

Vittoria Assicurazioni

SOCIETÀ PER AZIONI
REGISTERED OFFICES: 20153 MILAN - VIA CALDERA, 21
SHARE CAPITAL: EURO 30,000,000 FULLY PAID-UP
FISCAL CODE AND MILAN COMPANY REGISTRAR
NO. 01329510158 - REA NO. 54871
COMPANY AUTHORISED TO CARRY OUT INSURANCE ACTIVITIES
PURSUANT TO ARTICLE 65 OF LEGISLATIVE DECREE NO. 966
OF 29 APRIL 1923

83rd year of operations 2004 Annual Report

Ordinary
Shareholders' meeting
of 29 April 2005



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

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Calling of the shareholders' meeting

(Notice of the shareholders' meeting was placed in Gazzetta Ufficiale della Repubblica Italiana, part II, advertisement sheet no. 63 of 17 March 2005)

The shareholders of Vittoria Assicurazioni S.p.A. are called for an ordinary shareholders' meeting to be held, on first call, at the Palazzo Affari ai Giureconsulti, Piazza Mercanti 2, Milan, on Friday 29 April 2005 at 10.30 am, and if necessary, on second call on Saturday, 30 April 2005, at the same place and time, in order to resolve on the following

AGENDA

1. Financial statements as at and for the year ended 31 December 2004; reports of the board of directors and board of statutory auditors; related resolutions;
2. Change in the number of members of the board of directors and related appointments;
3. Deliberation of remuneration for the directors;

The documentation required by article 2429 of the Civil Code and article 77 of Consob regulation no. 11971 of 14 May 1999 and subsequent modifications on the matters included in the agenda will be deposited at the registered office and Borsa Italiana S.p.A. within the timeframe provided for by relevant legislation, and made available to the public. The shareholders can obtain a copy of such documents.

The holders of ordinary shares who deposit the certificates required by article 34 of Consob regulation no. 11768 of 23 December 1998, which should be requested from the "intermediary" depositaries, can attend the meeting.

The holders of ordinary shares which have not yet been dematerialised should previously give such shares to an "intermediary" in order for them to be included in the centralised management for dematerialisation systems, pursuant to article 51 of Consob regulation no. 11768 of 23 December 1998. They should then ask for the issue of the above certificates.

Board of directors
Managing director
Roberto Guarena

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BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

Angelo CASÒ	Chairman
Giovanni MARITANO	Standing auditor
Livio STRAZZERA	Standing auditor
Ferruccio ARALDI	Substitute auditor
Sergio VASCONI	Substitute auditor

GENERAL MANAGEMENT

Mario RAVASIO	Deputy General Manager
Enrico CORAZZA	Central Manager
Cesare CALDARELLI	Central Manager
Sergio GIOMINI	Central Manager

AUDIT COMPANY

BDO Sala Scelsi Farina
Joint-stock audit company

* Director appointed by the shareholders' meetings of 29 April 2005

APPOINTMENT AND REMUNERATION COMMITTEE

Luca PAVERI FONTANA	Non executive chairman
Francesco BAGGI SISINI	Non executive, independent
Arnaud HELLOUIN de MENIBUS	Non executive, independent
Giacomo MOTTURA	Non executive

INTERNAL CONTROL COMMITTEE

Giacomo MOTTURA	Non executive chairman
Francesco BAGGI SISINI	Non executive, independent
Giorgio COSTA	Non executive, independent

FINANCE COMMITTEE

Andrea ACUTIS	Executive chairman
Carlo ACUTIS	Executive
Giorgio COSTA	Non executive, independent
Roberto GUARENA	Executive
Luca PAVERI FONTANA	Non executive

REAL ESTATE COMMITTEE

Andrea ACUTIS	Executive chairman
Carlo ACUTIS	Executive
Francesco BAGGI SISINI	Non executive, independent
Giorgio COSTA	Non executive, independent
Roberto GUARENA	Executive
Arnaud HELLOUIN de MENIBUS	Non executive, independent
Giacomo MOTTURA	Non executive
Luca PAVERI FONTANA	Non executive

In accordance with Consob communication no. 97001574 of 20 February 1997 and given that the company by-laws establish that the chairman of the board of directors is the legal representative of the company for transactions with third parties and in court as are the deputy chairmen and managing director, to the extent established by the board of directors, the nature of the powers given by the board of directors (*), to be exercised separately, to

DEPUTY CHAIRMAN Carlo Acutis
and MANAGING DIRECTOR

is summarised below:

- Purchase, exchange and sell buildings up to a maximum of Euro ten million per transaction.
- Agree tender contracts, sign projects and contracts related to the company's buildings.
- Purchase and sell, without a fixed ceiling, government securities or securities underwritten by the government, non-convertible bonds and similar equities and OEICs that mainly invest in bonds.
- Purchase and sell, give and take back shares, convertible bonds, investments in companies and bodies, units of OEICs and credit instruments up to a maximum of Euro ten million, reduced to Euro five million when the investments and divestments relate to investments in insurance companies or other companies with a business object directly related or instrumental to that business. The right to purchase and sell majority investments in other companies and bodies is reserved to the board of directors except for those transactions involving real estate companies within the ceiling of Euro ten million per transaction.
- Purchase and sell units of OEICs, excluding closed-end funds, that invest in equities up to a maximum of Euro fifteen million.
- Purchase and sell, without a fixed ceiling, debt securities and equities on behalf of the policyholders of the life business who bear the investment risk and those arising from pension fund management.
- Grant loans and financing up to Euro five million in all other cases, with the power to agree all guarantees, including mortgages.

The right to issue sureties and liens on behalf of third parties is reserved to the board of directors except for those for lease contracts related to the company's normal operations.

* Powers assigned by the Board of Directors on 29 April 2004.

Directors' report

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Dear shareholders,

The eighty-third financial statements, prepared for your approval, show a net profit of Euro 17,779 thousand, up 17.4% on the Euro 15,147 thousand recorded in the previous year, equal to a ROE of 14.2% (2003: 13.5%).

The following were the main operations contributing to the net profit for the year.

Total premiums written rose 13.5% to Euro 519,268 thousand.

Assets managed relating to the life business increased by 10.8% to Euro 706,349 thousand. Direct life insurance premiums increased by 19.3%. This result was achieved thanks to the productive collaboration of the agency network and good returns on the products sold. As well as low risk investments found on the market, the company's financial strategy favours real estate investments acquired through the group companies operating in this sector, whose returns are extremely satisfactory for life policyholders.

Total premiums written in the direct non-life business rose 11.8% to Euro 405,650 thousand.

Premiums of the motor business rose 13.9%, in particular, the motor vehicle hulls line of business rose 16.7%, which was achieved thanks to both ongoing commercial agreements and those signed during the year.

Thanks to the acquisition of new policyholders, the motor third-party liability line increased 13.4%. The rise in premiums is a consequence of the particular care dedicated to the affinity groups and the further strengthening of the commercial organisation through the opening of new points of sale. The company obtained this significant growth keeping at the same time its average frequency of claims target unchanged with respect to previous years.

Direct other non-life premiums excluding aviation, marine, bonds and credit rose 5.7%, a result that was achieved as a result of the special attention the group paid to this area, which is considered strategic.

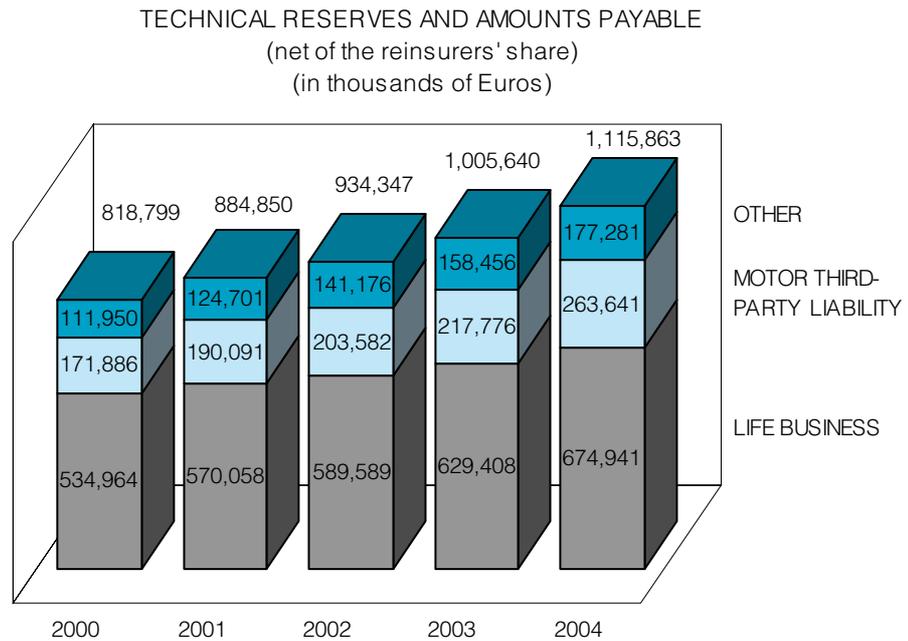
Premiums relating to aviation, marine, bonds and credit increased 11%. This growth, limited in comparison with the opportunities offered by the market, was affected by a stringent risk underwriting policy.

Overheads as a percentage of premiums fell from 10.2% to 9.7%, in accordance with the strategic objective to contain cost.

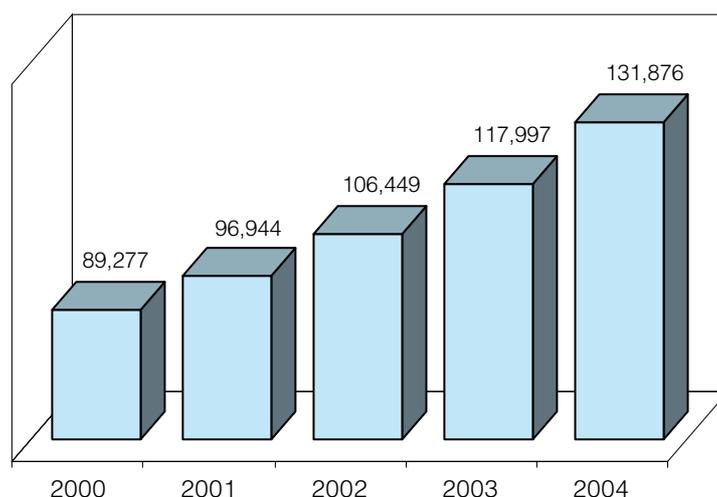
Investments totalled Euro 1,198,614 thousand. They are split between investments where the policyholders bear the risk (Euro 130,477 thousand) and those where the company bears the risk (Euro 1,068,137 thousand). The increase over the previous year is 10.7%. Ordinary income on investments where the company bears the risk amounted to Euro 36,844 thousand, a 3.2% decrease.

During the year, taking into account the flattening of the interest rates curve, the company decided to make the duration of its non-life business securities portfolio shorter by carrying out specific divesting and investing transactions. Overall, these transactions brought in capital gains of Euro 11,888 thousand. This has enabled the company to significantly increase its non-life business technical reserves, which, net of the reinsurers' share, rose 17.2%. The securities portfolio of the company at 15 March 2005 showed an overall net unrealised capital gain of Euro 62,574 thousand.

Shareholders' equity increased by 11.8% to Euro 131,876 thousand.



SHAREHOLDERS' EQUITY (in thousands of Euros)



Consolidated financial statements

The company has prepared its fourth consolidated financial statements in accordance with article 58 of Legislative decree no 173/97. These consolidated financial statements show a net profit for the year of Euro 25,917 thousand, net of accruals totalling Euro 7,986 thousand pertaining to life insurance policyholders, as the investments in Vittoria Immobiliare S.p.A. and Immobiliare Bilancia S.r.l. are included under the assets of the Vittoria Rendimento Mensile and Vittoria Valore Crescente funds.

The increase is partly due to adoption by the group of a new accounting policy for real estate units being built, for which a preliminary sale agreement had already been signed, which are now stated using the stage of completion method rather than the completed order method. If the stage of completion method had been applied constantly over time, the consolidated net profit would have amounted to Euro 22,980 thousand (up 14.2%).

Consolidation entries are detailed in the consolidated annual report.

Performance

A breakdown of premiums written in 2004 and 2003 split by line of business and their impact on the total portfolio is given in the following table.

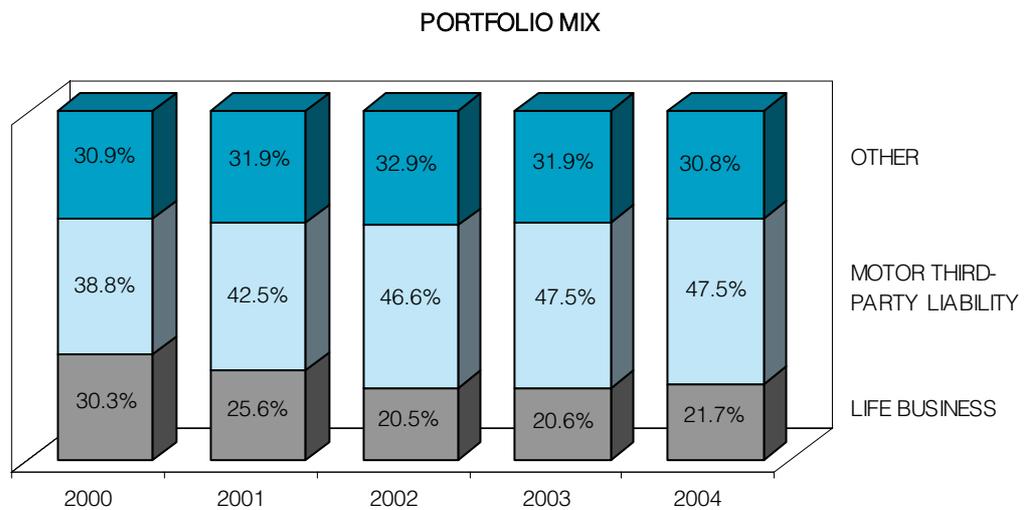
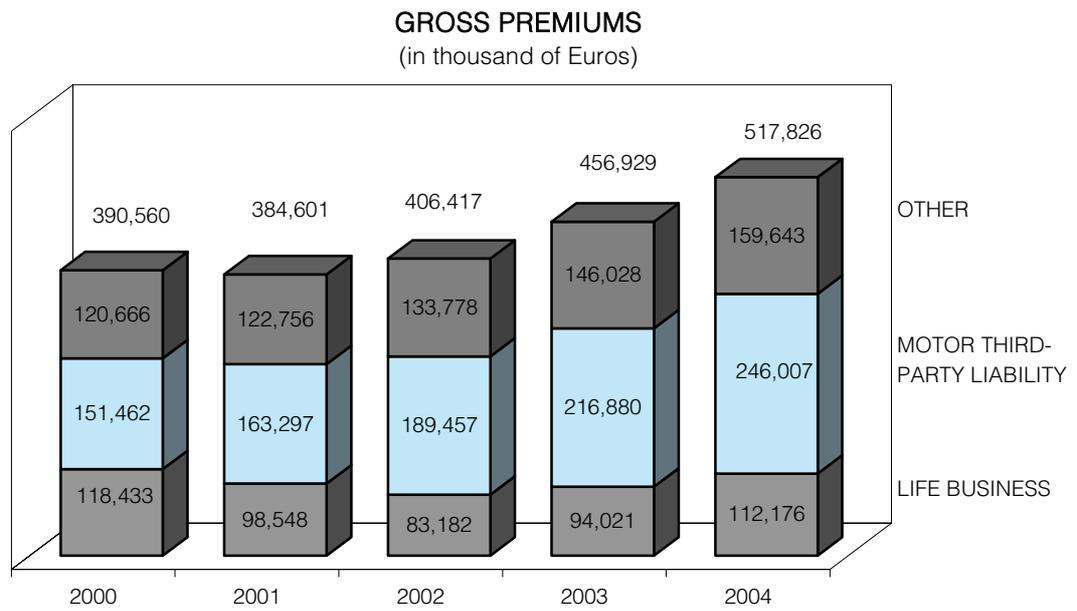
BREAKDOWN OF GROSS PREMIUMS UNDERWRITTEN IN 2004 AND 2003 DIRECT AND INDIRECT INSURANCE

(in thousands of Euros)

	Year 2004	Year 2003	Change %	Percentage of portfolio	
				2004	2003
Domestic direct insurance					
Life business					
I Whole and term life insurance	53,005	54,956	-3.55	10.20	12.01
III. Unit-linked policies	20,696	20,069	3.12	3.99	4.39
IV Health insurance	190	254	-25.20	0.04	0.06
V Capitalisation insurance	37,894	18,342	106.60	7.29	4.00
VI Unit trust management	391	400	-2.25	0.08	0.09
Total life business	112,176	94,021	19.31	21.60	20.55
Non-life business					
Accident insurance	22,636	21,108	7.24	4.36	4.61
Health insurance	7,852	9,418	-16.63	1.51	2.06
Fire and natural events	22,611	21,384	5.74	4.35	4.68
Miscellaneous damages	13,260	11,866	11.75	2.55	2.59
Marine third-party liability	84	208	-59.62	0.02	0.05
General third-party liability	23,102	22,077	4.64	4.45	4.82
Pecuniary losses	6,373	4,924	29.43	1.23	1.08
Legal protection	241	2	n.c.	0.05	0.00
Total other non-life premiums excluding aviation, marine, bonds and credit	96,159	90,987	5.68	18.52	19.88
Railway truck hulls	2	2	0.00	0.00	0.00
Aviation hulls	2,266	1,603	41.36	0.44	0.35
Marine hulls	258	196	31.63	0.05	0.04
Cargo insurance	2,173	2,167	0.28	0.42	0.47
Aviation third-party liability	233	8	n.c.	0.04	0.00
Credit insurance	1	1	0.00	0.00	0.00
Bond insurance	7,498	7,219	3.86	1.44	1.58
Total premiums relating to aviation, marine, bonds and credit	12,431	11,196	11.03	2.38	2.45
Motor third-party liability	246,007	216,880	13.43	47.38	47.40
Motor vehicle hulls	48,807	41,835	16.67	9.40	9.14
Support and assistance	2,246	2,010	11.74	0.43	0.44
Total motor business	297,060	260,725	13.94	57.21	56.98
Total non-life business	405,650	362,908	11.78	78.12	79.30
Total direct insurance	517,826	456,929	13.33	99.72	99.86
Domestic indirect insurance					
Life business	29	35	-17.14	0.01	0.01
Non-life business	1,413	600	135.50	0.27	0.13
Total indirect insurance	1,442	635	127.09	0.28	0.14
Total	519,268	457,564	13.49	100.00	100.00

The following charts show premium volumes and the portfolio mix in the last five years.

Domestic direct insurance



Life business

Premiums of direct insurance rose 19.3%. Their breakdown by line of business is detailed in the table of premiums written. The increase is due to a rise in single premiums of class V (capitalisation).

The returns on separately-managed funds during 2003 were as follows:

	Average rate of return	Total investments
Vittoria Valore Crescente	4.82%	347,262
Vittoria Liquinvest	5.00%	8,039
Vittoria Rendimento Mensile	5.01 %	184,124

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

As in previous years, acquisition costs on long-term policies and incentives paid to agents for new products have been capitalised and amortised within the total limit of the related retained premium, in accordance with the duration of the contract, or for a maximum period of ten years.

Claims, accrued sums, annuities and surrenders

Summarised figures relating to direct insurance claims, accrued sums and annuities and surrenders together with comparative 2003 figures with reference to Classes "I", "IV" and "V", are set out below.

	(in thousands of Euros)	
	31/12/04	31/12/03
Claims	1,490	2,202
Accrued sums and annuities	42,697	38,778
Surrenders	15,033	13,455
Total	59,220	54,435

Surrenders and claims relating to investments where policyholders bear the risk (Classes III and VI index-linked policies, unit-linked policies and open pension fund) totalled Euro 17,980 thousand with respect to Euro 6,912 thousand in the previous year.

Reinsurance

Outwards reinsurance

With respect to Class I of the life business, the following treaties are in place:

- Surplus treaty premium;
- Pure commercial premiums outwards in 1996 and 1997.

Outwards premiums amounted to Euro 2,899 thousand in 2004.

Inwards reinsurance

With respect to the life business, there is a traditional treaty no longer applied which only records changes in the related portfolio.

Non-life business

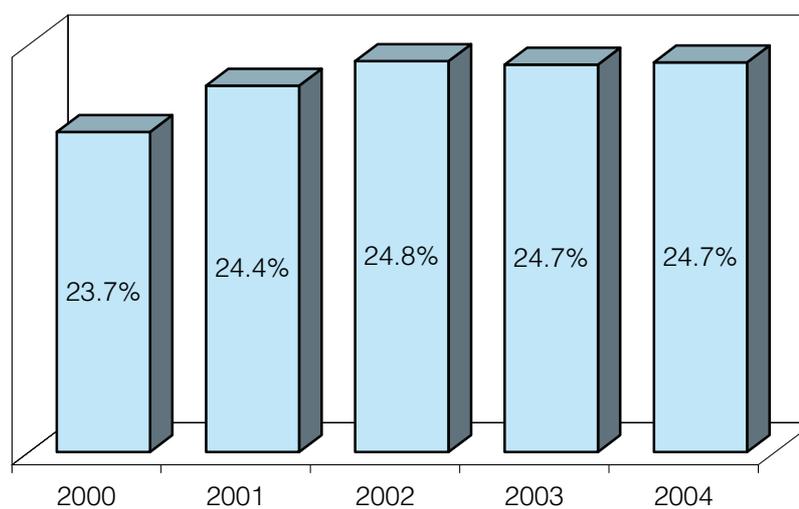
Operating costs

Premiums of direct insurance rose 11.8% (2003: 12.3%).

