				0.35		0.35
2,072,907	80,282				0.12		0.12
100,000	100,000				10.00		10
47,664,600	47,664,600				1.46		1.46
510,000	1,000,000				0.79		0.79
9,962,680	7,663,600				3.91		3.91
80,000	80,000	957,832	76,898	80.00	20		100
5,150,000	5,150,000	26,758,480	1,095,852	100.00			100
12,900,000	12,900,000	20,821,642		24.00			24
8,000,000	8,000,000	18,214,391	-130,200	99.00	1		100
3,000,000	3,000,000	12,220,954	56,093	100.00			100
1,000,000	1,000,000	771,164	-117,240	100.00			100
100,000	100,000	77,655	-7,673	100.00			100
7,642,831	29,509			0.65			0.65
430,564,606	861,129,212			0.14			0.14
102,000	102,000			10.00			10
100,000	100,000	150,551	-1,104,800	70.00	30		100
104,200	104,200	148,863	-51,063	0.96	38.39		39.35
63,083,168	63,083,168	349,333,333	-5,453,727	18.75			18.75
1,000,000	1,000,000	9,772,311	-132,328	100.00			100
11,906,273	230,563			0.39			0.39
32,543,403	10,497,872			0.14			0.14
4,371,000	43,710			1.14			1.14

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

Company **Vittoria Assicurazioni S.p.A.**

Assets - Information on subsidiaries (*)

Number	Type	Listed or unlisted	Business activity	Name and registered offices	Currency
	(1)	(2)	(3)		
31	d	NQ	2	LAUMOR PARTNERS SARL SICAR - 9, rue du Laboratoire - L-1911 Lussemburgo	242
32	d	NQ	2	GIMA SICAR SA - 9, rue du Laboratoire - L-1911 Lussemburgo	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 (**) (4)	Net profit or loss for the last year (**) (4)	Percentage held (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
0	0	0	0	0.00	0	0
0	0	0	0	0.00	0	0

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

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

Numbe (1)	Type (2)		Name (3)	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
1	B	V	VITTORIA IMMOBILIARE S.p.A.	41,612		20,806
1	B	D	VITTORIA IMMOBILIARE S.p.A.	34,388		17,194
2	D	D	SINT S.p.A.			2,554
3	D	D	YARPA S.p.A.			
3	D	D	YARPA S.p.A. NON INT LIB			1,147
4	E	D	GRUPPO G.P.A. S.p.A.			
5	E	V	CAM FINANZIARIA S.p.A.			
5	E	D	CAM FINANZIARIA S.p.A.	31,054,509		7,845
6	E	D	BANCA PASSADORE & C. S.p.A.			
7	E	D	BCC VALDOSTANA Soc.Coop.			
8	E	D	ROVIGO BANCA Credito Cooperativo			
9	E	D	DOWNALL ITALIA S.r.l.			
10	E	D	SOFIGEA S.r.l. in liq.			
11	E	D	U.C.I. S.cons.r.l.	1,000	510	
12	E	D	MEDINVEST INTERNATIONAL S.C.A.			
13	B	D	INTERBILANCIA S.r.l.			
14	B	V	IMMOBILIARE BILANCIA S.r.l.			
15	D	V	TOURING VACANZE S.r.l.			
15	D	D	TOURING VACANZE S.r.l.	3,096,000		5,765
16	B	V	VITTORIA PROPERTIES S.r.l.	297,000		1,040
16	B	D	VITTORIA PROPERTIES S.r.l.	7,920,000		17,820
17	B	D	IMMOBILIARE BILANCIA PRIMA S.r.l.			
18	B	D	IMMOBILIARE BILANCIA SECONDA S.r.l.			
19	B	D	IMMOBILIARE BILANCIA TERZA S.r.l.			
20	E	D	BCC APUANA Soc.Coop.			

(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 2012

Decrease of the year		Book value (4)		Acquisition cost	Current value
Sales		Quantity	Amount		
Quantity	Amount				
			65,703	34,751	27,988
			48,683	29,572	20,738
		5,032	2,409,500	2,759	2,721
			5,198,766	2,564	2,196
			15,849,896	4,053	3,470
		2,000	1,596,959	3,775	3,775
		7,845			
31,054,509			31,054,509	7,845	16,925
			1,377,848	3,540	7,675
			3,800	41	41
			100	3	3
			9,999	13	13
			695,819	705	705
			7,879	4	4
		715	300,000	425	425
			64,000	78	766
			5,150,000	26,062	26,737
3,096,000		5,765			
		767	3,096,000	4,997	4,997
6,237,000		11,930			
			7,920,000	17,820	18,032
			3,000,000	5,400	12,200
			1,000,000	1,250	771
			100,000	100	78
			193	50	50

(4) Insert (*) if stated with the equity method (only for types b and d)

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

Number	Type	Name	Increase of the year			
			Acquisitions		Other increases	
			Quantity	Amount		
(1)	(2)	(3)				
21	E	D	MEDIOBANCA S.p.A.			
22	E	D	MEDIORISCHI S.p.A.			
23	B	D	VITTORIA SERVICE S.r.l.			
24	D	D	CONSORZIO MOVINCOM S.c.r.l.			30
25	E	D	YAM INVEST N.V.			
26	B	D	FORUM MONDADORI RESIDENZE S.r.l.			
27	E	D	BCC DI SIGNA Soc.Coop.			
28	E	D	BCC DI INZAGO Soc.Coop.			
29	E	D	BCC DEL VOMANO Soc.Coop.			
30	D	D	WHITE SARL SICAR			
31	D	D	LAUMOR PARTNERS SARL SICAR			
32	D	D	GIMA SICAR SA			2,429
			Total C.II.1		1	76,630
	a		Parent companies			
	b		Subsidiaries			
	c		Related companies			56,860
	d		Associated companies			
	e		Other companies			11,925
			Total D.I		1	7,845
			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

Decrease of the year		Book value (4)		Acquisition cost	Current value
Sales		Quantity	Amount		
Quantity	Amount			Other decreases	
		849	1,225,350	10,354	5,713
			10,199	244	244
		1,264	70,000	101	105
		30	1,000	1	1
			11,828,094	6,594	6,594
			1,000,000	10,070	10,070
			900	46	46
			15,000	46	46
			500	50	50
456,902		3,250			
98,136		7,390			
18,649,701		17,395			
		64,230		173,314	173,178
		13,193		124,899	117,486
		39,628		14,375	13,384
		11,409		33,736	42,308
				231,916	

(4) Insert (*) if stated with the equity method (only for types b and d)

Assets - Allocation based on the use of other financial investments: equity investments, unit trust units, bonds and other fixed-interest securities, shares in investment pools and other financial investments (captions C.III.1., 2., 3., 5., 7)

I - Non-life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:	21	41	61	81	101	101
a) listed shares	22	42	62	82	102	102
b) unlisted shares	23	43	63	83	103	103
c) quotas	24	44	64	84	104	104
2. Unit trust units	18,313	18,303	45	85	18,313	18,303
3. Bonds and other fixed-interest securities ..	635,546	665,114	46	86	758,608	790,191
a) listed government securities	633,343	662,312	47	87	756,405	787,389
a2) other listed securities	2,067	2,666	48	88	2,067	2,666
b) unlisted government securities	29	49	69	89	109	109
b2) other unlisted securities	136	136	50	90	136	136
c) convertible bonds	31	51	71	91	111	111
5. Shares in investment pools	32	52	72	92	112	112
7. Other financial investments	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:	141	161	181	201	221	221
a) listed shares	142	162	182	202	222	222
b) unlisted shares	143	163	183	203	223	223
c) quotas	144	164	184	204	224	224
2. Unit trust units	7,596	8,113	165	185	7,596	8,113
3. Bonds and other fixed-interest securities ..	571,580	591,064	166	186	679,755	701,677
a) listed government securities	506,118	525,017	167	187	613,336	634,639
a2) other listed securities	60,607	61,192	168	188	61,564	62,183
b) unlisted government securities	149	169	189	209	229	229
b2) other unlisted securities	4,855	4,855	170	190	4,855	4,855
c) convertible bonds	151	171	191	211	231	231
5. Shares in investment pools	152	172	192	212	232	232
7. Other financial investments	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	1,173,41	1,068,998,81		101
Increase of the year:	22	24,736,42	382,240,82		102
for: acquisitions	23	24,736,43	353,117,83		103
write-backs	24	44			104
transfers from the trading portfolio.....	25	45			105
other variations	26	46	29,123,86		106
Decrease of the year:	27	47	244,112,87		107
for: sales	28	48	57,708,88		108
write-downs	29	49			109
transfers to the trading portfolio	30	50	145,090,90		110
other variations	31	51	41,314,91		111
Book value	32	25,909,52	1,207,126,92		112
Current value	33	26,416,53	1,256,178,93		113

Year 2012

Company VITTORIA ASSICURAZIONI S.p.A.

Assets - Changes in loans and deposits with banks (captions C.III.4, 6)

		Loans C.III.4	Deposits with banks C.III.6
Opening book value	+ 1	9,777	21
Increase of the year	+ 2	2,401	22
for: lending	3	2,401	
write-backs	4		
other variations	5		
Decrease of the year:	- 6	2,827	26
for: repayments	7	2,827	
write-downs.....	8		
other variations	9		
Book value	10	9,351	30

Company **Vittoria Assicurazioni S.p.A.**Year **2012**

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		23,510	27,134	45	21,049	65
IV. Other financial investments:						28,248
1. Equity investments		5,958	26	46	8,103	66
2. Bonds and other fixed-interest securities		17,598	27	47	18,665	67
3. Bank deposits			28	48		68
4. Other financial investments			29	49		69
V. Other assets		119	30	50	119	70
VI. Liquid funds		1,170	31	51	1,170	71
			32	52		72
			33	53		73
Total		48,355	51,120	54	49,106	74
						59,983

Company **Vittoria Assicurazioni S.p.A.**Year **2012**

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	6,732 24	5,447 44	6,512 64	5,938
3. Unit trust units	4,837 25	4,097 45	4,335 65	4,414
4. Bank deposits	26	46	66	
5. Other financial investments	27	47	67	
III. Other assets	-56 28	115 48	-56 68	115
IV. Liquid funds	565 29	685 49	565 69	685
.....	30	50	70	
.....	31	51	71	
Total	12,078 32	10,344 52	11,356 72	11,152