Operating costs relating to direct insurance, gross of commissions and profit participation received from reinsurers, grew 11.9%. As a percentage of premiums written, they remained unchanged at 24.7%, despite the further investments made to the benefit of the agency network, aimed at enhancing customer loyalty and the opening of new sub-agencies.

	31/12/04	31/12/03	variaz. %
Acquisition and collection commissions and other acquisition costs	71,882	63,782	12.7%
Overheads allocated to commercial costs	14,733	12,879	14.4%
Overheads allocated to other administrative costs	13,750	13,007	5.7%
Total	100,365	89,668	11.9%

OPERATING COSTS AS A PERCENTAGE OF GROSS PREMIUMS



Claims reserve

Reported claims

The following table of reported claims derives from positions open during 2004.

	(in thousands of Euros)					
	Year 2004		Year 2003		Change %	
	number	total cost	number	total cost	number	total cost
Accident insurance	5,299	11,894	5,657	12,487	-6.33	-4.75
Health insurance	9,375	4,652	23,147	5,572	-59.50	-16.51
Aviation hulls	12	2,907	10	3,961	20.00	-26.61
Marine hulls	19	78	10	31	90.00	151.61
Cargo insurance	402	1,330	415	1,762	-3.13	-24.52
Fire and natural events	3,247	8,123	2,851	6,650	13.89	22.15
Miscellaneous damage	6,609	8,341	6,535	7,539	1.13	10.64
Marine third-party liability	50	138	38	136	31.58	1.47
General third-party liability	12,098	19,039	10,900	20,587	10.99	-7.52
Bond insurance	333	13,638	284	11,681	17.25	16.75
Pecuniary losses	243	229	64	273	279.69	-16.12
Total non-motor business	37,687	70,369	49,911	70,679	-24.49	-0.44
Motor third-party liability	59,719	160,848	48,718	124,602	22.58	29.09
Motor vehicle hulls	14,281	26,910	11,700	19,126	22.06	40.70
Support and assistance	5,180	517	5,179	508	0.02	1.77
Total motor business	79,180	188,275	65,597	144,236	20.71	30.53
Total non-life business	116,867	258,644	115,508	214,915	1.18	20.35

The decreased number of reported claims in the health insurance business is due to the termination of two major agreements.

Claims paid

Gross claims charges of all generations, which include liquidation operating costs, are detailed in annex 19 to the notes.

Claims paid related to the group's direct business, net of recoveries, and the reinsurers' share may be analysed by line of business and on an accruals basis as follows

(in thousands of Euros)								
	Claims paid 31/12/04			Claims recovered from reinsurers	Claims paid 31/12/03			Change in gross claims
	Current year	Previous years			Current year	Previous years		
		years	Total			Previous years	Total	
Accident insurance	2,719	5,543	8,262	392	2,785	5,610	8,395	-1.58
Health insurance	2,895	2,664	5,559	3	3,181	1,856	5,037	10.36
Aviation hulls	785	2,341	3,126	2,892	1,899	2,723	4,622	-32.37
Marine hulls	30	7	37	2	8	81	89	-58.43
Cargo insurance	371	431	802	411	363	575	938	-14.50
Fire and natural events	2,730	5,247	7,977	1,798	2,383	3,702	6,085	31.09
Miscellaneous damage	5,296	2,211	7,507	610	4,395	2,377	6,772	10.85
General third-party liability	4,047	8,419	12,466	358	3,029	11,274	14,303	-12.84
Bond insurance	5,174	6,698	11,872	5,998	4,880	8,863	13,743	-13.61
Pecuniary losses	120	55	175	91	29	17	46	280.43
Total non-motor business	24,167	33,616	57,783	12,555	22,952	37,078	60,030	-3.74
Motor third-party liability	70,228	89,509	159,737	44,811	55,818	94,744	150,562	6.09
Motor vehicle hulls	13,026	5,215	18,241	210	9,896	4,941	14,837	22.94
Support and assistance	586	511	1,097	988	345	443	788	39.21
Total motor business	83,840	95,235	179,075	46,009	66,059	100,128	166,187	7.76
Total non-life business	108,007	128,851	236,858	58,564	89,011	137,206	226,217	4.70

The additional charge to the guarantee fund for road casualties amounted to Euro 5,767 thousand in 2004 (2003: Euro 4,974 thousand).

Claims settlement rate

A breakdown of the claims settlement rate by number of reported claims, net of claims cancelled without pay-out, split by current and previous generations of the main lines of business is set out below:

	(percentages)			
	current generation		previous generations	
	31/12/04	31/12/03	31/12/04	31/12/03
Accident insurance	54.05	51.34	62.24	59.70
Health insurance	86.80	62.63	94.85	57.20
Motor vehicle hulls	82.76	84.51	83.12	77.26
Fire and natural events	69.96	65.35	43.21	47.59
Miscellaneous damage - theft	81.94	77.10	78.17	71.53
Motor third-party liability	67.08	67.05	67.73	63.19
General third-party liability	57.02	53.66	38.99	31.44

Technical result (before allocation of revenues)

The following table shows the total technical results and the result by line of business of direct and indirect insurance, net of outwards, gross of related operating costs and net of related revenues (see annexes 25 and 26 of the notes). Previous year's comparative figures are also given.

Non-life business portfolio - 2004 results

(in thousands of Euros)

	Technical balance of direct insurance net of outwards	Technical balance of indirect insurance net of retroceded business	Change in equalisation reserves	2004 technical result	2003 technical result
Accident insurance	3,576	1	0	3,577	2,117
Health insurance	172	1	0	173	-702
Motor vehicle hulls	7,778	-1	-146	7,631	10,079
Railway truck hulls	2	0	0	2	2
Aviation hulls	-1	52	0	51	56
Marine hulls	42	4	0	46	38
Cargo insurance	1,453	0	-7	1,446	-341
Fire and natural events	4,772	59	-68	4,763	3,027
Miscellaneous damage	-573	0	-19	-592	112
Motor third-party liability	-8,819	-10	0	-8,829	5,841
Aviation third-party liability	1	-1	0	0	8
Marine third-party liability	-140	0	0	-140	64
General third-party liability	-4,376	40	0	-4,336	-5,346
Credit insurance	1	0	0	1	1
Bond insurance	-7,566	3	0	-7,563	-6,243
Pecuniary losses	3,548	0	0	3,548	2,943
Legal protection	-33	0	0	-33	1
Support and assistance	124	0	0	124	-64
Total non-life business	-39	148	-240	-131	11,593

From the analysis of the technical account of each line of business, we can note the following:

Accident insurance: premiums increased by 7.2%. The technical performance remained positive. The reduction in the frequency of claims, confirmed during the year, was partly offset by the increase in the average claims charge. The lower impact of serious claims contributed to the further improvement in the technical result with respect to the previous year.

Health insurance: Premiums fell 16.6% due to the company's decision not to renew a master policy handled by another insurer, which was not performing in line with targets. The underwriting policy is mainly focused on indemnification policies that are not affected by changes in the healthcare market. This policy has enabled the company to reduce the claims rate, which improved significantly over the previous year, and achieve a positive technical result.

Motor vehicle hulls, marine hulls, railway truck hulls and support and assistance: these lines of business include all ancillary covers to vehicles included in this sector. The 16.5% rise in premiums follows the underwriting policy implemented in this sector which, in addition to the particular care taken in matching ancillary covers to motor third-party liability policies and the further strengthening of affinity groups, is aimed at developing new business areas linked to the sale of vehicles and related services. The positive technical result confirms the validity of the group's underwriting policy.

Aviation hulls: premiums rocketed 41.4% thanks to the underwriting activities commenced in the general aviation sector through the participation in a special agreement. The performance of the spatial risks sector was stable. The technical result continued to be positive.

Cargo insurance premiums written were in line with the previous year (up 0.3%) following the careful risk selection applied in underwriting policies. The technical result shows a net improvement over the previous years also thanks to the good results achieved with recourses.

Fire and natural elements: the 5.7% rise in premiums was achieved within the careful risk selection policy to which the agency network contributed significantly. Thanks to this policy, the claims rate during the year was very limited. The technical result further improved over the positive result of the previous year.

Miscellaneous damage this line of business includes theft, electronic equipment damage and hail damage. Premiums rose 11.7% and the claims rate is in line with the previous year. The technical result is negative.

Motor, aviation, watercraft third-party liability: premiums grew by 13.5% as a consequence of an annual 11.8% increase in the number of insured vehicles. Tariffs remained for the most part steady since the company followed the Memorandum of Understanding signed by the Government, ANIA and consumer associations. The underwriting policy for this line provides for the adoption of highly customised tariffs aimed at reducing reported claims with a view to further improving results.

The frequency of claims is in line with the previous year while the average claims charged rose as a result of inflation in this sector, which recorded rates significantly greater than the official inflation rates. As a result of this trend, doubts arise as to the future growth in this sector and, therefore, the company prudently increased technical captions in order to cope with any decline.

General third-party liability: the 4.6% increase in premiums is mainly due to the tariff adjustments made during the last few years, which are still being made in order to redress the operating results of this sector. The effect of this activity is to reduce the negative performance. The technical result improved but remained negative. It was affected by a significant increase in the claims reserves, made on a prudent basis to mitigate the effect of the recent trend in court decisions towards awarding compensation for damage to the person's health and professional risks.

Credit and bond insurance: premiums grew 3.9%, a turnabout with respect to the last two years, which showed a decrease due to the effects of the restructuring process implemented in 2001 and 2002. The growth was boosted by the start-up of a new operating structure dedicated to dealing with brokers and banks.

The technical performance was still affected by the phenomenon of fraud involving VAT reimbursements and advances on EU subsidies relating to policies issued in the period from 1999 to 2001. These situations are subject to legal proceedings and the company is both taking legal steps and negotiating out-of-court settlements in order to limit claims charges.

The technical result suffered from the effects of the action implemented to benefit from the tax amnesty in order to settle VAT reimbursement positions at risk. It was also affected by the further increase in the accrual to the premium reserve for unexpired risks.

Pecuniary losses - Legal protection premiums, covers of which mainly relate to pecuniary losses arising from the use of cars, rose by 34.3%. The positive technical result rose again with respect to the previous year.

Reinsurance

Outwards reinsurance

Group policies on outwards reinsurance are focused on the same underwriting selection criteria used to increase and maintain the portfolio in line with risks covered and are aimed at reaching the net retention balance. Transactions are carried out at an international level with highly rated reinsurers.

The main existing treaties relate to:

Non-life business	Type of treaty
05 - Aviation hulls	Pure premium for spatial risks
07 - Cargo insurance	Pure premium for general aviation
08 - Fire and natural events	Voluntary-mandatory
	Excess of loss

10 – Motor third-party liability	Pure premium
	Excess of loss
15 - Bond insurance	Pure premium
13 - General third-party liability	Excess of loss
17 – Legal protection	Pure premium

Premiums ceded during the year amounted to Euro 91,069 thousand.

Inwards reinsurance

Inwards insurance mainly arises from participation in syndicates and activities carried out in class 05 - Aviation hulls.

Commercial organisation

Development of the sales network continued steadily during the year, in line with previous years. 17 new agencies were opened and 20 were restructured. At the same time, 2 agencies were closed, one of which special. Two agencies, including one special, were closed. The group also extended the network of professional sub-agencies opening another 31 points of sale together with the agencies.

The company had 217 general agencies and 240 professional sub-agencies at year end.

The "VIP Project" was launched during the year, aimed at the setting up of a new insurance promoter network to develop the sale of life products at certain agencies. Eighteen promoters were operative at year end.

The company also continued to dedicate its full attention to developing the other non-life premiums excluding aviation, marine, bonds and credit, and motor lines of business in a balanced manner, without neglecting the traditional careful selection of risks, aimed at further improving the technical result and profits.

New products in the life business rocketed in 2004 compared to the previous year. Such results were mainly obtained through the agencies which followed the company strategies of encouraging the sale of traditional products with annual premiums while stepping up measures aimed at containing the payment of accrued sums upon the maturity of policies.

The company paid even more attention to the Affinity Groups by continuing to carry out activities aimed at enhancing customer loyalty and consolidating existing relationships.

The Astralis Club initiative, implemented during the previous year, gave remarkable and encouraging results. Thanks to this initiative, customer loyalty improved and a significant number of "loyal" customers acquired new policies in addition to those already signed. The Astralis club had also an impact on the acquisition of new policies in the other non-life lines of business, excluding aviation, marine, bonds and credit, helping the company to reach its strategic objective of improving its portfolio mix.

New products were developed and others were reviewed during the year. In particular:

- Motor business: The tariffs were adjusted for certain geographical areas and categories of policyholders and a new legal protection cover matching motor third-party liability policies was introduced.

- Other non-life premiums excluding aviation, marine, bonds and credit: new products were developed, including "Formula Benessere", "Multiprotezione per campagne di vendita da bancone", "CAR" covering all risks in the civil construction sector and "Formula Sicura" for Touring Club Italiano members. The following products were reviewed: "Garanzie Eventi Speciali", "Formula Azienda", "Formula Commercio" and "Formula Guida Sicura".
- Life business: the following new products were developed: "Collettiva di Capitalizzazione a premio unico", "Temporanea di Rendita certa a premio unico", "Temporanea caso morte a capitale decrescente" and "Formula Oxygen (Index)". The "Formula Long Term Care" product was reviewed.

Overheads

Total insurance overheads, which include personnel expenses, other costs and depreciation charges, gross of allocation to specific functions, such as claims settlement, production organisation and asset management, increased by 7.7% from Euro 46,561 thousand to Euro 50,169 thousand.

These costs include not only current operating charges, but also the depreciation of investments in IT structures and processes aimed at controlling future overheads incurred by the headquarters and agencies to improve assistance given to policyholders with respect to insurance policies and claims settlement. They are made up as follows:

	(in thousands of Euros)		
	31/12/2004	31/12/2003	Change %
Personnel expenses	24,841	23,609	5.2
Other costs	17,892	16,454	8.7
Amortisation	7,436	6,498	14.4
Total	50,169	46,561	7.7

Other costs mainly include office operating costs, IT costs, legal and corporate expenses, mandatory contributions and membership fees.

Overheads decreased from 10.2% to 9.7% of premiums, a first step towards the planned contraction.

Investments

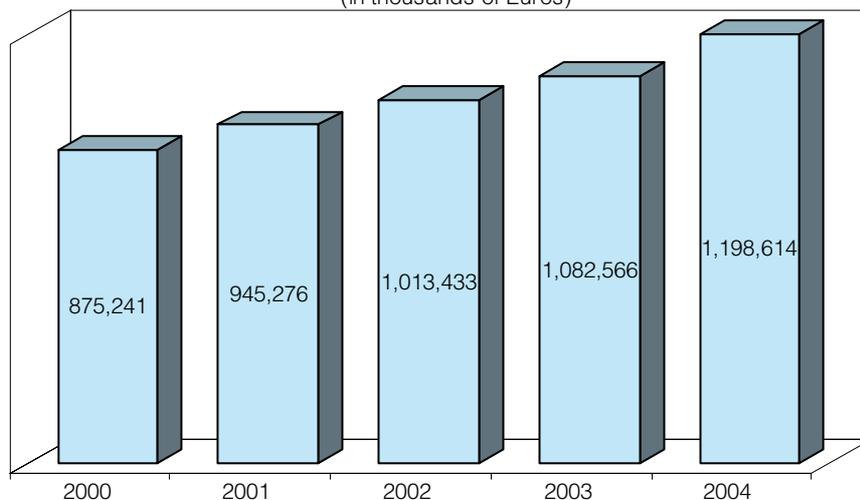
Investments grew 10.7% to Euro 1,198,614 thousand. They may be analysed as follows.

(in thousands of Euros)

Investments	31.12.2004	31.12.2003	Change %
Land and buildings	8,735	9,120	-4.2
Investments in group and other companies			
- Equity investments	191,757	118,414	61.9
- Loans	7,115	8,990	-20.9
Other financial investments:			
- Unit trust units	8,280	33,273	-75.1
- Bonds and other fixed-interest securities	840,139	780,607	7.6
- Loans	11,135	11,254	-1.1
- Other financial investments	-	478	n.v.
Deposits with ceding companies	976	1,162	-16.0
Total investments where the company bears the risk	1,068,137	963,298	10.9
Investments benefiting life policyholders bearing the risk	130,477	119,268	9.4
Total investments	1,198,614	1,082,566	10.7
Bank accounts and cash-in-hand	36,783	33,013	11.4

INVESTMENTS

(in thousands of Euros)



The average weighted ordinary return on bonds and other fixed-interest securities went down from 5.1% in 2003 to 4.6% in 2004, in line with market trends.

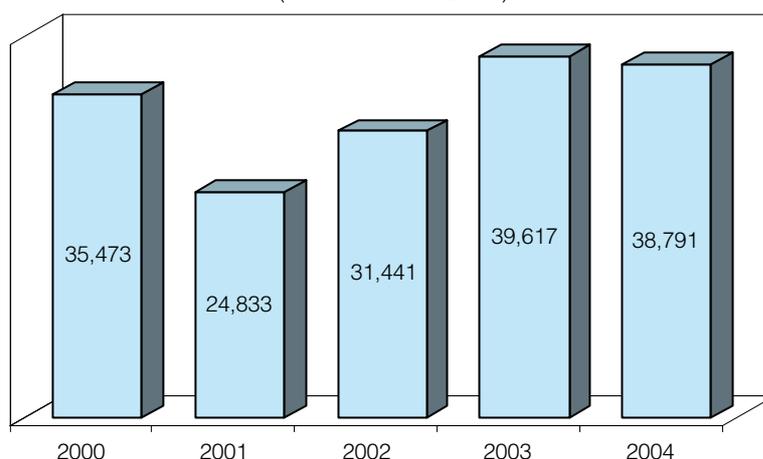
(in thousands of Euros)

	31.12.2004		31.12.2003		Change % 31.12.04/ 31.12.03
	Amount	% of breakdown	Amount	% of breakdown	
Income on investments (net of related costs)					
Income on equity investments	1,697	4.6	945	2.5	
Income on other investments:					
- land and buildings	44	0.1	27	0.1	
- bonds and other fixed-interest securities	37,323	101.3	39,014	102.5	
- income on unit trust units	70	0.2	299	0.8	
- interest on loans	742	2.0	744	2.0	
- interest on deposits with ceding companies	-3,032	-8.2	-2,980	-7.8	
Total income	36,844	100.0	38,049	100.1	-3.2
Adjustments to investment values:					
- equity investments	-	0.0	-	0.0	
- unit trust units	-	0.0	-	0.0	
- bonds and other fixed-interest securities	-35	100.0	28	100.0	
Total adjustments to investment values:	-35	100.0	28	100.0	
Profit on sale of investments:					
- land and buildings	-	0.0	-	0.0	
- equity investments	-	0.0	-	0.0	
- unit trust units	1,967	99.2	1,497	97.2	
- bonds and other fixed-interest securities	15	0.8	43	2.8	
Total profit on sale of investments	1,982	100.0	1,540	100.0	
Total income on investments where the company bears the risk	38,791		39,617		-2.1
Net income on investments benefiting life policyholders bearing the risk	8,720		6,768		
Total	47,511		46,385		2.4

The following chart shows the trend of income on capital and financial investments of the last five years.

NET INCOME ON INVESTMENTS

(in thousands of Euros)



Buildings

The book value of the company real estate at year end totalled Euro 8,735 thousand. It comprised operating buildings (Euro 148 thousand), buildings given on a free loan basis to agencies (Euro 4,730 thousand) and buildings used by third parties (Euro 3,857 thousand). It decreased Euro 385 thousand over 2003 year end since the company sold the units in via Agello, Dezenzano, via Mameli 19, Vercelli and a part of those in piazza Carducci 1, Alessandria. Renovation work on owned buildings totalled Euro 49 thousand. The net capital gain realised on these sales amounted to Euro 47 thousand.

Fixed-interest securities, investments, and unit trusts

Investment policies

A) Life and non-life business investments where the company bears the risk

- Objectives

Investments are managed in line with the following objectives:

- ensuring the company's sound financial position;
- with respect to the life business, ensuring a stable return, greater than the technical return rate of the contracts in portfolio;
- with respect to the non-life business, ensuring a stable return, in line with the forecasts included in the relevant product tariffs;
- matching the duration of the securities portfolio with that of liabilities;
- preferring consistency of returns to obtaining high returns in particular periods.

With respect to the separately-managed life business, the investment securities portfolio considers treasury cash flows in line with the company's plans, also taking into account the legal time limits of the portfolio due to natural and voluntary reasons. With respect to the non-life business, the company's policies for investment securities are more than fully covered by the forecast working capital liquidity in the business plans. The estimated liquidity was actually generated in recent years. Where necessary, such expected cash flows will also cover possible increases in the claims settlement rate.

The company can use derivative financial instruments to hedge investments against exchange rate fluctuations.

It can acquire and sell warrants received as part of transactions carried out by issuers of shares in its portfolio.