Company VITTORIA ASSICURAZIONI S.p.A.Year 2012Liabilities - 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	1 343,763	11 324,052	21 19,711
Reserve for current risks:	2 2,037	12	22 2,037
Book value	3 345,800	13 324,052	23 21,748
Claims reserve:			
Reserve for claims settlement and direct expenses	4 695,068	14 605,151	24 89,917
Reserve for settlement costs	5 41,461	15 46,373	25 -4,912
IBNR reserve	6 56,586	16 45,576	26 11,010
Book value	7 793,115	17 697,100	27 96,015

Company VITTORIA ASSICURAZIONI S.p.A.Year 2012Liabilities - 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	1 732.309	11 718.171	21 14.138
Premiums carried forward	2 11.928	12 13.060	22 -1.132
Mortality risk reserve	3 2	13 3	23 -1
Integration reserves	4 1.855	14 2.493	24 -638
Book value	5 746.094	15 733.727	25 12.367
Profit participation and reimbursement reserve.....	6 50	16 42	26 8

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	+		11 8,759 21	741 31	3,806
Accruals of the year.....	+		12 950 22	1,100 32	2,086
Other increases	+		13	50 33	
Utilisation of the year	-		14 7,815 24	34	512
Other decreases	-		15	25	1,947
Book value			16 1,894 26	1,891 36	3,433

List of assets and liabilities relating to group and other companies

I: Assets

	Parent companies	Subsidiaries	Related companies	Associated companies	Other companies	Total
Equity investments	1	2	3	4	5	6
Bonds	7	8	9	10	11	12
Loans	13	14	15	16	17	18
Shares in investment pools.....	19	20	21	22	23	24
Bank deposits	25	26	27	28	29	30
Other financial investments	31	32	33	34	35	36
Deposits with ceding companies	37	38	39	40	41	42
Investments relating to index-linked policies.....	43	44	45	46	47	48
Investments relating to pension fund management	49	50	51	52	53	54
Receivables relating to direct insurance business.....	55	56	57	58	59	60
Receivables relating to reinsurance business	61	62	63	64	65	66
Other receivables	67	68	69	70	71	72
Bank and postal accounts.....	73	74	75	76	77	78
Sundry assets	79	80	81	82	83	84
Total	85	86	87	88	89	90
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	88
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
			2,096	142	15	2,111
			20	142	149	162
			2,204	142	15	2,361

Company VITTORIA ASSICURAZIONI S.p.A.Year 2012

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	8,744
Total		15	8,744
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	20,816
Total		22	20,816

Commitments for derivative transactions

Derivative	Current year				Previous year			
	Purchase		Sale		Purchase		Sale	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Futures:								
on shares	101	21	131	41	141	61	161	
on bonds	102	22	122	42	142	62	162	
on currencies	103	23	123	43	143	63	163	
on exchange rates	104	24	124	44	144	64	164	
other	105	25	125	45	145	65	165	
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	55	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 referring to allowed if not related to purchase/sale transactions relating to the same derivative category (same contracts, maturity, underlying assets, 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 71,020 2	68,546 3	26,154 4	25,073 5	-586
Third-party motor liability (class 10)	6 565,962 7	551,740 8	400,261 9	99,578 10	-805
Hull insurance for motor vehicles (class 3)	11 89,820 12	89,436 13	61,197 14	26,758 15	484
Marine, aviation and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16 2,252 17	2,086 18	1,568 19	776 20	240
Fire and miscellaneous damages (classes 8 and 9)	21 72,510 22	67,403 23	52,539 24	22,170 25	4,653
Third-party general liability (class 13)	26 40,693 27	39,499 28	28,891 29	13,079 30	1,210
Credit and bond insurance (classes 14 and 15)	31 12,826 32	12,784 33	7,441 34	4,796 35	-2,077
Pecuniary losses (class 16)	36 26,176 37	28,310 38	12,618 39	7,423 40	-39
Legal protection (class 17)	41 3,650 42	3,635 43	541 44	1,004 45	-1,040
Support and assistance (class 18)	46 13,603 47	13,286 48	3,728 49	3,723 50	-437
Total direct insurance	51 898,512 52	876,725 53	594,938 54	204,380 55	1,603
Indirect insurance	56 138 57	175 58	83 59	22 60	1
Total domestic portfolio	61 898,650 62	876,900 63	595,021 64	204,402 65	1,604
Foreign portfolio	66 67	68	69	70	
Total	71 898,650 72	876,900 73	595,021 74	204,402 75	1,604

Company VITTORIA ASSICURAZIONI S.p.A.Year 2012

Summarised life business premiums and reinsurance balance

	Direct insurance	Indirect insurance	Total
Gross premiums:	1 119,407	11 267	21 119,674
a) 1. individual policies	2 107,562	12 267	22 107,829
2. group policies	3 11,845	13	23 11,845
b) 1. periodic premiums	4 41,992	14 267	24 42,259
2. single premiums	5 77,415	15	25 77,415
c) 1. non-profit participation contracts.....	6 18,511	16 267	26 18,778
2. profit participation contracts.....	7 99,475	17	27 99,475
3. contracts where the investment risk is borne by policyholders and pension fund	8 1,421	18	28 1,421
Reinsurance balance	9 -307	19 169	29 -138

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	501	41	507	81	1,008
Dividends and other income on equity investments in other companies.....	2		42		82	
Total	3	501	43	507	83	1,008
Income on investments in land and buildings	4	208	44		84	208
Income on other investments:						
Income on bonds issued by group companies.....	5		45		85	
Interest on loans to group companies	6	36	46	2	86	38
Income on unit trust units	7		47	20	87	20
Income on bonds and other fixed-interest securities	8	32,236	48	31,017	88	63,253
Interest on loans	9		49	748	89	748
Income on shares of investment pools	10		50		90	
Interest on bank deposits.....	11		51		91	
Income on other financial investments	12		52		92	
Interest on deposits with ceding companies.....	13		53		93	
Total	14	32,272	54	31,787	94	64,059
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	1,245	59	801	99	2,046
Other financial investments.....	20		60		100	
Total	21	1,245	61	801	101	2,046
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	1,829	66	870	106	2,699
Profit on sale of other financial investments.....	27	69	67		107	69
Total	28	1,898	68	870	108	2,768
TOTAL	29	36,124	69	33,965	109	70,089

Company VITTORIA ASSICURAZIONI S.p.A.

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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 38
Other financial investments	4 544
- of which: bonds..... 5	
Other assets	6 7
Total	7 589
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	10 563
Profit on sale of other financial investmentsi	11 935
- of which: bonds	12
Other income.....	13 57
Total	14 1,555
Non-realised capital gains	15 4,879
TOTAL	16 7,023

II. Investments relating to pension fund management

	Amount
Income on:	
Investments in group companies.....	21
Other financial investments	22 371
- of which: bonds..... 23	290
Other assets	24 40
Total	25 411
Profit on sale of investments	
Profit on sale of investments in group companies	26
Profit on sale of other financial investments.....	27 24
- of which: bonds	28 2
Other income.....	29
Total	30 24
Non-realised capital gains	31 1,429
TOTAL	32 1,864

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2012

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	87	31	45	61
Charges relating to investments in land and buildings.....	2	891	32	324	62
Bond charges	3	3,107	33	1,774	63
Charges relating to unit trust units.....	4	14	34	5	64
Charges relating to shares in investment pools	5		35		65
Other financial investment charges	6		36		66
Interest on deposits from reinsurers	7	121	37	494	67
Total	8	4,220	38	2,642	68
Adjustments to investment values:					
Land and buildings	9	4,017	39	837	69
Equity investments in group companies	10	11,370	40		70
Bonds issued by group companies	11		41		71
Other equity investments.....	12		42		72
Other bonds	13		43	1,994	73
Other financial investments	14		44		74
Total	15	15,387	45	2,831	75
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		48	47	78
Loss on sale of other financial investments	19		49		79
Total	20		50	47	80
TOTAL	21	19,607	51	5,520	81
					25,127

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2012

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 16
Other financial investments	4 17
Other assets	5 283
Total	6 316
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	9 138
Loss on sale of other financial investments	10 434
Other charges.....	11 22
Total	12 594
Non-realised capital losses	13 521
TOTAL	14 1,431

II. Investments relating to pension fund management

	Amounts
Management charges arising from:	
Investments in group companies	21
Other financial investments	22 348
Other assets.....	23
Total	24 348
Loss on sale of investments	
Loss on sale of investments in group companies	25
Loss on sale of other financial investments	26
Other charges	27
Total	28
Non-realised capital losses	29 6
TOTAL	30 354

	Class <u>01</u>		Class <u>02</u>		
	Accident insurance		Health insurance		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	60,189	1	10,831
Change in premium reserve (+ o -)	-	2	2,489	2	-15
Charges relating to claims	-	3	19,449	3	6,705
Change in other technical reserves (+ or -) (1)	-	4		4	
Other technical captions, net (+ or -)	+	5	-1,156	5	-214
Management fees.....	-	6	21,263	6	3,810
Direct insurance technical result (+ or -)		7	15,832	7	117
Outwards reinsurance result (+ or -)		8	-409	8	-177
Indirect insurance net result (+ o -)		9	1	9	1
Change in equalisation reserve (+ o -)		10		10	
Income on investments transferred from non-technical account ..		11	496	11	120
Result of technical account (+ or -)		12	15,920	12	61

	Class <u>07</u>		Class <u>08</u>		
	Cargo insurance		Fire and natural events		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	1,095	1	38,186
Change in premium reserve (+ or -)	-	2	125	2	1,916
Charges relating to claims.....	-	3	965	3	24,150
Change in other technical reserves (+ or -) (1).....	-	4		4	
Other technical captions, net (+ o -)	+	5	1	5	-839
Management fees	-	6	495	6	12,156
Direct insurance technical result (+ or -)		7	-489	7	-875
Outwards reinsurance result (+ or -)		8	89	8	4,162
Indirect reinsurance net result (+ o -)		9		9	20
Change in equalisation reserve (+ o -)		10	3	10	115
Income on investments transferred from non-technical account ..		11	22	11	563
Result of technical account (+ or -) (A + B + C - D + E)		12	-381	12	3,755