B) Life business investments where policyholders bear the risk

- Objectives

Investment benefiting policyholders bearing the risk (index-linked and unit-linked policies) and those arising from pension fund management are managed in accordance with the objectives established by the related policies and regulations of the pension funds, pursuant to the total transparency obligation to policyholders and relevant legislation. The company can use derivative financial instruments to hedge investments against exchange rate fluctuations.

If expressly provided for by the fund regulations, it can also acquire and sell warrants of internal funds linked to unit-linked policies.

It can acquire structured products to hedge reserve relating to index-linked policies, pursuant to supervisory regulations.

- Current management

The company continued investing in real estate through its subsidiaries. With respect to its fixed-interest securities portfolio, taking into account the levelling out of market rate trends during the year, it believed it prudent to invest Euro 290,953 thousand in Italian government securities, mainly with variable interest rates. During the year, it sold fixed interest securities held for investment for Euro 148,727 thousand and foreign currency OEICs for Euro 32,493 thousand, recording capital gains of Euro 13,349 thousand.

The Argentine securities in the non-life business portfolio were sold for Euro 2,376 thousand, generating capital gains of Euro 1,180 thousand. At year end, the remaining Argentine securities are stated at 20% of their face value (book value: Euro 1,895 thousand).

Changes in the equity portfolio held for investment, excluding subsidiary, associated and related companies, may be analysed as follows:

- Mediobanca S.p.A.: acquisition of 1,167,000 shares for Euro 11,443 thousand, equal to a 0.15% investment, as provided for in the related shareholders' agreement;
- B.P.C. S.p.A.: increase in the investment from 8.40% to 19.17% at a cost of Euro 987 thousand, partly for new shares and partly for the subscription of the capital increase;
- Liguria S.p.A.: this is a financial company that acquires equity investments. The parent company obtained 10.30% of its share capital for Euro 494 thousand;
- Europrius N.B.I. Asset Management S.A.: sale of the entire investment, recording a capital loss of Euro 2 thousand;
- Elsig Supernet S.p.A. in liq.: full liquidation of the company, recording capital losses of Euro 73 thousand.

Investments in subsidiary, associated and related companies related to:

- Immobiliare Bilancia Prima S.r.l.: subscription and payment of the capital increase of the wholly-owned subsidiary for Euro 28,900 thousand;
- Immobiliare Bilancia Seconda S.r.l.: subscription and payment of the capital increase of the wholly-owned subsidiary for Euro 22,900 thousand;
- Vittoria Immobiliare S.p.A.: subscription of the relevant portion of the share capital increase at a cost of Euro 794 thousand and increase in the investment from 54.76% to 87.24% by acquiring shares from the indirect parent company Yura International Holding for Euro 7,472 thousand. The sale price was based on an appraisal carried out by KPMG Corporate Finance;
- Vittoria Properties S.r.l.: payment of the four tenths still due for Euro 1,584 thousand;
- Interbilancia S.r.l.: acquisition of shares from the indirect parent Yura International Holding for Euro 38 thousand, bringing the investment from 49% to 80%. The sale price was based on an appraisal carried out by BDO Sala Scelsi Farina;
- Yarpa International Holding N.V.: collection of Euro 1,500 thousand as partial repayment of share premiums. The investment book value was reduced accordingly;

- Touring Vacanze S.r.l.: increase of Euro 360 thousand in the investment book value as a result of the acquisition of the investment co-sale right;
- Warrant Cam Finanziaria S.p.A.: sale of the warrants in portfolio, recording a capital gain of Euro 513 thousand.

Pursuant to paragraphs 3 and 4 of article 2428 of the Civil Code, we note that Vittoria Assicurazioni S.p.A. has not traded its own shares or shares of its parent company, either directly or through a trustee or nominee.

Investments benefiting life policyholders bearing the risk and investments stemming from pension fund management

These investments increased by 9.4% to Euro 130,477 thousand. They relate to unit-linked policies, linked to external funds (Euro 57,847 thousand), unit-linked policies, linked to internal funds (Euro 29,496 thousand), index-linked policies, linked to OEICs (Euro 41,101 thousand) and the Vittoria Formula Lavoro open pension fund (Euro 2,033 thousand). The total profit on these investments was Euro 8,720 thousand.

"Vittoria Assicurazioni S.p.A. Fixed/Floater 2001/2016 subordinated bonds convertible into ordinary shares" (ISIN Code IT0003184758)

The main characteristics of the convertible subordinated bond issue approved by the extraordinary shareholders' meeting on 26 April 2001 and fully subscribed in 2001 are as follows:

- total nominal amount of Euro 18,000,000;
- composed of 3,750,000 bonds with a nominal value of Euro 4.80 each;
- nominal interest rate:
 - fixed 5.5% up to 31 December 2010 - annual coupons
 - variable six-monthly Euribor plus a spread of 2.5% six-monthly coupons from 1 January 2011;
- due date of coupon as from 12 November 2001;
- first coupon payable on 1 January 2002 (interest of the period);
- conversion option can be exercised from 20 May 2006;
- maturity: 1 January 2016
- Subordination clause: in the case of dissolution, liquidation, insolvency or compulsory liquidation of the company, the bonds will be repaid, in terms of residual principal and interest, only after that all other company creditors (unsecured, secured, unsubordinated or with a subordination level lower than those of the bonds) have been satisfied.

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

These bonds are subordinated liabilities of the issuer, taken into account for the purpose of the calculation of the solvency margin of the issuer, pursuant to article 33 of Legislative decree no. 174 of 17 March 1995 and article 33 of Legislative decree no. 175 of 17 March 1995 with respect to the life and non-life business, respectively.

Personal data protection code

(pursuant to point 26, annex B of Legislative decree no. 196 of 30 June 2003)

In December 2004, the company updated its personal data protection code drawn up on 30 June 2003, without availing itself of the further term extensions provided for by the law.

The personal data protection code will be updated during 2005, as required by Legislative decree no. 196 of 30 June 2003.

Shares of Vittoria Assicurazioni and its subsidiaries held by directors, statutory auditors and general managers at 31 December 2004

(pursuant to article 79 of Consob resolution no. 11971 of 14 May 1999 and subsequent modifications and integrations)

Name	Company held	Number of shares held of the end of 2003	Number of shares purchased or subscribed	Number of shares sold	Number of shares held of the end of 2004
Vittoria Assicurazioni S.p.A.					
Guatri Luigi		25,000			25,000
Acutis Carlo		107,250 (1)		107,250	0
Acutis Carlo	Through Vittoria Capital N.V.	15,307,200			15,307,200
Acutis Carlo	Through Yura Int. Holding B.V.	649,900	107,250		757,150
Acutis Biscaretti di Ruffia Adriana					592,557 (2)
Acutis Andrea					592,593 (2)
Costa Giorgio		18,699			18,699
Baggi Sisini Francesco	Through Arbus S.r.l.	100			100
Baggi Sisini Francesco	Through Opalia B.V.	2,499,000	339,400		2,838,400
Brignone Marco		10,000			10,000
Paveri Fontana Luca		10,055	20,055	10,055	20,055
Strazzera Livio					50 (2)
Companies controlled by Vittoria Assicurazioni S.p.A.					
Acutis Carlo	Vittoria Immobiliare S.p.A.				
	Through Yura Int. Holding B.V.	3,346		3,346	0
	Interimmobili S.r.l.				
	Through Yura S.A.	15,600			15,600

(1) Contributed to Yura International olding B.V.

(2) Newly-appointed directors and statutory auditors.

Group advertising pursuant to article 2497-bis of the Civil Code

In accordance with the reform of the company law, the companies that are subject to the management and coordination of Vittoria Assicurazioni, as per their deeds of incorporation and correspondence, are:

- Vittoria Immobiliare S.p.A. - Milan
- Vittoria Properties S.r.l. - Milan
- Immobiliare Bilancia S.r.l. - Milan
- Immobiliare Bilancia Prima S.r.l. - Milan
- Immobiliare Bilancia Seconda S.r.l. - Milan
- Immobiliare Bilancia Terza S.r.l. - Milan
- Gestimmobili S.r.l. - Milan
- Gestimmobili Intermediazione S.r.l. - Turin
- Interimmobili S.r.l. - Rome
- V.R.G. Domus S.r.l. - Turin

In accordance with the reform of the company law, the companies that are subject to the management and coordination of Interbilancia S.r.l., as per their deeds of incorporation and correspondence, are:

- A.Spe.Vi. S.r.l. - Milan
- Aspeca S.r.l. - Milan
- Vittoria.net S.r.l. - Milan

Relationships with group companies and related parties

In its meeting of 19 April 2004, the board of directors approved the company's guidelines governing relationships with related parties. These are included in the annual report on corporate governance.

This section sets out all transactions carried out with group companies during the year. For further information, reference should be made to part C - Other information of the notes and to the consolidated financial statements.

Relationships with parent companies

No transactions of a trading or supply nature were carried out with Vittoria Capital N.V. - Holland, which directly held 15,307,200 Vittoria Assicurazioni ordinary shares, equal to 51.024% of the share capital, at year end, unchanged with respect to 31 December 2004. Moreover, the parent company holds subordinated convertible bonds issued by Vittoria Assicurazioni amounting to Euro 9,240 thousand. The captions other charges of the non-technical account and accrued expenses include Euro 508 thousand relating to the interest payable on such bonds.

No transactions of a trading or supply nature have been carried out with the indirect ultimate parent company Yura International Holding B.V. - Holland, which holds a 66% stake in Vittoria Capital N.V.. Its direct investment at year end consisted of 757,150 shares, equal to 2.52% of the share capital.

Yura International Holding B.V. sold 32.48% of Vittoria Immobiliare S.p.A. and 31% of Interbilancia S.r.l. to Vittoria Assicurazioni in December. The sale price for the two transactions, carried out after having obtained the approval of the supervisory authorities, was based on the appraisals carried out by independent experts. The sale prices totalled Euro 7,472 thousand for the 32.49% investment in Vittoria Immobiliare S.p.A. and Euro 38 thousand for the 31% investment in Interbilancia S.r.l..

As a result, the Vittoria Assicurazioni stake in Vittoria Immobiliare S.p.A. and Interbilancia S.r.l. respectively grew from 54.76% to 87.24% and from 49% to 80%.

The indirect parent company holds subordinated convertible bonds issued by Vittoria Assicurazioni amounting to Euro 990 thousand. The captions other charges of the non-technical account and accrued expenses include Euro 54 thousand relating to the interest payable on such bonds.

Relationships with its subsidiaries

Vittoria Immobiliare S.p.A.

Vittoria Immobiliare paid a dividend of Euro 829 thousand to Vittoria Assicurazioni. In order to continue strengthening its financial position, Vittoria Immobiliare increased its share capital against consideration from Euro 5,150,000 to Euro 6,600,000. Vittoria Assicurazioni paid its portion of Euro 794 thousand thus, keeping its investment therein unchanged.

Vittoria Immobiliare S.p.A. holds 50% of Rovimmobiliare S.r.l. (Rome), 35% di Gimatrading S.r.l. (Turin) and 49.5% di SIVIM S.r.l. (Milan). It also controls the following companies:

Gestimmobili S.r.l.	Milan	80% stake
Gestimmobili Intermediazione S.r.l.	Turin	80% stake
Interimmobili S.r.l.	Rome	80% stake
V.R.G. Domus S.r.l.	Turin	51% stake

Relationships with these indirectly-held companies related to real estate sales, for which commissions of Euro 56 thousand plus VAT were paid, management of the company's real estate, logistics and real estate management of agencies and claims settlement departments and preparation of appraisals for the granting of mortgage loans (Euro 230 thousand plus VAT was paid for these services).

For further details on operations of group companies, reference should be made to the consolidated financial statements.

Vittoria Properties S.r.l.

Vittoria Assicurazioni paid rent and reimbursed expenses relating to rent of buildings for Euro 91 thousand to Vittoria Properties S.p.A. during the year. The subsidiary has called up arrears and Vittoria Assicurazioni paid its portion of Euro 1,584 thousand.

Immobiliare Bilancia S.r.l. - Milan

Vittoria Assicurazioni did not carry out any trading or supply transactions with this subsidiary, which trades in real estate, and its stake remained 97.66%.

Immobiliare Bilancia Prima S.r.l. - Milan

This subsidiary commenced trading in real estate in January 2004. Vittoria Assicurazioni increased its quota capital, in order to provide it with adequate financial resources, contributing total net assets of Euro 29,000,000.

Immobiliare Bilancia Seconda S.r.l. - Milan

This subsidiary commenced trading in real estate in November 2004. Vittoria Assicurazioni increased its net equity to Euro 23,000,000 in order to enable it to acquire the buildings necessary for its trading activities.

Immobiliare Bilancia Terza S.r.l. - Milan

The company is dormant.

Interbilancia S.r.l. - Milan

Interbilancia has the following investments:

A.Spe.Vi S.r.l.	Milan	100% stake
Vittoria.Net S.r.l.	Milan	100% stake
Aspeca S.r.l.	Milan	80% stake
Le Api S.r.l.	Milan	30% stake

Interbilancia group companies provided services to Vittoria Assicurazioni at a cost of Euro 2,152 thousand. They also received brokerage commissions and contributions totalling Euro 3,675 thousand.

Relationships with associated companies

Yarpa International Holding NV - Holland

The loan of Euro 2,837 thousand at 31 December 2003 granted by Vittoria Assicurazioni to this associated company was repaid in December. Accrued interest at the Euribor rate plus 100 basis points totalled Euro 91 thousand.

This company also repaid part of the share premiums to its shareholders. The amount paid to Vittoria Assicurazioni was Euro 1,500 thousand.

Laumor BV - Holland

The company increased the loans granted to this associated company from Euro 6,152 thousand to Euro 7,115 thousand. Equivalent increases were disbursed by the other shareholders.

Part of the loan (Euro 2,928 thousand) was given for the real estate trading performed by this company through its French subsidiary Arbitrages et Investissement SAS and bears interest at the three-month Euribor rate plus 30 basis points. The related interest was Euro 62 thousand. The remainder (Euro 4,125 thousand) does not bear interest and was given for the acquisition, through the French investment fund F.C.P.R. Francois III, of a stake in the French cement group Materis.

Touring Vacanze S.r.l. - Milan

Vittoria Assicurazioni paid Euro 6 thousand plus VAT to this company for advertising services.

Relationships with related companies

S.In.t. S.p.A.. - Turin

Services provided by S.in.t. S.r.l. to the company related to the "Formula Salute" policies and commercial agreements signed by Vittoria. The total cost of these services amounted to Euro 727 thousand plus VAT.

In compliance with Consob communication no. 98015375 dated 27 February 1998, we note that transactions with group companies or other related parties have been carried out during the normal course of business, using specific professional skills and on an arm's length basis. There were no atypical or unusual transactions.

Performance of the first few months of 2005 and expected future developments

After the balance sheet date, the company carried out the following financial transactions:

- sale of the Argentine securities still in portfolio for Euro 1,859 thousand, generating capital gains of Euro 820 thousand;
- sale of the long-term treasury strips included in the life business investment portfolio - separately-managed business "Rendimento Mensile" - for Euro 9,637 thousand, generating capital gains of Euro 3,272 thousand;
- subscription of the relevant portion of the share capital increase of Camfin S.p.A. at a cost of Euro 10,144 thousand;
- acquisition of a 5.35% investment in Mediorischi S.p.A., an insurance broker, for Euro 11 thousand.

During the first few months of 2005, the company set up three new agencies.

Allocation of net profit

Dear shareholders,

Considering the information included in the documents forming the financial statements, we propose the net profit for the year be allocated as follows:

Net profit of Section A - Non-life business	Euro	11,818,881
Net profit of Section B - Life business	Euro	5,959,804
Total (equal to Euro 0.5049 per share)	Euro	17,778,685
Allocation to the legal reserve 5%	Euro	888,934
to the legal reserve of the non-life business	Euro	73,025
to the legal reserve of the life business	Euro	815,909

Net profit available	Euro	16,889,751
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which we propose be used as follows:

– to each of the 30,000,000 shares composing the entire share capital Euro 0.14 totalling	Euro	4,200,000
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Residual amount of	Euro	12,689,751
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which we propose be allocated as follows:

to the available reserve of the non-life business	Euro	9,295,856
to the available reserve of the life business	Euro	3,393,895

Should you approve our proposal, the dividend will be paid from 13 May 2004 at the depositories, with detachment of coupon 21 on 10 May 2004.

Finally, we would like to thank the shareholders and policyholders for their trust shown in us as well as all employees, agents and their consultants for their commitment and involvement.

Board of directors

Milan, 22 March 2005

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2004 Financial Statements

BALANCE SHEET

ASSETS

Current year

<p>A. SHARE CAPITAL PROCEEDS TO BE RECEIVED</p> <p style="padding-left: 20px;">of which: called-up</p>	2	0		1	0
<p>B. INTANGIBLE ASSETS</p> <p style="padding-left: 20px;">1. Acquisition commissions to be amortised</p> <p style="padding-left: 40px;">a) life businesses</p> <p style="padding-left: 40px;">b) non-life businesses</p> <p style="padding-left: 20px;">2. Other acquisition costs</p> <p style="padding-left: 20px;">3. Start-up and capital costs</p> <p style="padding-left: 20px;">4. Goodwill</p> <p style="padding-left: 20px;">5. Other deferred costs</p>	3	6,434,068	4	5	12,937,423
	6	0			
	7	343,614			
	8	0			
	9	14,086,497		10	27,367,534
<p>C. INVESTMENTS</p> <p style="padding-left: 20px;">I - Land and buildings</p> <p style="padding-left: 40px;">1. Operating buildings</p> <p style="padding-left: 40px;">2. Buildings used by third parties</p> <p style="padding-left: 40px;">3. Other buildings</p> <p style="padding-left: 40px;">4. Other property rights</p> <p style="padding-left: 40px;">5. Assets under construction and payments on account</p> <p style="padding-left: 20px;">II - Investments in group and other companies:</p> <p style="padding-left: 40px;">1. Equity investments in:</p> <p style="padding-left: 80px;">a) parent companies</p> <p style="padding-left: 80px;">b) subsidiaries</p> <p style="padding-left: 80px;">c) related companies</p> <p style="padding-left: 80px;">d) associated companies</p> <p style="padding-left: 80px;">e) other companies</p> <p style="padding-left: 40px;">2. Bonds issued by:</p> <p style="padding-left: 80px;">a) parent companies</p> <p style="padding-left: 80px;">b) subsidiaries</p> <p style="padding-left: 80px;">c) related companies</p> <p style="padding-left: 80px;">d) associated companies</p> <p style="padding-left: 80px;">e) other companies</p> <p style="padding-left: 40px;">3. Loans to:</p> <p style="padding-left: 80px;">a) parent companies</p> <p style="padding-left: 80px;">b) subsidiaries</p> <p style="padding-left: 80px;">c) related companies</p> <p style="padding-left: 80px;">d) associated companies</p> <p style="padding-left: 80px;">e) other companies</p>	11	148,067	12	13	0
	14	0			
	15	0	16	8,734,976	
	17	0			
	18	131,786,679			
	19	258,406			
	20	17,812,872			
	21	41,899,228	22	191,757,185	
	23	0			
	24	0			
	25	0			
	26	0			
	27	0	28	0	
	29	0			
	30	0			
	31	0			
	32	7,114,525			
	33	0	34	7,114,525	35
				198,871,710	
			to carry forward		27,367,534

Previous year

	brought forward		28,240,458
216	2		
217	0		
218	0	219	2
		220	33,272,866
221	776,527,020		
222	4,079,826		
223	0	224	780,606,846
225	4,509,528		
226	4,971,233		
227	1,772,956	228	11,253,717
		229	0
		230	0
		231	478,211
		232	825,611,642
		233	1,161,825
		234	963,297,232
		235	117,562,741
		236	1,705,466
		237	119,268,207
		238	35,118,514
		239	74,024,386
		240	0
		241	0
		242	109,142,900
		243	20,928,724
		244	0
		245	20,658
		246	0
		247	38,209
		248	0
		249	20,987,591
		250	130,130,491
	to carry forward		1,240,936,388

BALANCE SHEET

ASSETS

		Current year	
		brought forward	1,364,520,724
E. RECEIVABLES			
I - Receivables relating to direct insurance due from:			
1. Policyholders			
a) premiums for the year	71	37,227,197	
b) premiums for previous years	72	617,367	73 37,844,564
2. Insurance brokers and agents	74	44,538,921	
3. Current account companies	75	5,135,013	
4. Amounts to be recovered from policyholders and third parties	76	23,222,479	77 110,740,977
II - Receivables relating to reinsurance due from:			
1. Insurance and reinsurance companies			
	78	11,731,135	
2. Reinsurance brokers and agents	79	0	80 11,731,135
III. - Other receivables			
	81	16,767,060	82 139,239,172
F. OTHER ASSETS			
I - Tangible assets and inventory:			
1. Office furniture and machines and internal transport systems			
	83	3,567,545	
2. Registered chattel property	84	251,888	
3. Plant and machinery	85	613,980	
4. Inventory and other assets	86	0	87 4,433,413
II - Liquid funds			
1. Bank and postal accounts			
	88	36,760,390	
2. Cheques on hand and cash-in-hand	89	22,896	90 36,783,286
III - Own shares or quotas			
	91	0	
IV - Other assets			
1. Suspense reinsurance accounts			
	92	0	
2. Sundry assets	93	4,092,043	94 4,092,043 95 45,308,742
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest			
	96	12,713,748	
2. Rent instalments	97	231,387	
3. Other prepayments and accrued income	98	419,852	99 13,364,987
TOTAL ASSETS			100 1,562,433,625