	Class <u>13</u>		Class <u>14</u>		
	Third-party general liability		Credit insurance		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	40,693	1	3,083
Change in premium reserve (+ or -)	-	2	1,194	2	162
Charges relating to claims.....	-	3	28,891	3	3,500
Change in other technical reserves (+ or -) (1)	-	4		4	
Other technical captions, net (+ or -)	+	5	-1,160	5	-99
Management fees	-	6	13,079	6	1,587
Direct insurance technical result (+ or -)		7	-3,631	7	-2,265
Outwards reinsurance result (+ or -)		8	1,210	8	
Indirect reinsurance net result (+ o -)		9	33	9	
Change in equalisation reserve (+ o -)		10		10	
Income on investments transferred from non-technical account ..		11	1,172	11	197
Result of technical account (+ or -) (A + B + C - D + E)		12	-1,216	12	-2,068

(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 <u>03</u> Motor vehicle hulls (name)	Class <u>04</u> Railway truck hulls (name)	Class <u>05</u> Aviation hulls (name)	Class <u>06</u> Marine hulls (name)
1 89,820	1 3	1 1	1 444
2 384	2	2	2 -3
3 61,197	3	3 -24	3 271
4	4	4	4
5 -505	5	5	5 -1
6 26,758	6 1	6	6 156
7 976	7 2	7 25	7 19
8 484	8	8 24	8 -24
9	9	9 1	9
10 269	10	10	10
11 713	11	11 2	11 7
12 1,904	12 2	12 52	12 2

Class <u>09</u> Miscellaneous damages (name)	Class <u>10</u> Third-party motor liability (name)	Class <u>11</u> Third-party aviation liability (name)	Class <u>12</u> Third-party marine liability (name)
1 34,324	1 565,962	1 3	1 706
2 3,191	2 14,222	2	2 44
3 28,389	3 400,261	3 165	3 191
4	4	4	4
5 -514	5 -7,485	5 -1	5 -12
6 10,014	6 99,578	6 2	6 122
7 -7,784	7 44,416	7 -165	7 337
8 491	8 -805	8 153	8 -2
9 1	9	9	9
10 49	10	10	10
11 290	11 8,977	11	11 8
12 -7,051	12 52,588	12 -12	12 343

Class <u>15</u> Bond insurance (name)	Class <u>16</u> Pecuniary losses (name)	Class <u>17</u> Legal protection (name)	Class <u>18</u> Support and assistance (name)
1 9,743	1 26,176	1 3,650	1 13,603
2 -120	2 -2,134	2 15	2 317
3 3,941	3 12,618	3 541	3 3,728
4	4	4	4
5 -423	5 -181	5 -24	5 -74
6 3,209	6 7,423	6 1,004	6 3,723
7 2,290	7 8,088	7 2,066	7 5,761
8 -2,077	8 -39	8 -1,040	8 -437
9 9	9	9	9 5
10	10	10	10
11 242	11 446	11 11	11 34
12 464	12 8,495	12 1,037	12 5,363

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	898,512,11	29,372,21	138,31	41	869,278
Change in premium reserve (+ or -)	21,787,12	1,184,22	-37,32	42	20,566
Charges relating to claims	594,938,13	23,574,23	83,33	1,43	571,446
Change in other technical reserves (+ or -) (1)	14	24	34	44	
Other technical captions, net (+ or -)	-12,687,15	25	35	45	-12,687
Management fees	204,380,16	6,217,26	22,36	46	198,185
Technical result (+ or -)	64,720,17	-1,603,27	70,37	-1,47	66,394
Change in equalisation reserves (+ or -)				48	436
Income on investments transferred from non-technical account	13,293		7	49	13,300
Result of technical account (+ o -)	78,013,20	-1,603,30	77,40	-1,50	79,258

(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	104,574		168
Charges relating to claims	92,780		8,453
Change in mathematical and other technical reserves (+ or -) (*)	13,450		-2,768
Other technical captions, net (+ or -)	-606		321
Management fees	13,416		205
Income on investments net of the portion transferred to the non-technical account (**)	20,623		5,555
Direct insurance result gross of outwards reinsurance (+ or -) A	4,945		154
Outwards reinsurance result (+ or -) B	-466		
Indirect insurance net result (+ or -) C	-169		
Result of technical account (+ or -) (A + B + C)	4,310		154

	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	421	12,990	1,253
Charges relating to claims	23	25,204	563
Change in mathematical and other technical reserves (+ or -) (*)	238	-9,321	2,224
Other technical captions, net (+ or -)	-7	-139	133
Management fees	74	1,331	58
Income on investments net of the portion transferred to the non-technical account (**)	25	4,384	1,506
Direct insurance result gross of outwards reinsurance (+ or -) A	104	21	47
Outward reinsurance result B	160		
Indirect insurance net result (+ or -) C			
Result of technical account (+ or -) (A + B + C)	264	21	47

(*) 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
	1 Direct risks	2 Transferred risks	3 Inwards reinsurance risks	4 Outwards reinsurance risks	
Premiums accounted for	119,406	1,384	267	41	118,289
Charges relating to claims.....	127,023	6,226	507	42	121,304
Change in mathematical and other technical reserves (+ or -) (*)	3,823	-5,402	199	43	9,424
Other technical captions, net (+ or -)	-298	24	34	44	-298
Management fees.....	15,084	254	73	45	14,903
Income on investments net of the portion transferred to the non-technical account (***).....	32,093		343	46	32,436
Result of technical account (+ or -)	5,271	306	-169	47	4,796

(*) 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

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	92	93	94	95	96	
Interest on subordinated liabilities	98	99	100	101	102	
Interest on deposits from reinsurers.....	104	105	106	107	108	
Interest on payables arising from direct insurance business.....	110	111	112	113	114	
Interest on payables arising from reinsurance business.....	116	117	118	119	120	
Interest on sums due to banks and financial institutions.....	122	123	124	125	126	1
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	160	161	162	1
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	184	185	186	1

(*) With reference to the counterparty

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2012

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 26,996 31	4,088 61	31,084
- Social security contributions	2 7,182 32	1,088 62	8,270
- Accruals to the employees' leaving entitlement and similar provisions	3 1,892 33	287 63	2,179
- Other personnel expenses.....	4 3,049 34	462 64	3,511
Total	5 39,119 35	5,925 65	45,044
Foreign portfolio:			
- Wages and salaries	6	66	
- Social security contributions.....	7	67	
- Other personnel expenses	8	68	
Total	9	69	
Total.....	10 39,119 40	5,925 70	45,044
Consultants' fees:			
Domestic portfolio	11 35,731 41	567 71	36,298
Foreign portfolio	12	72	
Total.....	13 35,731 43	567 73	36,298
Total personnel expenses.....	14 74,850 44	6,492 74	81,342

II: Allocation captions

	Non-life business	Life business	Total
Investment management charges.....	15 646 45	465 75	1,111
Charges relating to claims	16 44,853 46	76	44,853
Other acquisition costs	17 15,710 47	3,945 77	19,655
Other administrative costs	18 13,393 48	2,082 78	15,475
Administrative and third party charges	19	79	
Other technical captions	20 248 50	80	248
Total	21 74,850 51	6,492 81	81,342

III: Average number of employees for the year

	Number
Managers	91 23
White collars	92 464
Blue collars	93
Other	94
Total.....	95 487

IV: Directors and statutory auditors

	Number	Fees
Directors	96 18 98	2,529
Statutory auditors	97 3 99	157

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	95.32% 95.32%
Aspevi Milano S.r.l. Interbilancia	Milan	100.00% 100.00%
Aspevi Roma S.r.l. Interbilancia S.r.l.	Milan	100.00% 100.00%
Cadorna Real Estate S.r.l. Vittoria Immobiliare S.p.A.	Milan	100.00% 100.00%
Consorzio Movincom S.c.r.l. Vittoria Assicurazioni S.p.A. Aspevi Roma S.r.l.	Turin	39.35% 0.96% 38.39%
Forum Mondadori Residenze S.r.l. Vittoria Assicurazioni S.p.A.	Milan	100.00% 100.00%
Gestimmobili S.r.l. Vittoria Immobiliare S.p.A.	Milan	80.00% 80.00%
Fiori di S.Bovio S.r.l. Immobiliare Bilancia S.r.l.	Milan	40.00% 40.00%
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%
Le Api S.r.l. Interbilancia S.r.l.	Milan	30.00% 30.00%
Le Api in winding up S.r.l. Interbilancia S.r.l.	Milan	30.00% 30.00%
Mosaico S.p.A. Vittoria Immobiliare S.p.A.	Turin	45.00% 45.00%

Participating interest through:	Registered Offices	%Ownership
Pama & Partners S.r.l. Vittoria Immobiliare S.p.A.	Genoa	25.00% 25.00%
Plurico S.r.l. Interbilancia S.r.l.	Genoa	70.00% 70.00%
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	100.00% 100.00%
Spefin Finanziaria S.p.A. Vittoria Service S.r.l.	Rome	21.00% 21.00%
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	100.00% 100.00%
Valsalaria S.r.l. Vittoria Immobiliare S.p.A.	Rome	51.00% 51.00%
Valsalaria A. 11 S.r.l. Vittoria Immobiliare S.p.A.	Rome	40.00% 40.00%
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%
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	100.00% 100.00%
Yam Invest NV Vittoria Assicurazioni S.p.A.	Amsterdam	18.75% 18.75%
Yarpa S.p.A. Vittoria Assicurazioni S.p.A.	Genoa	25.90% 25.90%

Management attestation

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

1. The undersigned Roberto Guarena (as Managing Director) and Mario Ravasio (as the Manager Charged with preparing the financial reports), of Vittoria Assicurazioni S.p.A., taking into consideration Article 154-bis (subparagraph 3 and 4) of Italian Legislative Decree February 24th 1998 n.58, do hereby certify:

- the adequacy in relation to the Legal Entity features and
- the actual application

of administrative and accounting procedures for formation of financial statements during the period 1 January 2012 - 31 December 2012.

2. In this respect no remarks emerged besides what already reported in Director's report to the financial report as at 31 December 2012.

3. It is also attested that:

3.1 the financial statements as at 31 December 2012:

- a) Having been prepared in compliance with (a) the Italian Civil Code, (b) the requirements indicated in Italian Legislative Decree no. 173 of 26 May 1997, (c) the Italian Legislative Decree no. 209 of 7 September 2005, and (d) applicable ISVAP (Italian insurance regulator – now IVASS) ordinances, regulations, and circulars, are – to the best of their knowledge – such as to provide fair and true representation of the assets and liabilities, profit or loss, and financial position of the issuer.
- b) Match corporate books and accounting records

3.2 the directors' report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertain situation to which they are exposed.