Previous year

	brought forward		1,240,936,388
251	34,655,977		
252	555,622	253	35,211,599
		254	42,541,454
		255	3,033,215
	20,177,072	256	100,963,340
		258	4,998,718
	0	259	4,998,718
		260	13,991,940
		261	119,953,998
		262	
		263	3,730,013
		264	235,112
		265	556,789
	0	266	4,521,914
		267	
	32,972,032	268	
	41,348	269	33,013,380
		270	
		271	0
	0	272	
	14,437,312	273	14,437,312
		274	51,972,606
		275	
		276	14,067,697
		277	226,986
		278	425,091
		279	14,719,774
		280	1,427,582,766

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

A. SHAREHOLDERS' EQUITY				
I	- Subscribed share capital or equivalent fund	101	30,000,000	
II	- Share premium reserve	102	20,141,819	
III	- Revaluation reserves	103	6,370,382	
IV	- Legal reserve	104	5,076,102	
V	- Statutory reserves	105	0	
VI	- Reserves for purchase of own shares and shares of parent company	106	0	
VII	- Other reserves	107	52,508,529	
VIII	- Retained earnings or losses carried forward	108	0	
IX	- Net profit (loss) for the year	109	17,778,685	110 131,875,517
B. SUBORDINATED LIABILITIES				111 18,000,000
C. TECHNICAL RESERVES				
I - NON-LIFE BUSINESSES				
1.	Premium reserve	112	159,230,040	
2.	Claims reserve	113	393,514,804	
3.	Profit participation and reimbursement reserve	114	0	
4.	Other technical reserves	115	1,835,924	
5.	Equalisation reserves	116	1,616,298	117 556,197,066
II - LIFE BUSINESSES				
1.	Mathematical reserves	118	546,105,941	
2.	Complementary insurance premium reserve	119	212,220	
3.	Reserve for payable amounts	120	18,213,696	
4.	Profit participation and reimbursement reserve	121	12,803	
5.	Other technical reserves	122	3,183,654	123 567,728,314 124 1,123,925,380
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	128,444,282	
II	- Reserves arising from pension fund management	126	2,032,552	127 130,476,834
	to carry forward			1,404,277,731

Previous year

	281	30,000,000	
	282	20,141,819	
	283	6,370,382	
	284	4,318,742	
	285	0	
	286	0	
	287	42,018,687	
	288	0	
	289	15,147,201	290 117,996,831
			291 18,000,000
292		144,598,524	
293		338,024,517	
294		0	
295		1,374,594	
296	297	1,376,953	485,374,588
298		511,022,398	
299		218,189	
300		16,881,163	
301		28,567	
302	303	2,977,246	531,127,563 304 1,016,502,151
	305	117,562,740	
	306	1,705,467	307 119,268,207
to carry forward			1,271,767,189

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
	brought forward		1,404,277,731
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1	Pension and similar provisions	128	0
2	Provision for taxation	129	3,259,572
3	Other provisions	130	741,337
		131	4,000,909
F. DEPOSITS FROM REINSURERS			
			132
			103,210,445
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1.	Insurance brokers and agents	133	1,875,600
2.	Current account companies	134	4,663,029
3.	Guarantee deposits and premiums paid by policyholders	135	60,860
4.	Guarantee funds in favour of policyholders	136	1,373,604
		137	7,973,093
II - Payables arising from reinsurance business due to:			
1.	Insurance and reinsurance companies	138	7,784,724
2.	Reinsurance brokers and agents	139	0
		140	7,784,724
III. - Bond issues			
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	5,423,919
VIII - Other sums payable			
1.	Policyholders' tax due	146	8,967,404
2.	Other sums payable to taxation authorities	147	1,576,322
3.	Social security charges payable	148	1,441,638
4.	Sundry payables	149	6,680,742
		150	18,666,106
IX - Other liabilities			
1.	Suspense reinsurance accounts	151	0
2.	Commissions on premiums under collection	152	7,855,438
3.	Other liabilities	153	2,238,700
		154	10,094,138
		155	49,941,980
	to carry forward		1,561,431,065

Previous year

brought forward		1,271,767,189
	308	0
	309	300,371
	310	1,505,073
	311	1,805,444
	312	95,500,995
313	1,578,750	
314	4,435,361	
315	48,146	
316	1,187,334	317 7,249,591
318	7,325,054	
319	0	320 7,325,054
	321	0
	322	0
	323	0
	324	0
	325	5,211,521
326	8,154,050	
327	2,889,287	
328	1,410,114	
329	5,393,961	330 17,847,412
331	0	
332	7,094,308	
333	12,778,872	334 19,873,180
		335 57,506,758
to carry forward		1,426,580,386

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
brought forward			1,561,431,065
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest	156	990,000	
2. Rent instalments	157	0	
3. Other accrued expenses and deferred income	158	12,560	159
			1,002,560
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			1,562,433,625

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	0
2. Endorsements		166	0
3. Other personal guarantees		167	0
4. Collateral		168	250,000
III - Guarantees given by third parties in the interest of the company			
IV - Commitments			
V - Third party assets			
VI - Assets pertaining to pension funds managed in favour and on behalf of third parties		171	2,026,316
VII - Securities held by third parties		172	2,032,552
VIII - Other memorandum and contingency accounts		173	1,031,066,165
		174	0

Previous year

brought forward		1,426,580,386
	336	990,000
	337	0
	338	12,380
	339	1,002,380
	340	1,427,582,766

Previous year

	341	0
	342	0
	343	20,500,000
	344	0
	345	0
	346	0
	347	0
	348	0
	349	0
	350	0
	351	1,791,590
	352	1,705,467
	353	973,976,159
	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	407,063,186		
	b) (-) outwards reinsurance premiums	2	92,065,821		
	c) Change in gross premium reserve	3	14,779,085		
	d) Change in reinsurer premium reserve	4	2,411,377	5	302,629,657
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)			6	11,930,336
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			7	1,694,170
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE				
	a) Amounts paid				
	aa) Gross amount paid	8	245,357,386		
	bb) (-) reinsurers' share	9	59,983,874	10	185,373,512
	b) Change in recoveries, net of reinsurers' share				
	aa) Gross amount recovered	11	10,018,630		
	bb) (-) reinsurers' share	12	431,610	13	9,587,020
	c) Change in claims reserve				
	aa) Gross amount	14	55,689,219		
	bb) (-) reinsurers' share	15	13,544,030	16	42,145,189
5	CHANGE IN OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE			17	217,931,681
6	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE			18	461,330
7	OPERATING COSTS:			19	
	a) Acquisition commissions	20	61,040,511		
	b) Other acquisition costs	21	20,729,732		
	c) Change in commissions and other acquisition costs to be amortised	22	1,239,637		
	d) Premium collection commissions	23	6,212,847		
	e) Other administrative costs	24	13,750,052		
	f) (-) Profit participation and other commissions received by reinsurers	25	19,455,767	26	81,037,738
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			27	4,783,324
9	CHANGE IN EQUALISATION RESERVES			28	239,345
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)			29	11,800,745

Previous year

		111	363,508,086			
		112	92,005,469			
		113	18,437,839			
		114	2,712,036	115	255,776,814	
				116	12,620,208	
				117	1,316,028	
	118	232,084,640				
	119	59,208,361	120	172,876,279		
	121	10,455,642				
	122	2,491,247	123	7,964,395		
	124	19,682,516				
	125	12,514,100	126	7,168,416	127	172,080,300
				128	486,646	
				129		
			130	53,096,509		
			131	18,237,900		
			132	454,023		
			133	5,858,229		
			134	13,007,239		
			135	21,649,564	136	68,096,290
				137	4,624,397	
				138	212,059	
				139	24,213,358	

PROFIT AND LOSS ACCOUNT

Current year

II. LIFE BUSINESS TECHNICAL ACCOUNT					
1	PREMIUMS, NET OF OUTWARDS REINSURANCE:				
	a) Gross premiums accounted for	30	112,204,766		
	b) (-) outwards reinsurance premiums	31	2,898,508	32	109,306,258
2	INCOME ON INVESTMENTS:				
	a) Income on equity investments	33	829,080		
	(of which: from group companies	34	829,080		
	b) Income on other investments:				
	aa) land and buildings	35			
	bb) other investments	36	24,038,314	37	24,038,314
	(of which: from group companies	38			
	c) Adjustments to investment values	39	4,562		
	d) Profit on sale of investments	40	1,966,765		
	(of which: from group companies	41		42	26,838,721
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT			43	12,352,452
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			44	1,209,389
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:				
	a) Amounts paid				
	aa) Gross amount paid	45	76,113,728		
	bb) (-) reinsurers' share	46	620,866	47	75,492,862
	b) Change in reserve for amounts payable				
	aa) Gross amount	48	1,332,533		
	bb) (-) reinsurers' share	49		50	1,332,533
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE				
	a) Mathematical reserves:				
	aa) Gross amount	52	34,959,643		
	bb) (-) reinsurers' share	53	2,276,521	54	32,683,122
	b) Complementary insurance premium reserve:				
	aa) Gross amount	55	-5,970		
	bb) (-) reinsurers' share	56		57	-5,970
	c) Other technical reserves				
	aa) Gross amount	58	206,409		
	bb) (-) reinsurers' share	59	-48	60	206,457
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management				
	aa) Gross amount	61	11,208,627		
	bb) (-) reinsurers' share	62		63	11,208,627
				64	44,092,236

Previous year

	140	94,056,040		
	141	3,123,635	142	90,932,405
	143	434,278		
(of which: from group companies	144	434,278)		
	145			
	146	25,136,834	147	25,136,834
(of which: from group companies	148			
	149			
	150	978,100		
(of which: from group companies	151		152	26,549,212
			153	10,579,469
			154	1,148,248
	155	63,918,739		
	156	698,050	157	63,220,689
	158	-2,376,995		
	159		160	-2,376,995
			161	60,843,694
	162	24,436,373		
	163	2,107,616	164	22,328,757
	165	-4,918		
	166		167	-4,918
	168	13,891		
	169	1,356	170	12,535
	171	19,605,576		
	172		173	19,605,576
			174	41,941,950

PROFIT AND LOSS ACCOUNT

Current year

7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE			65	-8,952
8	OPERATING COSTS:				
	a) Acquisition commissions	66	2,391,593		
	b) Other acquisition costs	67	2,158,533		
	c) Change in commissions and other acquisition costs to be amortised	68	-1,919,930		
	d) Premium collection commissions	69	2,080,821		
	e) Other administrative costs	70	4,392,778		
	f) (-) Profit participation and other commissions received by reinsurers	71	438,137	72	12,505,518
9	CAPITAL AND FINANCIAL CHARGES:				
	a) Investment management charges and interest payable	73	2,769,432		
	b) Adjustments to investment values	74	39,364		
	c) Loss on sale of investments	75	1,491	76	2,810,287
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	3,632,338
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			78	18,761
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)			79	1,926,157
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)			80	7,905,080
III. NON-TECHNICAL ACCOUNT					
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I.10)			81	11,800,745
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II.13)			82	7,905,080
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:				
	a) Income on equity investments	83	1,018,481		
	(of which: from group companies	84	1,018,481)		
	b) Income on other investments:				
	aa) land and buildings	85	210,372		
	bb) other investments	86	18,478,263	87	18,688,635
	(of which: from group companies	88	152,992)		
	c) Adjustments to investment values	89	1		
	d) Profit on sale of investments	90	16,509		
	(of which: from group companies	91		92	19,723,626

Previous year

			175	6,098
			<hr/>	
		176	2,543,337	
		177	2,631,852	
			<hr/>	
		178	-2,380,925	
		179	2,143,873	
		180	4,325,873	
		181	447,623	
			182	13,578,237
			<hr/>	
		183	2,679,708	
		184	4,377	
		185	8,854	
			186	2,692,939
			<hr/>	
			187	3,811,024
			<hr/>	
			188	56,980
			<hr/>	
			189	1,787,474
			<hr/>	
			190	4,490,938
			<hr/>	
			191	24,213,358
			<hr/>	
			192	4,490,938
			<hr/>	
		193	608,572	
(of which: from group companies		194	608,572)	
			<hr/>	
		195	177,522	
		196	19,544,138	
(of which: from group companies		197	19,721,660)	
		198	136,309	
		199	32,074	
		200	755,601	
(of which: from group companies		201		
			202	21,117,907

PROFIT AND LOSS ACCOUNT

Current year

4	(+) INCOME ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (caption II) 12)		93	1,926,157
5	CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:			
	a) Investment management charges and interest payable	94	4,961,406	
	b) Adjustments to investment values	95		
	c) Loss on sale of investments	96		
			97	4,961,406
6	(+) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)		98	11,930,336
7	OTHER INCOME		99	2,377,691
8	OTHER CHARGES		100	10,290,060
9	RESULT OF ORDINARY BUSINESS		101	16,551,497
10	EXTRAORDINARY INCOME		102	13,324,723
11	EXTRAORDINARY EXPENSE		103	211,701
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS		104	13,113,022
13	PROFIT (LOSS) BEFORE TAXATION		105	29,664,519
14	TAXATION ON PROFIT FOR THE YEAR		106	11,885,837
15	NET PROFIT (LOSS) FOR THE YEAR		107	17,778,682

Previous year

		203	1,787,474

	204	5,171,732	

	205	41	

	206	184,910	207

		208	12,620,208

		209	1,942,714

		210	7,774,027

		211	27,801,473

		212	612,194

		213	1,266,616

		214	-654,422

		215	27,147,051

		216	11,999,849

		217	15,147,202

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NOTES TO THE FINANCIAL STATEMENTS

Dear shareholders,

These notes, which pursuant to article 2423 of the Civil Code form an integral part of the financial statements, are presented together with the balance sheet as at 31 December 2004 and the profit and loss account and for the year then ended, for your approval.

Contents and format of the financial statements

The financial statements, prepared in Euros, have been drawn up in accordance with the guidelines set out in Legislative decree no. 173 of 26 May 1997 implementing EEC Directive no. 91/674 governing the statutory and consolidated accounts of insurance companies. In compliance with ISVAP regulation no. 1008 G of 5 October 1998, the financial statements have been prepared as follows:

- the figures of the balance sheet and profit and loss account are expressed in Euros: total 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 profit and loss account;
- the notes to the financial statements, the related attachments and the reclassified balance sheet and profit and loss account are presented in thousands of Euros. Any rounding has been calculated to ensure consistency with the figures in Euros reported in the balance sheet and profit and loss account.

In compliance with the law, the notes are divided into the following three parts:

Part A - accounting policies

Part B - Notes to the balance sheet and profit and loss account

Part C - other information and Cash Flow Statement

These notes include 32 annexes which analyse the technical and financial components of the insurance and financial operations.

In order to provide more complete information, as in the previous years, the reclassified balance sheet and reclassified profit and loss account are attached.

The reclassified balance sheet captions are stated net of reinsurance effects.

The financial statements have also been prepared in compliance with Legislative decree nos. 174/1995 and 175/1995.

The 2004 Financial Statements of the Vittoria Formula Lavoro open pension funds are also attached.

Reclassified balance sheet

(thousands of Euros)

ASSETS	2004	2003
Investments		
Land and buildings	8,735	9,120
Investments in group and other companies		
- Equity investments	191,757	118,414
- Loans	7,115	8990
Other financial investments:		
- Unit trust units	8,280	33,273
- Bonds and other fixed-interest securities	840,139	780,607
- Loans	11,135	11,254
- Other financial investments	0	478
Deposits with ceding companies	976	1,162
Investments benefiting life policyholders	130,477	119,268
Total investments	1,198,614	1,082,566
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	37,845	35,212
- Insurance brokers and agents	44,539	42,541
- Current account companies	5,135	3,033
- Amounts to be recovered from policyholders and third parties	23,222	20,177
Receivables relating to reinsurance business	11,731	4,999
Other receivables	16,767	13,992
Total receivables	139,239	119,954
Intangible assets	27,368	28,240
Tangible assets and inventory	4,433	4,522
Liquid funds	36,783	33,013
Other assets	3,702	3,300
Prepayments and accrued income	13,365	14,720
TOTAL ASSETS	1,423,504	1,286,315

Reclassified balance sheet

(thousands of Euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	2004	2003
Shareholders' equity		
- Share capital	30,000	30,000
- Share premium reserve	20,142	20,142
- Revaluation reserves	6,370	6,370
- Legal reserve	5,076	4,319
- Other reserves	52,509	42,019
- Net profit for the year	17,779	15,147
Total shareholders' equity	131,876	117,997
Subordinated liabilities	18,000	18,000
Technical reserves, net of reinsurance		
- Premium reserve	122,814	109,480
- Claims reserve	314,655	264,000
- Mathematical reserves	522,901	490,094
- Reserve for amounts payable	18,193	16,861
- Other technical reserves	6,823	5,937
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	130,477	119,268
Total technical reserves	1,115,863	1,005,640
Payables		
Deposits from reinsurers	103,210	95,501
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	1,876	1,579
- Current account companies	4,663	4,435
- Guarantee deposits and premiums paid by policyholders	61	48
- Guarantee funds in favour of policyholders	1,374	1,187
Payables arising from reinsurance business	7,785	7,325
Other sums payable	18,666	17,847
Total payables	137,635	127,922
Provisions for contingencies and other charges	4,001	1,805
Employees' leaving entitlement	5,424	5,212
Other liabilities	9,702	8,737
Accrued expenses and deferred income	1,003	1,002
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,423,504	1,286,315

Reclassified consolidated profit and loss account

(thousands of Euros)

	2004	2003
Technical account		
Life business:		
Direct insurance		
(+) Gross premiums accounted for	112,176	94,021
(-) Charges relating to claims	77,192	61,346
(-) Change in mathematical and other technical reserves	46,479	44,186
(+) Other technical captions, net	1,184	1,080
(-) Operating costs	12,930	14,010
(+) Return on investments w here the company bears the risk net of the portion transferred to the non-technical account	22,102	22,069
(+) income on investments w here policyholders bear the risk - Class D	8,720	6,768
Direct insurance result	7,581	4,396
Outwards reinsurance result	437	131
Retained direct insurance result	8,018	4,527
Indirect and retroceded insurance result	-113	-36
Result of life business technical account	7,905	4,491
Non-life business:		
Direct insurance		
(+) Gross premiums accounted for	405,650	362,908
(-) Change in premium reserve	14,727	18,855
(-) Charges relating to claims	290,102	240,877
(-) Change in other technical reserves	461	487
(+) Other technical captions, net	-3,089	-3,308
(-) Operating costs	100,365	89,668
Direct insurance result	-3,094	9,713
Outwards reinsurance result	3,058	1,906
Retained direct insurance result	-36	11,619
Indirect and retroceded insurance result	146	187
Total retained direct insurance result	110	11,806
(-) Change in equalisation reserves	239	212
(+) Income on investments transferred from the non-technical account	11,930	12,620
Result of non-life business technical account	11,801	24,214
Result of technical account	19,706	28,705
(+) Income on non-life business investments net of the portion transferred to the technical account	2,832	3,141
(+) Income on investments transferred from the life business technical account	1,926	1,787
(+) Other income	2,378	1,942
(-) Other charges	10,290	7,774
Result of ordinary business	16,552	27,801
(+) Extraordinary income	13,325	612
(-) Extraordinary expense	212	1,267
Profit	29,665	27,146
(-) Settlement w ith Consap S.p.A.	0	0
Profit before taxation	29,665	27,146
(-) Taxation on profit for the year	11,886	11,999
Net profit for the year	17,779	15,147

Part A: Accounting policies

As required by article 9 of Legislative decree no. 6 of 17 January 2003, the financial statements at 31 December 2004 take into account the provisions introduced with the new company law. With reference to the cancellation of paragraph 2 of article 2426 of the Civil Code, no previous years' caption has required any adjustment since no fiscally-driven entries have ever been made.

The accounting policies applied to the financial statements comply with articles 2426 and 2427 of the Civil Code, Legislative decree no. 173 of 26 May 1997, various regulations issued by ISVAP (Supervisory Institute of private and public-interest insurance companies) and CONSOB guidelines. They are described below.

Unless otherwise specified, the accounting policies relating to direct insurance captions also apply to outwards reinsurance.

Insurance technical captions

Classification of risks by line of business

The classification of risks by line of business, for the purposes of the allocation of the gross premiums accounted for and other related transactions, is described in annex I to Legislative decree no. 174 of 17 March 1995 with respect to the life business and in point A of the schedule attached to Legislative decree no. 175 of 17 March 1995 with respect to the non-life business.

NON-LIFE BUSINESS

Pursuant to ISVAP regulation no. 734 of 1 December 1997, the allocation of premiums, operating costs, related premium reserves and other technical income and charges to the different non-life business is performed applying the elements used to calculate the tariffs.

Charges related to claims are directly allocated to the specific line if related to transactions pertaining to an individual event, since allocations are made on the basis of the cover involved. Charges relating to more than one claim are allocated on the basis of the impact of compensation paid during the year. The allocation between current and previous years is proportional to the compensation paid in the relevant year. With reference to the motor third-party liability line, such allocation also takes into account the impact of the number of claims dealt with during the year.