Milan, 8th March 2013

Roberto Guarena
Managing Director

Mario Ravasio
*Manager Charged with
preparing the financial reports*

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 the shareholders of Vittoria Assicurazioni S.p.A.

During the 2012 accounting term, we carried out the supervisory activities as required by Law, by Consob (the Italian stock exchange authority), by ISVAP (now IVASS, the Italian Insurance Surveillance Institute), and by the so-called "professional practices".

In particular, adhering to the tasks attributed to the Board of Statutory Auditors by the Legislative Decree 58/98, we hereby represent that:

- we participated in the meetings of the Board of Directors and obtained information on a quarterly basis on the activities carried out by the company and the company's subsidiaries and those operations that have a major effect on their economic and financial situation and their assets, ensuring that the resolutions adopted were compliant with the Law and the company mission and that they were not in conflict with resolutions adopted in Shareholders' Meetings;
- we checked, within the bounds of our responsibility, that the principles of correct administration were adhered to by the Directors in carrying out their duties, by means of direct observation, collection of information from the managers in charge of implementing the company's administrative requirements and through meetings with the External Auditor for the purpose of exchanging relevant information;
- we monitored during the accounting term the adequacy of the internal accounting and administrative control systems as well as the reliability of the latter for the purpose of stating relevant events by:
 - ✓ obtaining information from the managers in charge of the various company functions, including the manager in charge of compiling company accounting records;
 - ✓ examining company documents and the reports of the Internal Audit and the Compliance and Risk Management functions;
 - ✓ meeting periodically with the External Auditor who notified us during the accounting term the results of quarterly checks showing that accounting records had been regularly kept and through participation in the activities of the Control and Risks Committee.

Constant participation in the Control and Risks Committee allowed the Board of Statutory Auditors to coordinate with it the execution of its Internal Control Committee and auditing functions that were adopted as provided by Article 19 of Legislative Decree 39/2010, and specifically to monitor:

- ✓ the financial disclosure process;
- ✓ the efficiency of the systems of internal control, internal audit and risk management;
- ✓ statutory auditing of annual single-company and consolidated accounts;
- ✓ aspects concerning the independence of the External Auditor, with particular reference to services provided by said External Auditor to the audited company other than the statutory audit itself.

In this regard, it should be noted that no services other than the statutory audit were commissioned to the independent auditing company, Deloitte & Touche S.p.A., that no services have been commissioned to parties that are related or linked to it, and that there was no evidence nor were there any circumstances that could jeopardize its independence.

The independent auditor has given advance notification to the effect that the report pursuant to Article 19, Paragraph 3 of the Legislative Decree 39/2010 will reveal neither essential issues that emerged during the audit nor significant shortcomings in the internal control system with reference to the financial information process.

Based on the work that was carried out, the internal control system therefore proved to be adequate on the whole, and there were no critical issues to report.

Furthermore, we hereby represent that:

- we performed the controls required by the ISVAP (now IVASS) in relation to insurance books and registers, classification and valuation of the securities portfolio, use of financial derivatives, and checks as required by anti-money laundering regulations;
- we noted, during periodical checks, the proper and correct allocation of funds to cover technical reserves, as required by ISVAP circular 176/1992, supplemented by Regulation 36 of 31 January 2011;
- we received the Quarterly Reports in accordance with ISVAP Regulation 24 of 19 May 2008, on complaints prepared by the manager in charge of the Internal Audit of the Company that did not reveal any critical situations nor any organisational shortcomings;
- we met with the members of the Supervisory Body set up pursuant to Legislative Decree 231/01, who prepared the specific half-yearly reports to the Board of Directors, and that there are no critical issues to report;
- we did not have specific meetings with the Boards of Statutory Auditors of the subsidiaries as we were updated directly by the members of this Board of Statutory Auditors who are also members of the Boards of Statutory Auditors of the subsidiaries;
- we checked that the Company set up regulations, procedures and company structures aimed at monitoring and protecting insurance, financial, credit and business risks as mentioned in the Management Report and the explanatory notes to the Financial Statements;
- we noted that the regulations governing transactions with related parties were implemented, that the Committee (which coincides with the Internal Control Committee) for such purpose had been set up and that the applicable procedures were in place.

In addition, also in accordance with CONSOB recommendations, the Board of Statutory Auditors represents that:

- the information provided by the Board of Directors, also specifically regarding subsidiaries, intra-group transactions and transactions with related parties was deemed adequate;
- there were no atypical or unusual transactions with subsidiaries, with related parties or with other third parties as declared by the Directors in the Management Report;
- ordinary transactions with subsidiaries or with related parties were conducted at market conditions in the best interest of the company and were conducted in compliance with the specific procedure approved by the Board of Directors, as described in the Management Report with specification of their size and the economic effect on the company results;
- no particularly important events were reported after the end of the accounting term;
- during 2012 there were 6 meetings of the Board of Directors and 11 meetings of the Board of Statutory Auditors, of which 5 were held jointly with the Control and Risks Committee;
- the instructions given by the Company to subsidiaries are deemed adequate for the purpose of Article 114, Paragraph 2, of Legislative Decree 58/1998;
- we have expressed an opinion on the remuneration of Directors with specific duties as required by Law;
- following completion of the applicable procedure on 20th April 2012, we submitted a substantiated opinion for the approval of the Shareholders' Meeting for the appointment of an External Auditor for the nine-year period from 2012-2020.