LIFE BUSINESS

The allocation of technical captions to the life business is performed on a direct basis as the entire portfolio may be identified in the classification provided for by law.

Gross premiums

NON-LIFE BUSINESS LIFE BUSINESS

Premiums and related charges, gross of outwards reinsurance, are recognised as revenues upon maturity, regardless of their recording and actual collection.

With reference to the non-life business, write-offs of a technical nature of individual securities are directly deducted from premiums as long as they are issued in the same year. With respect to the life business, the caption includes all write-offs, except for those relating to first yearly instalments issued in previous years.

Allocation to the year is made through a charge to the premium reserve with respect to the non-life business, while it is implicit in the calculation of the mathematical reserves, the complementary insurance premium reserve and other technical reserves of the life business.

Outwards and retroceded reinsurance premiums are accounted for in line with the agreements signed with reinsurers.

Operating costs

NON-LIFE
BUSINESS
LIFE BUSINESS

Operating costs include:

- acquisition commissions
they include the commissions paid on the acquisition and renewal, including tacit, of contracts. They also include commission bonuses and rappels proportionate to the attainment of performance objectives;
- 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 policy issue costs incurred by the agency, commission bonuses and rappels not linked to performance objectives, and medical check-up costs;
- changes in commissions and other acquisition costs to be amortised
the caption includes changes in commissions and other acquisition costs to be amortised at year end with respect to those recorded in the previous year;
- premium collection commissions
the caption includes commissions paid on collection of premiums related 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 acquisition costs indicated above and those allocated to claims settlement and investment management. It also includes those charges incurred in connection with the termination of agency agreements not subject to compensation;
- profit participation and other commissions received by reinsurers
the caption includes profit participation and other contractual commissions paid to reinsurers for premiums ceded and retroceded.

Premium reserve

NON-LIFE
BUSINESS

The premium reserve of non-life business is calculated on a pro-rata temporis basis for each contract considering premiums accounted for net of direct acquisition costs and gross of the fraction of premium pertaining to the subsequent year.

For certain lines of business where the risk does not decrease proportionally to the time elapsed or where the relationship between premiums and potential claims costs does not follow the usual criteria, the premium reserve is calculated on the basis of the following rules:

- Bond insurance: the mixed criterion established by ISVAP regulation no. 1978 of 4 December 2001 which provides for the pro-rata temporis method with effect from the 2002 2003 Financial Statements together with the additional reserve calculated in accordance with the type of risk as per schedule no. 33 of ISVAP regulation no. 1059 G of 4 December 1998;
- Credit insurance: mixed - lump sum criteria (Ministerial decree of 22 June 1982) until 1991 and pro rata temporis criterion (Legislative decree no. 393 of 26 November 1991) since 1992;
- Miscellaneous damages - hail insurance: the lump sum criterion set out in Ministerial decree of 29 October 1981 and subsequent modification;
- Atomic accident insurance: the lump sum criterion established by the Ministerial Decree of 21 September 1981.

The premium reserve also includes:

- the reserve for unexpired risks: this reserve is set up to cover risks incumbent upon the company after the balance sheet date. It is required by Legislative decree no. 173/1997, in order to cover any expected claims charges relating to gross premiums already accounted for, which exceed the reserve for premium fractions increased by the premium to be collected, net of acquisition costs for policies with deferred premium.
- the reserve for damage from earthquakes, seaquakes and volcanic eruptions - Ministerial Decree of 15 June 1984.

Reinsurer premium reserve: this reserve is calculated using the same criteria applied to direct insurance and inwards reinsurance.

Other technical reserves

NON-LIFE BUSINESS

This caption includes the ageing reserve for health insurance required by paragraph 5 of article 25 of Legislative decree no. 175 of 17 March 1995.

As in previous years, the reserve is calculated on a lump sum basis by accruing 10% of gross premiums written on those products which do not consider the policyholder's age when calculating the premium and include provisions by which the company's faculty to terminate the contract is limited.

Equalisation reserves

NON-LIFE BUSINESS

The equalisation reserves include those amounts allocated in accordance with relevant legislation, their purpose being to balance out any fluctuations in the claim rate in future years or to cover specific risks.

The caption includes:

- the credit insurance offsetting reserve pursuant to article 24 of Legislative decree no. 175 of 17 March 1995 as modified by article 80 of Legislative decree no. 173 of 26 May 1997;
- the reserve for natural disasters provided for by Law no. 35 of 16 February 1995 and the Ministerial decree dated 19 November 1996.

A breakdown of the accrual for the year to the equalisation reserve split by line of business is given in annex 25 to these notes.

Charges relating to claims paid

NON-LIFE BUSINESS

Charges relating to claims of the non-life business include damage compensation paid, related direct expenses, settlement costs and the additional charge to the guarantee fund for road casualties.

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

Settlement costs include amounts paid to professionals involved, personnel expenses, logistics costs and costs for services and goods of the company departments allocated to claims settlement and management.

LIFE BUSINESS

Charges relating to claims of the life business include sums, annuities, surrenders and claims paid during the year, including those relating to complementary insurance.

NON-LIFE
BUSINESS
LIFE BUSINESS

The reinsurers' share is calculated in accordance with relevant contracts.

Amounts to be recovered

NON-LIFE
BUSINESS

The caption includes amounts to be recovered from policyholders and third parties, net of the reinsurers' share, for claims surrenders on policies with "no claims bonus" clause, excess clause and subrogation.

The difference between the current and previous year-end amounts is taken to the profit and loss account together with the amount recovered during the year.

Payable amounts

LIFE BUSINESS

The caption includes the company's commitments to policyholders for settlement of claims, surrenders and, with respect to expired policies, accrued sums and annuities. Accordingly, the mathematical reserves do not include these amounts.

The reinsurers' share is disclosed.

Claims reserve

NON-LIFE
BUSINESS

The claims reserve for direct business reflects claims incurred where some or all of such amounts have not been settled at the balance sheet date. It is calculated considering the specific characteristics of each line and each component forming the ultimate cost.

The assessment of each claim is carried out as follows:

- the claims settlement inspectors prepare estimates for each open position;
- company management analyses and checks data and reviews documentation supporting significant claims;

Claims assessment procedures are based on the following general criteria:

- accurate and complete year-end inventory of all claims partly or fully unsettled, highlighting the disputed amount;
- analysis of claims with different positions in order to verify evidence supporting each position;
- separate disclosure of the calculation of personal and property damage;
- inclusion of the estimated direct and settlement costs in the claims reserve;
- assessment of claims relating to credit and bond insurance in accordance with the provisions of articles 4 and 5 of ISVAP regulation no. 1978 of 4 December 2001.

The claims reserve includes claims not yet reported at year end but pertaining to the year. Amounts are calculated considering the average cost of the current generation.

The resulting claims reserves are subject to statistical and actuarial checks and adjusted, where necessary, to the ultimate cost.

The reinsurers' share is disclosed in the same way indicated for claims paid.

Mathematical reserves and other technical reserves

LIFE BUSINESS

The life business technical reserves are calculated on the basis of the pure premiums and the actuarial assumptions held to be adequate on the date on which contracts were signed, as still valid. Technical reserves are calculated using the rate of return determined on the basis of the related investments for the relevant revaluable benefit and the mortality rate applied when calculating pure premiums. In accordance with relevant legislation, premiums carried forward in the mathematical reserves are calculated on a pure premium basis. The reserve for operating costs is calculated based on the loading for operating costs and other technical bases of the tariffs applied. An additional reserve is calculated for policies with supplementary health and/or professional-related premiums, the amount of which is equal to the annual supplementary premium.

The premium reserve for additional accident insurance is calculated on an analytical basis by applying the premiums brought forward criterion to the related pure premiums.

The mathematical reserve is never lower than the surrender value.

In accordance with ISVAP regulation no. 1380 G of 21 December 1999 implementing the provisions of point 14 of article 25 of Legislative decree no. 174/95, the reserve for contracts relating to sums insured with contractually-guaranteed annuity and to deferred and beneficial life annuities has been adjusted to the demographic survival projection.

The adjustment has been made using the probability of settling benefits in the form of annuities. The valuation of the portfolio at 31 December 2002 has led to a total reserve of Euro 2,213 thousand (Euro 2,493 thousand in 2003).

Where held to be necessary, mathematical reserves are adjusted to consider the decrease in interest rates on assets covering the same reserves.

Pursuant to ISVAP regulation no. 1801-G of 21 February 2001, an ALM (Asset & Liability Management) procedure has been implemented in order to jointly analyse the two asset and liability portfolios for the purpose of calculating the forecast returns of each separate account of the life business.

Reversals and profit participation

NON-LIFE BUSINESS LIFE BUSINESS

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 decrease future premiums, if these can be considered as allocation of technical profits arising from both non-life and life insurance management activities, net of previous years' accruals which are no longer necessary.

Reversals include the partial reimbursement of premiums calculated on the basis of the performance of each contract.

Other technical charges

NON-LIFE BUSINESS

Other technical charges include:

- with respect to the non-life business, premiums cancelled, justified by write-offs of a technical nature, relating to single premiums of previous years,
- with respect to the life business, the cancellation of first yearly premium instalments issued in previous years;

LIFE BUSINESS

- with respect to both non-life and life business, write-downs due to policyholders' bad debts;
- costs relating to goods and services purchased to complement non-life insurance covers;
- costs arising from the management of the knock for knock agreement.

Other technical income

NON-LIFE
BUSINESS
LIFE BUSINESS

Other technical income includes:

- commissions relating to premiums written off included in other technical charges and relating to non-life and life business;
- income arising from the management of the knock for knock agreement and ANIA incentives for scrapping damaged vehicles in the non-life business.

Income on investments transferred from the non-technical to the technical account

NON-LIFE
BUSINESS

Financial income and charges relating to investments of the non-life business are included in the non-technical account pursuant to paragraph 1 of article 54 of Legislative decree no. 173 of 26 May 1997.

That being said, regulations governing financial statements provide that income on investment, net of financial charges, be transferred from the non-technical to the technical account, in accordance with the method established by ISVAP.

ISVAP regulation no. 1140 G dated 8 March 1999 established that income on investments to be transferred 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 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 of health insurance, the offsetting reserve of credit insurance and the equalisation reserve for natural disasters.

Income on investments transferred from the technical to the non-technical account

LIFE BUSINESS

Financial income and charges relating to investments of the life business are included in the technical account pursuant to paragraph 3 of article 54 of Legislative decree no. 173 of 26 May 1997.

That being said, regulations governing financial statements provide that income on investment net of financial charges, except for unrealised income and capital gains, as well as financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and investments relating to pension fund management, be transferred from the technical to the non-technical account, in accordance with the method established by ISVAP.

ISVAP regulation no. 1140 G dated 8 March 1999 established that income on investments to be transferred 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 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 reserve, excluding technical reserve where the investment risk is borne by policyholders and reserves relating to pension fund management.

If income on investments allocated to the life business technical account in accordance with the above-mentioned criterion is lower than income contractually allocated to policyholders during the year, income on investment to be transferred to the non-technical account is adjusted accordingly and, where required, zeroed.

Inwards reinsurance

NON-LIFE
BUSINESS

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

LIFE BUSINESS

If there are no specific negative signs, the effects of non-life inwards reinsurance are accounted for the year after to which they relate, as the necessary information is not yet available. The related financial movements are recorded in the balance sheet under other assets – other liabilities in the suspense reinsurance accounts.

Class 05 - Aviation hulls - represents an exception to the above accounting treatment as the spatial risk business is accounted for on an accruals basis.

Retrocession

NON-LIFE
BUSINESS
LIFE BUSINESS

Retroceded business mainly relates to class 05 - Aviation hulls - spatial risks.

Captions relating to retroceded business are stated in accordance with the criteria applied to inwards reinsurance.

Investment captions

C I - Land and buildings

In compliance with paragraph 2 of article 15 of Legislative decree no. 173 of 26 May 1997, land and buildings are considered assets of a long-term nature, except for buildings available for sale.

Improvement costs aimed at extending the building units' life and increasing their profitability are capitalised.

Ordinary maintenance costs are established in a long-term plan and are charged to the profit and loss account on an annual basis.

Market value

The market value is calculated for each piece of land and building.

Market value is the price at which the piece of land or the building can be freely sold by means of an agreement between two parties (the seller and the buyer) on an arm's length basis. In particular if:

- both parties have gathered information on the assigned urban use, marketability and registration of title;
- the seller freely sells the asset without being forced by financial difficulties;
- the buyer is not being encouraged to purchase by non-market related factors.

Furthermore, the following is considered:

- the asset has been marketed for a reasonably long time period which allows its fair trading. The agreement has been signed after having negotiated price and terms.

Each building is valued considering its age, location, structure type and quality, preservation status, possible profitability, any urban limitation and/or restrictions imposed by the Ministry for Cultural Assets and anything which may have an impact on the asset.

Valuation of leased buildings takes into account the contract type, its expiry date and rental, also considering possible adjustments.

Following the provisions of article 18 of Legislative decree no. 173 of 26 May 1997, ISVAP issued regulation no. 1915 G of 20 July 2001.

In accordance with the above legislation, in 2001, the company engaged Praxi S.r.l. (Turin) to prepare an appraisal of each asset.

Total market value of buildings is largely above their net book value, as detailed in annex 4.

C II - Investments in group and other companies

Pursuant to paragraph 2 of article 15 of Legislative decree no. 173 of 26 May 1997, investments in group and other companies are considered long-term assets.

Group companies

Pursuant to article 5 of Legislative decree no. 173 of 1997 and ISVAP regulation no. 735 of 1 December 1997, group companies are as follows:

- a) parent companies;
- b) subsidiaries;
- c) related companies, other than those included in item b) which are controlled by the same entity controlling the parent company or subject to common management as defined by paragraph 1 of article 60 of the above decree;
- d) associated companies.

For the purposes of this classification, the definition of control is set out in paragraphs 1 and 2 of article 2359 of the Civil Code.

Other companies

Other companies are those held for strategic or insurance-support purposes.

Investments in group and other companies are stated on the basis of the following criteria:

- investments in Euros are stated at acquisition cost including related charges;
- investments in foreign currency are stated at acquisition cost, including related charges, converted into Euros using the exchange rates ruling on the date of the transaction.

In the case of a permanent impairment in value, which can be seen in the companies' approved financial statements, the investment acquisition value is written down accordingly. If the reasons for such write-down no longer exist, the original value is reinstated in subsequent financial statements.

If the impairment in the value of long-term investments in foreign currency is due to exchange rate losses, the permanent nature of such loss should be verified.

If the exchange rate is expected to be recovered in the short to medium-term, the investment is not written down.

Dividends distributed by companies held are recognised when paid.

Reference should be made to annexes 6 and 7 to these notes for information on changes in investments.

C III - Other financial investments

Equity investments

This caption includes short-term equity investments which are stated as follows:

- listed securities are stated at the weighted average cost or market value, if lower. The original value is reinstated in subsequent years if the reasons for the adjustment no longer exist;
- non-listed securities are stated at acquisition cost, net of any losses recorded in the companies' approved financial statements. The original value is reinstated in subsequent years if the reasons for the adjustment no longer exist.

Foreign currency investments are converted into Euros as follows:

- acquisitions: at the exchange rate ruling on the date of transaction or subscription;
- sales: at the exchange rate ruling on the date of transaction;
- market value: at the year-end exchange rate.

Dividends distributed by these companies are recognised when paid.

As a token entry, the financial statements include the unlisted investments in Agricola Italo - Somala - Villaggio Duca degli Abruzzi (Somalia) - and E.I.F.A. S.A.- Schaan - amounting to Euro 0.02.

Unit trust units

These are stated at weighted average cost or market value, if lower. The original value is reinstated in subsequent years if the reasons for the adjustment no longer exist.

Securities and real estate closed-ended unit trusts are stated at acquisition cost.

Foreign currency unit trusts are converted into Euros as follows:

- acquisitions: at the exchange rate ruling on the date of transaction or subscription;
- sales: at the exchange rate ruling on the date of transaction;
- market value: at the year-end exchange rate.

Bonds and other fixed-interest securities

In accordance with the ISVAP regulation dated 19 July 1996 (use of derivative financial instruments by insurance companies) and the ISVAP regulation dated 18 June 1998 (classification of investments), the board of directors has issued the guidelines for the classification of securities in portfolio.

Fixed-interest securities are classified as follows:

Investment securities

They are stated at acquisition cost, including related charges, adjusted in the case of permanent impairment in value. The greater or lower value with respect to their repayment value 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 standardisation of the rate of return of the overall technical reserves and separately-managed life business.

Trading securities

These are stated at weighted average cost, including related charges, or market value, if lower. The original value is reinstated in subsequent years if the reasons for the adjustment no longer exist.

Market cost is as follows:

- for Italian listed securities, the average price in December;
- for foreign listed securities, the price of the last trading day of the year, rather than the average price which is not representative in this case.

Foreign currency securities are converted into Euros as follows:

- acquisitions: at the exchange rate ruling on the date of transaction or subscription;
- sales: at the exchange rate ruling on the date of transaction;
- market value: at the year-end exchange rate.

Investments benefiting policyholders bearing the risk

They are stated at current value, that is the price and exchange rate of the last trading day of the year.

Due to the concept of “policyholders bearing the investment risk”, the accounting treatment applied to the related assets is the current value as it highlights the interrelationship between technical reserves and hedging assets trends.

These investments are classified as follows:

- DI - unit-linked and index-linked investments
- DII - investments stemming from pension fund management

Loans

Mortgage loans granted are all expressed in Euros and are stated at the residual principal value since they are secured by mortgages.

Loans are all expressed in Euros and are stated at the residual principal value if collectible. They are adjusted through the provision for bad debts.

Other captions

Tangible assets

Tangible assets are stated at cost, net of depreciation calculated on a straight-line basis using rates held to represent their estimated useful lives. Depreciation rates are halved for assets purchased during the year.

Intangible assets

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

- business and/or product trademarks over ten years;
- over a period held to represent their estimated income generating potential for assets defined by point 2 of article 2426 of the Civil Code;
- the costs incurred in conjunction with the convertible subordinate bond issue approved by the extraordinary shareholders' meeting of 26 April 2001 over ten years.
- over five years for start-up and capital costs pursuant to point 5 of article 2426 of the Civil Code.

This caption includes non-life and life commissions to be amortised.

NON-LIFE BUSINESS

Acquisition commissions on long-term contracts are capitalised and amortised over three years from the year in which they are incurred. Considering that there is greater demand for annual policies, especially where the amount of the premium is high, the amortisation period is deemed adequate.

The portion of acquisition costs relating to new contracts not subject to outwards reinsurance are capitalised in accordance with current legislation. Commissions are limited to the related loading and amortised on a straight-line basis over the duration of the underlying contracts within the ten-year limit established by ISVAP circular no. 183 dated 3 September 1992. The amortisation period is deemed adequate. The residual commissions on policies cancelled during the amortisation period are taken to the profit and loss account of the year in which such policies are no longer included in the portfolio.

Receivables

Receivables are shown net of the provision for bad debts at their estimated realisable value. With reference to the provisions of article 2427 of the Civil Code and Legislative decree no. 173/97, receivables are all deemed to be due within one year if not otherwise specified in the notes to the balance sheet captions.

Prepayments and accruals

Prepayments and accrued income, accrued expenses and deferred income are used to record costs and revenues on an accruals basis.

These captions include only costs and revenues pertaining to two or more years.

Payables

Payables are stated at their nominal value. With reference to the provisions of article 2427 of the Civil Code and Legislative decree no. 173/97, payables are all deemed to be due within one year if not otherwise specified in the notes to the balance sheet captions.

Employees' leaving entitlement

This provision includes the actual payable due to all company employees at year end, calculated in accordance with ruling legislation.

Taxation on profit for the year

Taxation on profit for the year is calculated on the basis of the estimated taxable income and stated on an accruals basis in accordance with ruling legislation.

In accordance with accounting principle 25 "The accounting treatment of income taxes" issued by the Italian Accounting Profession, deferred taxes are calculated on the basis of the tax rates ruling when the temporary differences will reverse, adjusting previous years' accruals according to variations in tax rates only if the law enacting the tax rate variation has already been approved at the balance sheet date.

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

Deferred tax liabilities are not recorded if it is not probable that the related payable will arise or when immaterial.

No deferred tax liabilities were recorded in 2003.

Any deferred tax liabilities are provided for in the caption "Provision for taxation", while deferred tax assets are recorded under "Other assets".

Conversion into Euros

Captions expressed in foreign currencies are converted into Euros at spot rates. Balance sheet captions still existing at year end are converted at year-end exchange rates.

Tax position

The company availed itself of the provisions (paragraph 44, article 2) of Law no. 350 of 24 December 2003 (2004 Finance Act), published in the Official Journal of 27 December 2003, and settled all years up to 2002 for direct and indirect tax purposes, except for the situation outlined below for 1992.

The company was served an assessment report for that year arising from a documental inspection. The tax authorities contested the deductibility of the accruals to the life business mathematical reserves.

The appeal filed by the company was discussed before the Milan Local Tax Court which admitted it.

The Milan tax authorities appealed against this decision before the Milan Regional Tax Court, which reversed the decision taken by the Milan Local Tax Court.

As a result of such decision, the company received a tax assessment notice of Euro 648,385, which has been recognised as an expense in the profit and loss account on a prudent basis.

The decision of the Supreme Court is still pending. Considering previous law cases, the company is confident of winning the case.