The Company adhered to the Self-Regulation Code for listed companies of the Committee for Corporate Governance. It adopted its terms and put it into practice as demonstrated by the relevant report prepared for the Shareholders' Meeting. The Company verified the independence of the Directors and we confirm proper application of the assessment criteria and audit procedures used by the Board of Directors. We also confirm our independence as required by the Self-Regulation Code.

During the accounting term, the Board of Statutory Auditors did not receive any reports pursuant to article 2408 of the Italian Civil Code and neither have any other reports been made. During our monitoring activities, as described above, there were no reprehensible actions, omissions or irregularities to report to the relevant supervisory authorities or to note in this report.

In relation to the Financial Statements and the Consolidated Financial Statements, the Company compiled them in accordance with the national accounting principles (for Financial Statements), as required by Law, and the IAS/IFRS accounting standards endorsed by the EU (for Consolidated Financial Statements).

With regard to these financial statements, independent auditor Deloitte & Touche S.p.A. today released audit reports which do not contain any references to deviations or limitation of scope, and also affirmed the conformity of the information contained in the Management Reports.

As regards the 2012 Financial Statements and allocation of the year's profits, we agree with the proposal of the Board of Directors, which consists of setting aside the amount of €419,276 to the legal reserve, allocating €45,608,321 to the available reserve and €11,454,417 for distribution of dividends.

Milan, 27th March 2013

FOR AND ON BEHALF OF THE BOARD OF
STATUTORY AUDITORS

Alberto Giussani

Giovanni Maritano

Corrado Versino

Report of Independent auditors

AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27,
2010 AND WITH ARTICLE 102 OF LAW DECREE N. 209 OF SEPTEMBER 7, 2005

To the Shareholders of
VITTORIA ASSICURAZIONI S.p.A.

1. We have audited the financial statements of Vittoria Assicurazioni S.p.A. as of and for the year ended December 31, 2012. These financial statements prepared in accordance with applicable law and regulations are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with article 102 of the Law Decree N. 209/2005 and article 24 of Regulation ISVAP n. 22/2008, in performing our work we used the services of an independent actuary who expressed his opinion on the sufficiency of the technical provisions reported in the balance sheet of Vittoria Assicurazioni S.p.A. through the enclosed reports.

For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to the auditors' report issued by other auditors on March 28, 2012.

3. In our opinion, the financial statements of Vittoria Assicurazioni S.p.A. as of and for the year ended December 31, 2012 comply with the laws governing the criteria for their preparations, accordingly, they give a true and fair view of the financial position and the results of operations of Vittoria Assicurazioni S.p.A..

4. The Directors of Vittoria Assicurazioni S.p.A. are responsible for the preparation of Directors' Report and the annual report on corporate governance available on Vittoria Assicurazioni S.p.A.'s web site section "Governance" in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Directors' Report and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Directors' Report and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the financial statements of Vittoria Assicurazioni as of December 31, 2012.

DELOITTE & TOUCHE S.p.A.

Signed by
Vittorio Frigerio
Partner

Milan, Italy
March 27, 2013

This report has been translated into the English language solely for the convenience of international readers.

Principal

Prof. Gennaro Olivieri

Partners

Paola Fersini
Giuseppe Melisi

Associates

Ciriaco Serluca
Annalisa Lenti

Sede legale, amministrativa e operativa

00192 Roma
Via Attilio Regolo 12/d

Tel./Fax: +39 06 97614458

Partita IVA e Codice Fiscale:
10741671001

**REPORT OF THE ACTUARY
IN ACCORDANCE WITH ARTT. 102 E 103 OF LEGISLATIVE DECREE NO. 209 OF
SEPTEMBER 7TH 2005**

To the auditors
Deloitte & Touche S.p.A.
Via Tortona, 25
20144 MILANO

OBJECT: VITTORIA ASSICURAZIONE S.p.A. - FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31st 2012

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 2012.

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, March 27TH 2013


Prof. Gennaro Olivieri
"Guido Carli" Chair of Advanced Financial Mathematics
Luiss Guido Carli University – Rome
Actuary

Principal

Prof. Gennaro Olivieri

Partners

Paola Fersini
Giuseppe Melisi

Associates

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Annalisa Lenti

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00192 Roma
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Tel./Fax: +39 06 97614458

Partita IVA e Codice Fiscale:
10741671001

**REPORT OF THE ACTUARY
IN ACCORDANCE WITH ARTT. 102 E 103 OF LEGISLATIVE DECREE NO. 209 OF
SEPTEMBER 7TH 2005**

To the auditors
Deloitte & Touche S.p.A.
Via Tortona, 25
20144 MILANO

OBJECT: VITTORIA ASSICURAZIONE S.p.A. - FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31st 2012

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 2012.

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, March 27TH 2013


Prof. Gennaro Olivieri
"Guido Carli" Chair of Advanced Financial Mathematics
Luiss Guido Carli University – Rome
Actuary