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Part B: Notes to the balance sheet and profit and loss account

BALANCE SHEET

ASSETS

CLASS B - INTANGIBLE ASSETS		
<i>2003</i>	<i>2004</i>	<i>Change</i>
28,241	27,367	- 874

Intangible assets are stated net of amortisation of Euro 13,788 thousand and, in the life business, net of the residual amount to be amortised of cancelled policies.

Amortisation is calculated in accordance with that stated in "Part A - Accounting policies" of these notes.

of which:

B.1 Deferred acquisition costs		
<i>2003</i>	<i>2004</i>	<i>Change</i>
13,618	12,937	- 681

Should all the policies arrive at their natural maturity, and therefore, without any considerations about possible forfeiture or inability to charge commissions, the different duration used for amortisation with respect to the actual policy duration would have led to an increase, gross of the related tax effect, in shareholders' equity of Euro 3,595 thousand (2003: Euro 5,061 thousand) and Euro 14,250 thousand (2003: Euro 14,288 thousand) in the life and non-life business, respectively

B.1a Deferred acquisition costs - life business		
<i>2003</i>	<i>2004</i>	<i>Change</i>
8,354	6,434	- 1,920

Deferred acquisition costs may be analysed as follows:

- costs on policies written during the year	+ 858
- costs on policies cancelled during the year	- 774
- amortisation charges	- 2,004

B.1b Deferred acquisition costs - non-life business

<i>2003</i>	<i>2004</i>	<i>Change</i>
5,264	6,503	+ 1,239

Deferred acquisition costs may be analysed as follows:

- costs on policies written during the year	+ 7,038
- amortisation charges	- 5,799

B.3 STARTUP AND CAPITAL COSTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
401	344	- 57

The caption relates to costs incurred in conjunction with the convertible subordinate bonds approved by the extraordinary shareholders' meeting of 26 April 2001.

The amortisation charge for the year amounts to Euro 57 thousand.

B.5 OTHER DEFERRED COSTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
14,222	14,086	- 136

Deferred costs are stated at cost and directly amortised. Variations may be analysed as follows:

	<i>2003</i>	<i>2004</i>	<i>Change</i>
IT software applications	12,252	12,086	-166
IT software applications under development	946	1,164	218
Registered office and agency restructuring costs	802	693	-109
Other deferred charges	174	90	-84
Patents and trademarks	48	53	5
Totali	14,222	14,086	-136

The change is mainly due to acquisitions (Euro 5,792 thousand) and amortisation (Euro 5,928 thousand).

The caption "IT software applications under development" includes costs of Euro 646 thousand incurred during the year for unfinished packages. It was adjusted by Euro 428 thousand for costs incurred in 2003 related to software applications that the company began to use during 2004.

CLASS C - INVESTMENTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
963,299	1,068,138	+ 104,839

The comparison with market values by investment type is shown in the annexes to these notes.

A list of the significant investments is set out below.

C.I Land and buildings

<i>2003</i>	<i>2004</i>	<i>Change</i>
9,120	8,735	- 385

The following revaluations have been made:

monetary - Law nos. 576/75 and 72/83	557
fiscally-driven and voluntary	1,279
mandatory - Law no. 413/91	1,289

The caption includes:

C.I.1 OPERATING BUILDINGS

<i>2003</i>	<i>2004</i>	<i>Change</i>
144	148	+ 4

The increase is a consequence of the following:

- restructuring of the offices in Via Pellas 44, Perugia	+ 4
---	-----

C.I.2 BUILDINGS USED BY THIRD PARTIES

<i>2003</i>	<i>2004</i>	<i>Change</i>
8,976	8,587	- 389

The increase is a consequence of the following:

- restructuring work in certain buildings housing agencies	+ 45
- sale of real estate units in: Desenzano, via Agello	- 333
Vercelli, via Mameli 19	- 51
- partial sale of real estate unit in: Alessandria, piazza Carducci 1	- 50

C.II Investments in group and other companies

<i>2003</i>	<i>2004</i>	<i>Change</i>
127,405	198,872	+ 71,467

The total values of subsidiaries, related, associated and other companies are as follows. Reference should be made to annexes 6 and 7 of these notes for information on changes in investments in these companies.

of which:

C.II.1 EQUITY INVESTMENTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
118,415	191,757	+ 73,342

C.II.1b Subsidiaries

<i>2003</i>	<i>2004</i>	<i>Change</i>
70,059	131,787	+ 61,728

The increase is mainly due to the subscription of the quota capital increase of Immobiliare Bilancia Prima S.r.l. and Immobiliare Bilancia Seconda S.r.l., equal to Euro 28,900 and Euro 22,900 thousand, respectively.

C.II.1c Related Companies

<i>2003</i>	<i>2004</i>	<i>Change</i>
298	258	- 40

The decrease is due to the acquisition of a 31% investment in Interbilancia S.r.l. which has been therefore reclassified under subsidiaries. Reference should be made to the directors' report for further details.

C.II.1d Associated Companies

<i>2003</i>	<i>2004</i>	<i>Change</i>
18,953	17,813	- 1,140

The decrease is due to the partial repayment of the share premium of Yarpa International Holding shares (Euro 1,500 thousand) and the capitalisation of the cost for the acquisition of the investment co-sale right of Touring Vacanze S.r.l. (Euro 360 thousand).

C.II.1e Other Companies		
<i>2003</i>	<i>2004</i>	<i>Change</i>
29,105	41,899	+ 12,794

The increase is mainly due to the acquisition of Mediobanca S.p.A. shares (Euro 11,443 thousand).

C.II.3 LOANS TO GROUP COMPANIES		
<i>2003</i>	<i>2004</i>	<i>Change</i>
8,990	7,115	- 1,875

of which:

C.II.3d Associated Companies		
<i>2003</i>	<i>2004</i>	<i>Change</i>
8,990	7,115	- 1,875

The decrease is due to the repayment of the loans granted to Yarpa International Holding N.V. (Euro 2,930 thousand) and to Laumor B.V. (Euro 901 thousand). Interest accrued during the year has been capitalised. Reference should be made to the section on "Relationships with group companies and related parties" in the directors' report for further details.

C.III Other financial investments:

<i>2003</i>	<i>2004</i>	<i>Change</i>
825,612	859,555	+ 33,943

of which:

C.III.1 EQUITY INVESTMENTS		
<i>2003</i>	<i>2004</i>	<i>Change</i>
-	-	-

of which:

C.III.1a Listed shares		
<i>2003</i>	<i>2004</i>	<i>Change</i>
-	-	-

This caption comprises six SCOR shares (Euro 8).

C.III.1b Unlisted shares		
<i>2003</i>	<i>2004</i>	<i>Change</i>
-	-	-

The caption, amounting to Euro 0.02, relates to the unlisted shares of Soc. Agricola Italo Somala and E.I.F.A. and is stated as a token entry.

C.III.2 UNIT TRUST UNITS		
<i>2003</i>	<i>2004</i>	<i>Change</i>
33,273	8,280	- 24,993

The change is a result of the company's decision to decrease its investments in both equity and monetary OEICs.

- acquisitions	+ 7,500
- sales	- 32,493

Securities allocated to the special managed life business amount to	2,500
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C.III.3 BONDS AND OTHER FIXED INTEREST SECURITIES		
<i>2003</i>	<i>2004</i>	<i>Change</i>
780,607	840,139	+ 59,532

Bonds held at 31 December 2003 may be broken down by type of issuer as follows:

Italian government securities 70.7%, foreign government securities 14.1%, government securities of emerging countries 1.8%, domestic corporate bonds 1.6% and foreign corporate bonds 11.8%.

of which:

C.III.3a Listed

<i>2003</i>	<i>2004</i>	<i>Change</i>
776,527	836,577	+ 60,050

The increase is due to:

- increase arising from ordinary portfolio management and trading transactions	+ 232,285
- decrease due to drawings and sales	- 173,966
- adjustments to zero-coupon bond values	+ 2,044
- transfer, due to policy surrenders, of bonds from class D to class C at market value	+ 583
- positive issue discount adjustments	+ 407
- negative issue discount adjustments	- 311
- adjustments to securities capitalised at book values lower than redemption values	+ 2,408
- adjustments to capitalised securities acquired at values other than redemption values	- 3,367
- partial reinstatement to cost as per article 2426 of the Civil Code	+ 5
- adjustments to market values	- 38

Securities allocated to the special managed life business amount to 468,470

C.III.3b Unlisted

<i>2003</i>	<i>2004</i>	<i>Change</i>
4,080	3,562	- 518

The decrease is due to:

- decrease due to drawings and sales	- 646
- adjustments to zero-coupon bond values	+ 4
- transfer, due to policy surrenders of bonds from class D to class C at market value	+ 124
Securities allocated to the special managed life business amount to	108

C.III.4 LOANS

<i>2003</i>	<i>2004</i>	<i>Change</i>
11,254	11,136	- 118

of which:

C.III.4a Secured loans		
<i>2003</i>	<i>2004</i>	<i>Change</i>
4,510	3,977	- 533

The caption consist solely of the mortgage loan granted by the company. Changes are detailed in annex 10 to these notes.

Mortgage loans carry a minimum interest rate of 3%.

Pursuant to paragraph 6 of article 2427 of the Civil Code and Legislative decree no. 173 of 26 May 1997 n. 173, we note the following:

- loans due after one year amount to Euro 3,975 thousand;
- loans due after five years amount to Euro 3,703 thousand.

C.III.4b Loans on policies		
<i>2003</i>	<i>2004</i>	<i>Change</i>
4,971	5,591	+ 620

The caption includes loans granted to company policyholders. Changes are detailed in annex 10 to these notes.

Pursuant to paragraph 6 of article 2427 of the Civil Code, we note that, given their nature, these loans can be considered to be due after more than five years.

The loans carries the interest rates equal to the rate of return of separate accounts retroceded to policyholders and increased by 1%.

C.III.4c Other loans		
<i>2003</i>	<i>2004</i>	<i>Change</i>
1,773	1,568	- 205

The caption mainly includes loans granted to company employees, including agents. Changes are detailed in annex 10 to these notes.

The minimum interest rate of 1% is applied on loans granted to the agency network to upgrade their IT systems.

Pursuant to paragraph 6 of article 2427 of the Civil Code and Legislative decree no. 173 of 26 May 1997, we note the following:

- loans due after one year amount to Euro 1,383 thousand.
- loans due after five years amount to Euro 644 thousand.

C.III.7 OTHER FINANCIAL INVESTMENTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
478	-	- 478

The decrease is due to the sale of the warrants of Cam Finanziaria S.p.A..

C.IV Deposits with ceding companies

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,162	976	- 186

This caption relates to the indirect insurance technical reserves.

CLASS D - INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT

<i>2003</i>	<i>2004</i>	<i>Change</i>
119,268	130,477	+ 11,209

of which:

D.I Investments relating to index-linked policies

<i>2003</i>	<i>2004</i>	<i>Change</i>
117,563	128,444	+ 10,881

A breakdown of investments by business is given in annex 11 to these notes.

Variations by business may be analysed as follows:

Index-linked portfolio

- increase due to securities acquisition and subscriptions	+ 7,246
- decrease due to redemptions	- 707
- adjustments to current value: write-downs	- 157
- adjustments to current value: revaluations	+ 118
- capitalisation of zero-coupon securities	+ 1,065
- year-end accruals	+ 90

Unit-linked portfolio

- increase due to securities acquisition and subscriptions	+ 22,579
- decrease due to sales, redemptions and switches	- 25,954
- increase in other assets	+ 40
- decrease in liquid funds	- 577
- adjustments to current value: write-downs	- 11
- adjustments to current value: revaluations	+ 4,429
- profit/loss on internal fund management	+ 2,720

D.II Investments relating to pension fund management

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,705	2,033	+ 328

A breakdown of investments by business is given in annex 12 to these notes.

Variations by type may be analysed as follows:

- increase due to securities acquisition and subscriptions	+ 910
- decrease due to sales	- 639
- increase in liquid funds	+ 125
- decrease in other assets	- 202
- adjustments to current value: revaluations	+ 134

CLASS D bis - REINSURERS' SHARE OF TECHNICAL RESERVES

<i>2003</i>	<i>2004</i>	<i>Change</i>
130,131	138,540	+ 8,409

Reference should be made to the note to Class C - technical reserves under liabilities for a breakdown of this caption.

It may be broken down by line of business as follows:

D Bis. I Non Life Businesses

<i>2003</i>	<i>2004</i>	<i>Change</i>
109,143	115,276	+ 6,133

of which:

D BIS.I.1 PREMIUM RESERVE

<i>2003</i>	<i>2004</i>	<i>Change</i>
35,119	36,416	+ 1,297

D BIS.I.2 CLAIMS RESERVE

<i>2003</i>	<i>2004</i>	<i>Change</i>
74,024	78,860	+ 4,836

D bis.II Life business

<i>2003</i>	<i>2004</i>	<i>Change</i>
20,988	23,264	+ 2,276

of which:

D BIS.II.1 MATHEMATICAL RESERVES

<i>2003</i>	<i>2004</i>	<i>Change</i>
20,929	23,205	+ 2,276

D BIS.II.3 RESERVE FOR PAYABLE AMOUNTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
21	21	-

D BIS.II.5 OTHER TECHNICAL RESERVES

<i>2003</i>	<i>2004</i>	<i>Change</i>
38	38	-

The caption relates to reserves for operating costs of class I - Whole and term life insurance and class IV - Health insurance.

CLASS E - RECEIVABLES		
<i>2003</i>	<i>2004</i>	<i>Change</i>
119,954	139,238	+ 19,284

In accordance with Legislative decree no. 173 of 26 May 1997, the caption is stated net of the related provisions totalling Euro 5,997 thousand at year end.

E.I Receivables relating to direct insurance

<i>2003</i>	<i>2004</i>	<i>Change</i>
100,963	110,740	+ 9,777

of which:

E.I.1 RECEIVABLES RELATING TO DIRECT INSURANCE DUE FROM POLICYHOLDERS

<i>2003</i>	<i>2004</i>	<i>Change</i>
35,212	37,844	+ 2,632

of which:

E.I.1a Receivables relating to direct insurance due from Policyholders premiums for the year

<i>2003</i>	<i>2004</i>	<i>Change</i>
34,656	37,227	+ 2,571

E.I.1b Receivables relating to direct insurance due from Policyholders premiums for previous years

<i>2003</i>	<i>2004</i>	<i>Change</i>
556	617	+ 61

The caption refers to premiums being collected, mainly relating to policies issued by proxy by other insurance companies.

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

<i>2003</i>	<i>2004</i>	<i>Change</i>
42,541	44,539	+ 1,998

Receivables from agents include Euro 1,879 thousand and Euro 53 thousand due from Aspevi S.r.l. and Aspeca S.r.l. respectively.

They also include Euro 9,596 thousand for recharges to the portfolio of the leaving indemnities paid to agents. At 28 February 2005, Euro 2,956 thousand of the remaining receivables of Euro 34,943 thousand are still to be collected.

Pursuant to paragraph 6 of article 2427 of the Civil Code and Legislative decree no. 173 of 26 May 1997 n. 173, we note the following:

- receivables due after one year amount to Euro 8,160 thousand.
- receivables due after five years amount to Euro 4,603 thousand.

E.I.3 RECEIVABLES RELATING TO DIRECT INSURANCE DUE FROM CURRENT ACCOUNT COMPANIES

<i>2003</i>	<i>2004</i>	<i>Change</i>
3,033	5,135	+ 2,102

This caption mainly includes current account receivables showing the co-insurance technical result.

E.I.4 RECEIVABLES RELATING TO DIRECT INSURANCE DUE FROM AMOUNTS TO BE RECOVERED FROM POLICYHOLDERS AND THIRD PARTIES

<i>2003</i>	<i>2004</i>	<i>Change</i>
20,177	23,222	+ 3,045

The caption includes amounts to be recovered from policyholders and third parties for exemption clauses and subrogations.

E.II Receivables relating to reinsurance due from

<i>2003</i>	<i>2004</i>	<i>Change</i>
4,999	11,731	+ 6,732

of which:

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

<i>2003</i>	<i>2004</i>	<i>Change</i>
4,999	11,731	+ 6,732

This caption includes current account receivables showing the reinsurance technical result.

E.III Other receivables

<i>2003</i>	<i>2004</i>	<i>Change</i>
13,992	16,767	+ 2,775

Pursuant to paragraph 6 of article 2427 of the Civil Code and Legislative decree no. 173 of 26 May 1997, we note the following:

- receivables due after one year amount to Euro 15,402 thousand.
- receivables due after five years amount to Euro 78 thousand.

The more significant items forming other receivables are as follows:

- receivables due from tax authorities 15,269
tax receivables and related interest are considered to be due after one year
- receivables for sundry guarantee deposits 78
they relate to guarantee deposits paid against renewable utility contracts. Considering the duration of the related contracts, they are due after more than five years.
- receivables from employees 311
- rental receivable and related expenses 69
- receivables from insurance agreements 762
- guarantee deposits on leased buildings 55

CLASS F - OTHER ASSETS

<i>2003</i>	<i>2004</i>	<i>Change</i>
51,972	45,309	- 6,663

of which:

F.I Tangible assets and inventory:

<i>2003</i>	<i>2004</i>	<i>Change</i>
4,522	4,434	- 88

Assets are stated at cost, net of depreciation.

The increase is due to purchases of the year (Euro 1,452 thousand), dismissals net of related depreciation (Euro 88 thousand), and depreciation for the year (Euro 1,452 thousand).

of which:

F.I.1 OFFICE FURNITURE AND MACHINES AND INTERNAL TRANSPORT SYSTEMS

<i>2003</i>	<i>2004</i>	<i>Change</i>
3,730	3,568	- 162

The caption may be analysed as follows:

(in thousands of Euros)

	<i>2003</i>	<i>2004</i>	<i>Change</i>
Furniture	1,305	1,356	51
Fittings	114	136	22
Ordinary office machines	102	76	-26
Electronic office machines	2,209	2,000	-209
Total	3,730	3,568	-162

F.I.2 REGISTERED CHATTEL PROPERTY

<i>2003</i>	<i>2004</i>	<i>Change</i>
235	252	+ 17

F.I.3 PLANT AND MACHINERY

<i>2003</i>	<i>2004</i>	<i>Change</i>
557	614	+ 57

F.II Liquid funds

<i>2003</i>	<i>2004</i>	<i>Change</i>
33,013	36,783	+ 3,770

The year-end balance mainly consists of payments made by the agencies in
Changes in liquid funds are analysed in the cash flow statement.

of which:

F.II.1 BANK AND POSTAL ACCOUNTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
32,972	36,760	+ 3,788

The caption mainly consists of payments received in December, investment of which
is pending.

F.II.2 CHEQUES ON HAND AND CASHINHAND

<i>2003</i>	<i>2004</i>	<i>Change</i>
41	23	- 18

The caption includes cash and cheques in the company's safe at year end.

F.IV Other assets

<i>2003</i>	<i>2004</i>	<i>Change</i>
14,437	4,092	- 10,345

of which:

F.IV.1 SUSPENSE REINSURANCE ACCOUNTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
-	-	-

This caption includes inwards reinsurance items, the effect of which on the profit and
loss account is deferred to the following year since the related cedant accounts have
not been received.

F.IV.2 SUNDRY ASSETS

<i>2003</i>	<i>2004</i>	<i>Change</i>
14,437	4,092	- 10,345

The caption is made up as follows:

- invoices to be issued and credit notes to be received	43
- deferred inwards reinsurance premiums	3
- deferred tax assets arising from prior year tax deductible items. Reference should be made to the table set out in the notes to the balance sheet and profit and loss account for further details.	3,499
- commissions retroceded from managers of unit trusts	157
- interest on giro accounts between businesses - non-life and life business	390

CLASS G - PREPAYMENTS AND ACCRUED INCOME

<i>2003</i>	<i>2004</i>	<i>Change</i>
14,720	13,365	- 1,355

of which:

G.1 INTEREST

<i>2003</i>	<i>2004</i>	<i>Change</i>
14,068	12,714	- 1,354

It mainly relates to interest on fixed-interest securities amounting to Euro 12,652 thousand.

G.2 RENT INSTALMENTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
227	231	+ 4

They mainly relate to prepaid rental to third parties.

G.3 OTHER PREPAYMENTS AND ACCRUED INCOME

<i>2003</i>	<i>2004</i>	<i>Change</i>
425	420	- 5

The caption comprises prepayments on invoices.

LIABILITIES AND SHAREHOLDERS' EQUITY

CLASS A - SHAREHOLDERS' EQUITY		
<i>2003</i>	<i>2004</i>	<i>Change</i>
117,997	131,876	+ 13,879

of which:

A.I Subscribed share capital or equivalent fund		
<i>2003</i>	<i>2004</i>	<i>Change</i>
30,000	30,000	-

At 31 December 2004, the fully paid-up share capital is composed of:
- 30,000,000 ordinary shares of a nominal value of Euro 1 each, authorised, issued and fully paid-up

Reserves and related changes are detailed in the schedule of shareholders' equity.

A.II Share premium reserve		
<i>2003</i>	<i>2004</i>	<i>Change</i>
20,142	20,142	-

A.III Revaluation reserves		
<i>2003</i>	<i>2004</i>	<i>Change</i>
6,370	6,370	-

A.IV Legal reserve		
<i>2003</i>	<i>2004</i>	<i>Change</i>
4,319	5,076	+ 757

A.VII Other reserves		
<i>2003</i>	<i>2004</i>	<i>Change</i>
42,019	52,509	+ 10,490

The caption relates to the available reserve which increased during the year following the allocation of 2003 net profit as per resolution of shareholders of 29 April 2004

A.IX Net profit for the year

	2003	2004	Change
	15,147	17,779	+ 2,632

Shareholders' equity

As required by article 2427 of the Civil Code, variations in shareholders' equity are set out below:

	(in thousands of Euros)						
	Share capital	Legal reserve	Share premium reserve	Reserve for revaluation (1)	Available reserve	Net profit for the year	Total
Balance at 31/12/2001	30,000	3,099	20,142	6,370	26,589	10,744	96,944
Dividend distribution	=	=	=	=	=	- 3,300	- 3,300
Allocation of 2001 net profit	=	537	=	=	6,907	- 7,444	=
2002 net profit	=	=	=	=	=	12,806	12,806
Balance at 31/12/2002	30,000	3,636	20,142	6,370	33,496	12,806	106,450
Dividend distribution	=	=	=	=	=	- 3,600	- 3,600
Allocation of 2002 net profit	=	683	=	=	8,523	- 9,206	=
2003 net profit	=	=	=	=	=	15,147	15,147
Balance at 31/12/2003	30,000	4,319	20,142	6,370	42,019	15,147	117,997
Dividend distribution	=	=	=	=	=	- 3,900	- 3,900
Allocation of 2003 net profit	=	757	=	=	10,490	- 11,247	=
2004 net profit	=	=	=	=	=	17,779	17,779
Balance at 31/12/2004	30,000	5,076	20,142	6,370	52,509	17,779	131,876

(1) It includes the reserves as per Laws no. 72/83, 295/78 and 413/91.

As required by the above-mentioned article of the Civil Code, the nature and availability of reserves are set out below:

(in thousands of Euros)

	Balance at 31/12/2004	Available for (1)	Available portion	Summary of amounts used in the previous three years	
				to cover losses	other reasons
Share capital	30,000				
Capital reserves:					
Share premium reserve (1)	20,142	A, B	20,142		
Revaluation reserves					
Revaluation reserve as per Law no. 72/1	2,330	A, B, C	2,330		
Revaluation reserve as per Law no. 295/	910	A, B, C	910		
Revaluation reserve as per Law no. 413/	3,130	A, B, C	3,130		
Profit allocated to reserves:					
Legal reserve	5,076	B	-		
Other available reserves	52,509	A, B, C	52,509		28,088 (3)
Retained earnings	17,779	A, B, C	16,890		
Total shareholders' equity	131,876		95,911		
Unavailable portion (4)			- 20,486		
Available portion			75,425		

A: share capital increases

B: coverage of losses

C: dividend distributions

(1) Pursuant to article 2431 of the Civil Code, this reserve becomes fully available for distribution only when the legal reserve has reached the level established by article 2430 of the Civil Code.

(2) This reserve can be reduced exclusively in accordance with the provisions of paragraphs 2 and 3 of article 2445 of the Civil Code.

(3) The amount was used in 2001 for a bonus issue.

(4) It includes the share premium reserve and the unavailable portion to be used to cover deferred charges not yet amortised.

As required by Circular no. 8 issued by the Treasury Minister on 16 March 1984, the capital reserves used for capital increases are detailed below:

(in thousands of Euros)

Date of resolution of extraordinary shareholders' meeting	Year of recording	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

CLASS B - SUBORDINATED LIABILITIES

<i>2003</i>	<i>2004</i>	<i>Change</i>
18,000	18,000	-

The caption relates to the convertible subordinated bond issue approved by the extraordinary shareholders' meeting on 26 April 2001.

The bonds, named "Vittoria Assicurazioni S.p.A. Fixed/Floater 2001/2016", subordinated bonds convertible into ordinary shares, was fully subscribed and 60% and 40% allocated to the non-life and life business respectively, in accordance with the resolution of the shareholders.

CLASS C - TECHNICAL RESERVES

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,016,503	1,123,926	+ 107,423

of which:

C.I Nonlife Businesses

<i>2003</i>	<i>2004</i>	<i>Change</i>
485,376	556,197	+ 70,821

Changes of the year split by business and type are detailed in annexes 13 and 25 to the notes.

C.I.1 PREMIUM RESERVE

<i>2003</i>	<i>2004</i>	<i>Change</i>
144,599	159,230	+ 14,631

The premium reserve is made up as follows (thousands of Euros):

	<i>2003</i>	<i>2004</i>	<i>Change</i>
Direct insurance risks	143,421	158,060	+ 14,639
Inwards reinsurance risks	1,178	1,170	- 8
Gross reserves	144,599	159,230	+ 14,631
Reinsurers' share	34,453	35,725	+ 1,272
Retrocessionaires' share	666	691	+ 25
Net reserves	109,480	122,814	+ 13,334

The direct insurance premium reserve is calculated in accordance with the pro-rata temporis criterion using the criteria set out for each business in Part A - Accounting policies is as follows:

	(in thousands of Euros)	
	<i>2003</i>	<i>2004</i>
Reserve calculated on a pro rata temporis basis	130,348	142,474
Catastrophic reserve	5,900	4,846
Reserve for unexpired risks	5,997	9,350
Reserve for damage from earthquakes, seaquakes and volcanic eruptions - Ministerial decree no. 15/6/19	1,176	1,390
Total direct insurance premium reserve	143,421	158,060

C.I.2 CLAIMS RESERVE

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	338,025	393,515	+ 55,490

The claims reserve is made up as follows (in thousands of Euros):

	<i>2003</i>	<i>2004</i>	<i>Change</i>
Direct insurance risks	335,065	391,336	+ 56,271
Inwards reinsurance risks	2,960	2,179	- 781
Gross reserves	338,025	393,515	+ 55,490
Reinsurers' share	71,559	77,232	+ 5,673
Retrocessionaires' share	2,465	1,628	- 837
Net reserves	264,001	314,655	+ 50,654

C.I.4 OTHER TECHNICAL RESERVES

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,375	1,836	+ 461

They relate to direct insurance and are composed of the ageing reserve for health insurance.

C.I.5 EQUALISATION RESERVES

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,377	1,616	+ 239

They only related to direct insurance. Their breakdown by business is as follows:

Line of business	(in thousands of Euros)	
	<i>2003</i>	<i>2004</i>
Motor vehicle hulls	704	850
Aviation hulls	138	138
Cargo insurance	56	63
Fire and natural events	396	463
Miscellaneous damage	82	101
Credit insurance	1	1

C.II Life business

<i>2003</i>	<i>2004</i>	<i>Change</i>
531,127	567,729	+ 36,602

Total changes to reserves split by business and type are detailed in annexes 14 and 27 to these notes.

The main actuarial assumption relating to direct insurance technical reserves at 31 December 2004 are as follows:

Risk category	Capital annuities	Technical reserves	Year of issue	(in thousands of Euros)	
				financial	demographic
Temporary	1,098,116	8,427	1968 - 1977	4%	SIM 51
			1978 - 1989	4%	SIM 61
			1990 - 1997	4%	SIM 81
			1998 - 2001	3% - 4%	SIM 91
			from 2001	3%	SIM 91 al 70%
Adjustable	72	61	1996-1979	3% *	SIM 51
Indexed	33	34	1980-1988	3% *	SIM 51
Other	302	296			
Revaluable	1,087,240	531,448	1988-1989	3% *	SIM 71
			1990-1996	4% *	SIM 81
			1997-1999	3% *	SIM 91
			from 2000	2% *	SIM 81-91
L.T.C.	52,392	256	from 2001	2.5%	(1)
Dread Disease	59	1	from 2003	2.0%	(2)
Pension fund	2,032	2,033	from 1999	----	----
Index Linked	40,266	41,456	from 1997	0%	SIM 91
Unit Linked	87,604	87,344	from 1998	0%	SIM 91
Total ordinary	2,368,116	671,356			
AIL revaluable	11,836	8,029	1986-1998	4% *	SIM 51
			1999-2004	3% *	SIM 81
Total lines of busine	2,379,952	679,385			

* Due to the effect of the contractually guaranteed revaluation, technical rates have increased to:
indexed policies: 5,50% adjustable policies: 5,00% AIL revaluable policies: 4,51%
revaluable policies: Vittoria Valore Crescente 4,03% Vittoria Rendimento Mensile 3,94%

(1) SIM 91 reduced to 62%;SIM 91 reduced to 53%;mortality and LTC rates derived from a survey of Münchener Rück.

(2) SIM 91 reduced to 60%; mortality and LTC rates derived from a survey of Scor.

The life business technical reserves are made up as follows:

C.II.1 MATHEMATICAL RESERVES			
	2003	2004	Change
	511,022	546,106	+ 35,084

The mathematical reserves are made up as follows (in thousands of Euros):

	<i>2003</i>	<i>2004</i>	<i>Change</i>
Direct insurance risks	510,319	545,513	+ 35,194
Inwards reinsurance risks	703	593	- 110
Gross reserves	511,022	546,106	+ 35,084
Reinsurers' share	20,929	23,205	+ 2,276
Retrocessionaires' share	-	-	-
Net reserves	490,093	522,901	+ 32,808

C.II.2 COMPLEMENTARY INSURANCE PREMIUM RESERVE

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	218	212	- 6

This reserve only relates to direct insurance.

C.II.3 RESERVE FOR PAYABLE AMOUNTS

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	16,881	18,214	+ 1,333

The reserve for payable amounts is made up as follows (in thousands of Euros):

	<i>2003</i>	<i>2004</i>	<i>Change</i>
Direct insurance risks	16,866	18,204	+ 1,338
Inwards reinsurance risks	15	10	- 5
Gross reserves	16,881	18,214	+ 1,333
Reinsurers' share	21	21	-
Retrocessionaires' share	-	-	-
Net reserves	16,860	18,193	+ 1,333

C.II.4 PROFIT PARTICIPATION AND REIMBURSEMENT RESERVE

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	29	13	- 16

The profit participation and reimbursement reserve is made up as follows (in thousands of Euros):

	<i>2003</i>	<i>2004</i>	<i>Change</i>
Direct insurance risks	2	1	- 1
Inwards reinsurance risks	27	12	- 15
Gross reserves	29	13	- 16
Reinsurers' share	-	-	-
Retrocessionaires' share	-	-	-
Net reserves	29	13	- 16

C.II.5 OTHER TECHNICAL RESERVES

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	2,977	3,184	+ 207

This reserve relates to operating costs and may be broken down by business as

	<i>(in thousands of Euros)</i>	
	<i>2003</i>	<i>2004</i>
Class I	2,442	2,285
Class III	199	350
Class IV	11	20
Class V	325	529
Class VI	-	-

The other technical reserves are made up as follows (in thousands of Euros):

	<i>2003</i>	<i>2004</i>	<i>Change</i>
Direct insurance risks	2,975	3,182	+ 207
Inwards reinsurance risks	2	2	-
Gross reserves	2,977	3,184	+ 207
Reinsurers' share	38	38	-
Retrocessionaires' share	-	-	-
Net reserves	2,939	3,146	+ 207

CLASS D - TECHNICAL RESERVES WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND RESERVES ARISING FROM PENSION FUND MANAGEMENT

<i>2003</i>	<i>2004</i>	<i>Change</i>
119,268	130,477	+ 11,209

of which:

D.I Reserves arising from indexlinked policies

<i>2003</i>	<i>2004</i>	<i>Change</i>
117,563	128,444	+ 10,881

They may be broken down by type as follows:

Index Linked	+ 41,100
Unit Linked	+ 87,344

D.II Reserves arising from pension fund management

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,705	2,033	+ 328

CLASS E - PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,805	4,001	+ 2,196

of which:

E.2 PROVISION FOR TAXATION

<i>2003</i>	<i>2004</i>	<i>Change</i>
300	3,260	+ 2,960

The increase is due to the following:

- the accrual made following the assessment of the deductibility of the life business mathematical	650
- the accrual for deferred tax liabilities relating to prior year taxable items	2,310

E.3 OTHER PROVISIONS

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	1,505	741	- 764

This caption relates to the following provisions:

(in thousands of Euros)

	<i>2003</i>	<i>2004</i>	<i>Change</i>
Sofigea as per article 7 of Legislative decree no. 576/78	741	741	-
Provision for securities fluctuations	634	-	- 634
Provision for exchange rate fluctuations	130	-	- 130

The provisions for securities and exchange rate fluctuations have been written off pursuant to the new provisions introduced by the reform of company law and the IFRS dealing with assets and liabilities.

CLASS F - DEPOSITS FROM REINSURERS

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	95,501	103,210	+ 7,709

This caption relates to the direct insurance technical reserves.

CLASS G - PAYABLES AND OTHER LIABILITIES

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	57,506	49,943	- 7,563

of which:

G.I Payable arising from direct insurance business

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	7,249	7,974	+ 725

They are made up as follows:

G.I.1 PAYABLE ARISING FROM DIRECT INSURANCE BUSINESS DUE TO INSURANCE BROKERS AND AGENTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,579	1,876	+ 297

The caption includes balances not yet settled and leaving incentives to be paid upon termination of the agency contract.

G.I.2 PAYABLE ARISING FROM DIRECT INSURANCE BUSINESS DUE TO CURRENT ACCOUNT COMPANIES

<i>2003</i>	<i>2004</i>	<i>Change</i>
4,435	4,663	+ 228

This caption includes current account payables showing the co-insurance technical result.

G.I.3 PAYABLE ARISING FROM DIRECT INSURANCE BUSINESS DUE TO GUARANTEE DEPOSITS AND PREMIUMS PAID BY POLICYHOL

<i>2003</i>	<i>2004</i>	<i>Change</i>
48	61	+ 13

This caption includes guarantee deposits on insurance guarantees paid by policyholders.

Pursuant to paragraph 6 of article 2427 of the Civil Code and Legislative decree no. 173 of 26 May 1997, we note that the above payables are all due after more than five years.

G.I.4 PAYABLE ARISING FROM DIRECT INSURANCE BUSINESS DUE TO GUARANTEE FUNDS IN FAVOUR OF POLICYHOLDERS

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,187	1,374	+ 187

This caption mainly includes the payable due to Consap for the contribution to the guarantee fund for road casualties.

G.II Payable arising from reinsurance business due to Insurance and reinsurance companies

<i>2003</i>	<i>2004</i>	<i>Change</i>
7,325	7,785	+ 460

This caption includes current account payables showing the reinsurance technical result.

G.VII Employees' leaving entitlement

<i>2003</i>	<i>2004</i>	<i>Change</i>
5,212	5,424	+ 212

The increase may be analysed as follows:

- decrease due to entitlements paid to leaving personnel and advances paid	- 987
- increase due to the accrual for the year	+ 1,199

Pursuant to paragraph 6 of article 2427 of the Civil Code and Legislative decree no. 173 of 26 May 1997, we note that the above payable is due after more than five years.

G.VIII Other sums payable

<i>2003</i>	<i>2004</i>	<i>Change</i>
17,847	18,666	+ 819

of which:

G.VIII.1 OTHER SUMS PAYABLE POLICYHOLDERS' TAX DUE

<i>2003</i>	<i>2004</i>	<i>Change</i>
8,154	8,967	+ 813

The caption includes taxes due on premiums collected.

G.VIII.2 OTHER SUMS PAYABLE TO TAXATION AUTHORITIES

<i>2003</i>	<i>2004</i>	<i>Change</i>
2,889	1,576	- 1,313

The more significant captions are as follows:

- withholdings on conv. Unit	154
- withholdings on wages and salaries	610
- withholdings on fees to consultants	261
- withholdings on redemptions and annuities of life	156

G.VIII.3 OTHER SOCIAL SECURITY CHARGES PAYABLE

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,410	1,442	+ 32

This caption mainly includes social security contributions to be paid to INPS on December wages and salaries.

G.VIII.4 OTHER SUNDRY PAYABLES

<i>2003</i>	<i>2004</i>	<i>Change</i>
5,394	6,681	+ 1,287

This caption mainly includes:

- payables due to employees for settlement made in January 2005 and accrued	1,703
- accounts payable to creditors Euro 10 thousand of which relates to the associated company S.In.T. S.p.A.	3,311
- amounts payable to consultants	1,346
- amounts payable to other consultants	17
- guarantee deposits paid by tenants	7
The residual duration of these deposits is more than five years	

G.IX Other liabilities

<i>2003</i>	<i>2004</i>	<i>Change</i>
19,873	10,094	- 9,779

of which:

G.IX.2 COMMISSIONS ON PREMIUMS UNDER COLLECTION

<i>2003</i>	<i>2004</i>	<i>Change</i>
7,094	7,855	+ 761

This caption includes commission to be paid on premiums under collection at year end and agents' incentives.

G.IX.3 OTHER LIABILITIES

<i>2003</i>	<i>2004</i>	<i>Change</i>
12,779	2,239	- 10,540

The more significant captions are as follows:

- invoices and notes to be received	1,682
including Euro 65 thousand relating to the related company S.In.T. S.p.A. and Euro 60 thousand relating to the subsidiary Interbilancia S.r.l.	
- technical account to be settled with agencies	145
- giro accounts between non-life and life business	390

CLASS H - ACCRUED EXPENSES AND DEFERRED INCOME

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,002	1,003	+ 1

of which:

H.1 INTEREST

<i>2003</i>	<i>2004</i>	<i>Change</i>
990	990	-

The caption includes interest accrued on the convertible subordinated bond to be paid to subscribers on 1 January 2005

H.3 OTHER ACCRUED EXPENSES AND DEFERRED INCOME

<i>2003</i>	<i>2004</i>	<i>Change</i>
12	13	+ 1

The caption mainly includes deferred commissions from brokerage activities.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM AND CONTINGENCY ACCOUNTS

<i>2003</i>	<i>2004</i>	<i>Change</i>
997,973	1,055,875	+ 57,902

This caption is made up as follows:

I Guarantees given

<i>2003</i>	<i>2004</i>	<i>Change</i>
20,500	20,500	-

of which:

I.3 OTHER PERSONAL GUARANTEES

<i>2003</i>	<i>2004</i>	<i>Change</i>
20,500	20,500	-

This item consists of a letter of patronage given to Banca Intesa S.p.A. to guarantee a credit line given by it to the subsidiary Vittoria Immobiliare S.p.A..

II Guarantees received

<i>2003</i>	<i>2004</i>	<i>Change</i>
-	250	+ 250

of which:

II.4 COLLATERAL

<i>2003</i>	<i>2004</i>	<i>Change</i>
-	250	+ 250

The caption relates to securities pledged in favour of the company.

V Third party assets

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,792	2,026	+ 234

The caption relates to savings accounts in favour of eligible claimants.

VI Assets pertaining to pension funds managed in favour and on behalf of third parties

<i>2003</i>	<i>2004</i>	<i>Change</i>
1,705	2,033	+ 328

The caption relates to assets pertaining to pension funds held by the depositary bank.

VII Securities held by third parties

<i>2003</i>	<i>2004</i>	<i>Change</i>
973,976	1,031,066	+ 57,090

The caption relates to securities deposited on separate management with banks and other issuers.

PROFIT AND LOSS ACCOUNT

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

2003	2004	Change
24,213	11,801	- 12,412

Technical cost and revenues are classified as follows:

	2003	2004
I.1 - Premiums, net of outwards reinsurance	255,777	302,630
A breakdown of premiums by line of business is given in the directors' report. Annex 25 to these notes classifies premiums by class and business.		
a) Gross premiums accounted for	363,508	407,064
b) (-) Outwards reinsurance premiums	92,005	92,066
c) Change in gross premium reserve	18,438	14,779
d) Change in reinsurers' premium reserve	2,712	2,411
I.2 - (+) Income on investments transferred from non-technical account	12,620	11,930
The caption includes income on investments transferred from the non-technical account as provided for by article 55 of Legislative decree no. 173/97. The amount to be transferred has been calculated in accordance with ISVAP regulation no. 1140 G of 8 March 1999.		
I.3 - Other technical income, net of outwards reinsurance	1,316	1,694
This caption includes:		
- write-off of commissions for previous years' premiums cancelled	503	468
- other technical captions mainly related to recoveries of settlement costs related to claims subject to knock for knock agreements and ANIA incentives for scrapping damaged vehicles.	568	776
- withdrawal from the provision for bad debts	245	450

	2003	2004
I.4 - Charges relating to claims, net of recoveries and outwards reinsurance	172,080	217,932
a) Amounts paid		
aa) Gross amount	232,085	245,357
bb) (-) Reinsurers' share	59,208	59,983
They relate to compensation, direct expenses and settlement cost for partial or final payments on claims reported during the year or accrued at the end of the previous year.		
b) changes in recoveries, net of reinsurers' share		
aa) Gross amount	10,456	10,019
bb) (-) Reinsurers' share	2,491	432
This represents the balance between amounts to be recovered from policyholders and third parties for exemption clauses, subrogation and claim surrenders at the end of the previous year, the amounts recovered during the year and amounts yet to be recovered at year end.		
c) Change in claims reserve		
aa) Gross amount	19,682	55,689
bb) (-) Reinsurers' share	12,514	13,544
The caption includes estimated compensation, direct and settlement costs to be paid in future years for claims reported during the current and previous years and not yet settled at year end.		
I.5 - Change in other technical reserves, net of outwards reinsurance	487	461
This caption includes the change in the ageing reserve.		

	2003	2004
I.7 - Operating costs	68,096	81,038
They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and mutual costs incurred for the sales network. The caption also includes overheads and depreciation of tangible assets not allocated to claims settlement and investments. This caption and that relating to the life business (II.8) include costs repaid to the related company S.In.T. S.p.A. (Euro 542 thousand), the subsidiary Interbilancia S.r.l. (Euro 60 thousand), the related company Touring Vacanze S.r.l. (Euro 7 thousand), the subsidiary Vittoria Immobiliare S.p.A. (Euro 230 thousand) and the Vittoria Properties S.r.l. (Euro 91 thousand).		
a) Acquisition commissions		
b) Other acquisition costs	53,097	61,041
c) Change in commissions and other acquisition costs to be amortised	18,238	20,730
d) Premium collection commissions	454	1,240
e) Other administrative costs	5,858	6,213
f) (-) Commissions received by reinsurers	13,007	13,750
	21,650	19,456
I.8 - Other technical charges, net of outwards reinsurance		
This caption relates to premium-related items, including:	4,624	4,783
- technical write-offs, bad debts and accruals to the related provision		
- other technical charges mainly related to services supporting insurance covers and costs for premiums under litigation. The cost repaid to the company for use of technical services of the related company S.In.T S.p.A. amounts to Euro 330 thousand	3,953	3,933
	671	850
I.9 - Change in equalisation reserves	212	239

II.13 - RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT

	2003	2004	Change
	4,491	7,905	3,414

Technical cost and revenues are classified as follows:

	2003	2004
II.1 - Premiums, net of outwards reinsurance	90,932	109,306
A breakdown of premiums by line of business is given in the directors' report. Annex 27 to these notes classifies premiums by class and business.		
a) Gross premiums accounted for	94,056	112,205
b) (-) Outwards reinsurance premiums	3,124	2,899
II.2 - Income on investments	26,549	26,839
It relates to:		
a) Income on equity investments the caption is composed of dividends paid by the subsidiary Vittoria Immobiliare S.p.A.	434	829
b) Income on other investments:		
bb) other investments the caption includes:	25,137	24,038
- interest on fixed-interest securities, issue and trading discounts	24,519	23,638
- interest on policy loans	264	291
- income on unit trust units	315	76
- interest on reinsurance deposits	39	33
c) Adjustments to investment values	-	5
d) Profit on sale of investments	978	1.967
It relates to:		
- capital gains on repayment and sale of fixed-interest securities	17	-
- capital gains on repayment and sale of unit trusts	961	1.967

	2003	2004
II.3 - Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management A breakdown of this caption is given in annex 22 to these notes.	10,579	12,352
II.4 - Other technical income, net of outwards reinsurance The caption includes commissions relating to first yearly instalments of premiums cancelled and commissions retroceded by the financial managers in relation to investments of unit premiums and pension funds.	1,148	1,209
II.5 - Charges relating to claims, net of outwards reinsurance They relate to claims, matured policies, surrenders and life annuities.	60,844	76,825
a) Amounts paid		
aa) Gross amount	63,919	76,114
bb) (-) Reinsurers' share	698	621
b) Change in reserve for payable amounts		
aa) Gross amount	-2,377	-1,332
bb) (-) Reinsurers' share	-	-
II.6 - Change in mathematical reserves and other technical reserves, net of outwards reinsurance The caption relates to changes in technical reserves which have been commented on in detail in the section on "accounting policies".	41,942	44,092
a) Mathematical reserves		
aa) Gross amount	24,436	34,960
bb) (-) reinsurers' share	2,108	2,277
b) Complementary insurance premium reserve		
aa) Gross amount	-5	-6
c) Other technical reserves		
aa) Gross amount	14	206
bb) (-) Reinsurers' share	1	-
d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management		
aa) Gross amount	19,606	11,209

	2003	2004
II.7 - Reversals and profit participation, net of outwards reinsurance	6	- 9
This caption includes the amounts paid during the year for profit participation and the change in the related reserve.		
Of which:		
- Direct insurance	10	6
- Indirect insurance	-4	- 15
II.8 - Operating costs	13,578	12,506
They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and mutual costs incurred for the sales network. The caption also includes overheads and depreciation of tangible assets not allocated to investments.		
a) Acquisition commissions	2,543	2,392
b) Other acquisition costs	2,632	2,158
c) Change in commissions and other acquisition costs to be amortised	-2,381	-1,920
d) Premium collection commissions	2,144	2,081
e) Other administrative costs	4,326	4,393
f) (-) Profit participation and other commissions received by reinsurers	448	438
II.9 - Capital and financial charges	2,693	2,810
They relate to charges for, adjustments to and loss on sale of investments included under class C of the balance sheet assets.		
a) Investment management charges and interest payable	2,680	2,769
of which:		
- costs relating to the equity investment portfolio	57	55
- charges on fixed-interest securities for issue and trading discounts, taxes and operating and personnel costs	1,641	1,687
- charges relating to unit trusts	26	2
- interest on deposits from reinsurers	956	1,025

	2003	2004
b) Adjustments to investment values	4	39
They relate to write-downs of the equity investment. The caption is analysed in annex 23 to these notes.		
c) Loss on sale of investments	9	1
The caption is mainly composed of losses on the sale of trading securities as follows:		
- losses on repayment and sale of fixed-interest securities	8	1
- losses on the sale of unit trusts	1	-
II.10 - Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management	3,811	3,632
A breakdown of this caption is given in annex 24 to these notes.		
II.11 - Other technical charges, net of outwards reinsurance	57	19
The caption relates to technical write-offs and bad debts.		
II.12 - Income on investments transferred to non-technical account	1,787	1,926
The caption includes income on investments transferred to the non-technical account as provided for by article 55 of Legislative decree no. 173/97. The amount to be transferred has been calculated in accordance with ISVAP regulation no. 1140 G of 8 March 1999.		

NON-TECHNICAL ACCOUNT RESULT

	2003		2004		Change
€	- 1,558	€	9,959	€	11,517

Non-technical cost and revenues are classified as follows:

	2003	2004
III.3 - Income on non-life business investments	21,118	19,724
The caption is made up as follows:		
a) Income on equity investments	608	1,018
They relate to dividends paid. They include the dividend of Euro 44 thousand paid by the related company Touring Vacanze S.r.l.		
b) Income on other investments:		
aa) land and buildings including rental, expense recoveries and other revenues	178	210
bb) other investments	19,544	18,478
The caption includes:		
- interest on fixed-interest securities, issue and trading discounts	19,049	18,016
- interest on loans, Euro 91 thousand of which on the loan granted to YARPA International H.N.V and Euro 61 thousand on the loan granted to Laumor B.V..	481	451
- financial income on unit trust units	11	-
- interest on reinsurance deposits	3	11
c) Adjustments to investment values		
They relate to write-backs of write-downs of fixed-interest securities and equities made in previous years. The caption is detailed in annex 21 to these notes.	32	-
d) Profit on sale of investments	756	17
It relates to:		
- capital gains on the sale of unit trust units	713	-
- capital gains on repayment and sale of fixed-interest securities	43	17

	2003	2004
III.4 - (+) Income on investments transferred from non-life business technical account	1,787	1,926
Reference should be made to the notes to the life business technical account		
III.5 - Capital and financial charges of non-life business	5,357	4,961
They relate to charges for, adjustments to and loss on sale of investments included under class C of the balance sheet assets as follows:		
a) Investment management charges and interest payable	5,172	4,961
of which:		
- condominium expenses, taxes and costs for building management	151	166
- operating and personnel costs relating to the equity investment portfolio	41	95
- charges on fixed-interest securities for issue and trading discounts, taxes and operating and personnel costs	2,913	2,645
- unit trust charges	1	5
- interest on deposits from reinsurers	2,066	2,050
c) Loss on sale of investments	185	-
The caption is made up as follows:		
- losses on repayment and sale of fixed-interest securities	9	-
- losses on the sale of unit trust units	176	-

	2003	2004
III.6 - (-) Income on investments transferred to non-life business technical account	12,620	11,930
Reference should be made to the notes to the non-life business technical account		
III.7 - Other income	1,943	2,378
This caption includes income other than that on investments, such as that relating to the captions E - Receivables and F - Other assets.		
This caption is made up as follows:		
- interest on current accounts from insurance and reinsurance companies	69	36
- interest on bank current accounts	859	786
- other interest mainly on tax receivables and agents' recharges	551	325
- interest on giro accounts between businesses	299	4
- other financial income	165	182
- use of the provision for contingencies and other charges from the provision for bad debts	-	1,045
III.8 - Other charges	7,774	10,290
This caption includes charges other than those on investments, such as those relating to the captions E - Receivables and F - Other assets.		
This caption is made up as follows:		
- interest on current accounts to insurance and reinsurance companies	366	100
- interest on bank current accounts	41	26
- interest on giro accounts between businesses	299	4
- other financial charges	152	164
- bad debts	38	329
- accruals to the provision for bad debts	200	1,470
- amortisation charge of intangible assets	5,174	5,986
- accrual to the provision for taxation	-	650
- interest on subordinated loan	990	990
- exchange rate losses on technical and financial captions	245	346
- current taxes	269	225

	<i>2003</i>	<i>2004</i>
III.10 – Extraordinary income	612	13,325
The caption is composed of income on the sale of long-term investments and other assets included in caption F - Other assets, This caption is made up as follows:		
- capital gains on the sale of buildings	-	76
- capital gains on the sale of investments	1	-
- capital gains on the sale of fixed-interest securities	-	-12,563
- capital gains on the sale of tangible assets	1	3
- prior year items	110	153
- reimbursement for damage to registered offices	500	17
- income on other financial investments	-	513
III.11 - Extraordinary expense	1,267	212
The caption is composed of expense incurred on the sale of long-term investments and other losses on the sale of assets included in caption F - Other assets, This caption is made up as follows:		
- losses and expense on the sale of buildings,	-	29
- losses on the sale of investments	-	75
- losses on the sale of tangible assets	13	19
- prior year items	170	89
- expense for adjustment of future tax rate on deferred tax assets	179	-
- tax amnesty effect (direct and indirect taxes)	499	-
- expense of damage to registered offices	406	-

III.15 - NET PROFIT FOR THE YEAR

	<i>2003</i>	<i>2004</i>	<i>Change</i>
	15,147	17,779	2,632

	<i>2003</i>	<i>2004</i>
I.10 Result of non-life business technical account	24,213	11,801
II.13 - Result of life business technical account	4,491	7,905
Non-technical account result	-1,558	9,959
III.13 - PROFIT BEFORE TAXATION	27,146	29,665
III.14 - Taxation on profit for the year Taxation includes IRES and IRAP taxes accrued on the profit for the year	11,999	11,886

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

(in thousands of Euros)

	Taxable base		Tax	
	IRES	IRAP	actual	theoretical
IRES - tax rate: 33%				
Profit before taxation	29,665			9,789
+ Temporary differences deductible in future years	3,892			
- Temporary differences taxable in future years	6,998			
- Use of temporary differences	2,935			
Permanent differences:				
+ Non-deductible interest and taxes	157			
+ Non-deductible accruals, costs and expenses	1,800			
- Tax-exempt income	32			
- Dividends	1,755			
- Other deductible items	520			
Taxable base	23,274		7,680	
Total IRES			7,680	9,789
IRAP - tax rate: 5.25%				
Difference between production revenues and cost		22,616		
Costs not deductible for IRAP purposes		19,520		
Theoretical taxable base		42,136		2,212
+ Temporary differences deductible in future years		3,166		
- Temporary differences taxable in future years		0		
- Use of temporary differences		150		
Taxable base		45,152	2,371	
Total IRAP			2,371	2,212
Deferred tax assets				
Deferred tax assets of the previous year	9,051	1,070		
Adjustments to deferred tax assets of the previous year	-54	1		
Deferred tax assets of the current year	9,954	4,088		
Change in deferred tax assets			-474	
Deferred tax liabilities				
Provision for deferred tax liabilities of the previous year	0			
Adjustments to the provision for deferred tax liabilities of the previous year	0			
Provision for deferred tax liabilities of the current year	6,998			
Change in provision for deferred tax liabilities			2,309	
Total tax relating to 2004			11,886	12,001

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

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

(in thousands of Euros)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	Taxable base	Tax rate	Taxable base	Tax rate	Tax
2003 deferred tax assets					
Provisions for securities and exchange rate fluctuation:	818	33.00	-		270
Entertainment costs	96	33.00	96	5.25	37
Provisions for bad debts	3,597	33.00	617	5.25	1,219
Directors' fees	44	33.00	-1	5.25	14
Foreign bonds	3,620	33.00	-		1,195
Change in non-life claims reserve (as per decr. 209/2002)	553	33.00	358	5.25	201
Write-downs of investments (as per decr. 209/2002)	323	33.00	-		107
	9,051		1,070		3,043
2004 use of/adjustments to deferred tax assets					
Provisions for securities and exchange rate fluctuation:	-818	33.00	-		-270
Entertainment costs	-37	33.00	-37	5.25	-14
Provisions for bad debts	-360	33.00	-72	5.25	-123
Directors' fees	-44	33.00	1	5.25	-14
Foreign bonds	-1,558	33.00	-		-514
Change in non-life claims reserve (as per decr. 209/2002)	-64	33.00	-40	5.25	-23
Write-downs of investments (as per decr. 209/2002)	-108	33.00	-		-36
	-2,989		-148		-994
2004 increase in deferred tax assets					
Entertainment costs	34	33.00	34	5.25	13
Provisions for bad debts	1,695	33.00	1,025	5.25	613
Directors' fees	56	33.00	-		18
Change in non-life claims reserve (as per decr. 209/2002)	2,107	33.00	2,107	5.25	806
	3,892		3,166		1,450
2004 deferred tax assets					
Provisions for securities and exchange rate fluctuation:	-		-		-
Entertainment costs	93	33.00	93	5.25	36
Provisions for bad debts	4,932	33.00	1,570	5.25	1,709
Directors' fees	56	33.00	-		18
Foreign bonds	2,062	33.00	-		681
Change in non-life claims reserve (as per decr. 209/2002)	2,596	33.00	2,425	5.25	984
Write-downs of investments (as per decr. 209/2002)	215	33.00	-		71
	9,954		4,088		3,499
2003 deferred tax liabilities					
	-		-		-
2004 use of/adjustments to deferred tax liabilities					
	-		-		-
2004 increase in deferred tax liabilities					
Deferral of capital gains on financial fixed assets (4/5)	6,998	33.00	-		2,309
	6,998		-		2,309
2004 deferred tax liabilities					
Deferral of capital gains on financial fixed assets (4/5)	6,998	33.00	-		2,309
	6,998		-		2,309

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Part C: Other information

Solvency margin

The forms required by ISVAP with regulation dated 10 March 1999 show the following figures (in thousands of euros).

	Non-life business	Life business	Total
Solvency margin amount	49,176	26,022	75,198
Solvency margin components	82,504	45,446	127,950
Ratio	1.7	1.7	1.7

Assets allocated to cover the technical reserves

The technical reserves requiring cover at year end amounted to:

- non-life business	552,848
- life business	567,112
- technical reserves where the investment risk is borne by the policyholders	130,477

and the covered assets are described in the annexes to the financial statements.

Cash flow statement

The technical captions are shown net of reinsurance effects in the cash flow statement.

Statement of source and application of funds

(thousands of Euros)

	2003	2002
SOURCE OF FUNDS		
Net profit for the year	17,779	15,147
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	51,987	12,787
premium reserve	14,035	16,312
non-life business technical reserves	44,201	42,195
Amortisation/depreciation	-2,634	-4,413
Increase (-) Decrease (+) in receivables from policyholders		
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-1,952	19,786
Net increase (-) decrease (+) in intangible assets	873	-567
Increase in specific provisions	2,196	-562
Employees' leaving entitlement:		
accruals	1,199	1,150
utilisation	-987	-654
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-4,780	-7,547
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	1,988	-3,171
Adjustments to securities	33	-28
Adjustments to class D securities	-4,513	-2,927
Funds generated by ordinary activities	119,425	87,508
Disposal of fixed assets	434	0
Sale of bonds and other fixed-interest securities	174,612	55,040
Sale of equity investments	1,180	0
Sale of unit trusts	32,493	26,890
Sale of class D	28,079	11,257
Repayment of loans and borrowings	5,952	3,322
Other financial disinvestments	478	0
Funds generated by disinvesting activities	243,228	96,509
Total funds generated	362,653	184,017

(thousands of Euros)

	2003	2002
APPLICATION OF FUNDS		
Buildings	49	63
Fixed-interest securities	234,177	49,582
Investments	74,522	72,368
Unit trusts	7,500	3,350
Other financial investments	-	478
Class D investments	34,776	27,935
Loans to third parties	3,959	9,172
Previous year's dividend distributed	3,900	3,600
Total application of funds	358,883	166,548
Increase/decrease in liquid funds	3,770	17,469
TOTAL	362,653	184,017
Liquid funds at the beginning of the year	33,013	15,544
Liquid funds at the end of the year	36,783	33,013

Capitalised financial charges

Pursuant to point 8 of paragraph 1 of article 2427 of the Civil Code, we note that no financial charges have been capitalised.

Employees

Costs for wages and salaries, related social security contributions, accruals to the provision for employees' leaving entitlement and other expenses related to personnel are detailed in annex 32.

Employees numbered 370 at year end. The average number of employees split by position is as follows:

Managers	17
Officers	87
Administrative staff	265
Total	<u>369</u>

Breakdown of direct insurance premiums by business sector and geographical area

A breakdown of premiums by Ministerial line of business is set out in annexes 19 and 20, all relating to the domestic portfolio.

A breakdown of premiums by geographical area (including agency locations) is set out below:

(thousands of Euros)

Region	Agencies	Non-life business		Life business	
		Premiums	%	Premiums	%
NORTH					
Emilia Romagna	20	32,576		7,453	
Friuli Venezia Giulia	3	5,490		1,140	
Liguria	9	16,976		1,634	
Lombardia	56	119,680		56,797	
Piemonte	23	26,750		3,910	
Trentino Alto Adige	3	6,184		734	
Valle d'Aosta	1	1,807		147	
Veneto	21	30,428		7,173	
Total	136	239,891	58.9	78,988	70.2
CENTRE					
Abruzzo	7	15,457		5,716	
Lazio	18	57,237		14,837	
Marches	7	7,119		1,654	
Molise	0	1,900		270	
Tuscany	18	32,634		3,769	
Umbria	9	16,135		2,246	
Total	59	130,482	32.0	28,492	25.3
SOUTH AND ISLANDS					
Basilicata	2	2,820		700	
Calabria	2	2,169		304	
Campania	5	5,807		1,200	
Apulia	5	10,747		1,445	
Sardinia	1	4,118		164	
Sicily	7	11,516		1,153	
Total	22	37,177	9.1	4,966	4.4
Total	217	407,550	100.0	112,446	100.0

Real estate

Real estate is detailed below (thousands of Euros).

	31 DECEMBER 2004			
	Carrying amount		Fiscally-driven	Total
	before revaluations	Monetary revaluations	and voluntary revaluations	
BUILDINGS HELD FOR INVESTMENT				
Operating buildings				
Perugia - Via Pellas 44	70	6	0	76
Pescara - Via Sulmona 2	34	38	0	72
Total operating buildings	104	44	0	148
Buildings used by third parties				
Acqui - Piazza Matteotti 25	53	10	77	140
Alessandria - P.Za Carducci 1	120	112	0	232
Asti - C.So Alfieri 130	27	57	0	84
Biella - Piazza V. Veneto 16	17	43	34	94
Brescia - Via Saffi 1	121	67	0	188
Busto Arsizio - Via C. Tosi 8	72	31	0	103
Como - V.Le Rosselli 13	67	22	77	166
Cremona - P.Za Roma 7	28	24	23	75
Cremona - P.Za Roma 7	76	0	0	76
Cuneo - Piazza Europa 26	61	75	0	136
Ferrara - Via Don Minzoni 17	97	10	93	200
Foggia - Via Scrocco 60	32	15	0	47
Foligno - Via C. Battisti 1	110	63	0	173
Gallarate - P.Za Risorgimento 10	23	7	44	74
Livorno - Via Grande 225	128	5	0	133
Lodi - C.So V. Emanuele II° 12	13	10	41	64
Milano - Via Ariosto 21	2,458	0	0	2,458
Milano - Via B. D'Alviano 2	21	46	62	129
Milano - Via V. Colonna 2	129	0	0	129
Milano - Via V. Colonna 2	177	0	0	177
Milano - Via Correggio 3	145	0	0	145
Modena - Via Ganaceto 39	30	13	46	89
Monza - Via Cavallotti 11	59	89	59	207
Napoli - Via S. Carlo 26	63	45	155	263
Parma - Via Longhi 1	87	42	62	191
Perugia - Via Pellas 44	147	12	0	159
Piacenza - Via S. Antonino 28	21	34	46	101
Pisa - Piazza Toniolo 10	84	41	52	177
Pistoia - Via S. Fedi 67	72	39	0	111
Pontedera - C.So Matteotti 108	61	41	0	102

31 DECEMBER 2004				
	Carrying amount before revaluations	Monetary revaluations	Fiscally-driven and voluntary revaluations	T o t a l 2004
Buildings used by third parties				
Rovigo - C.So Del Popolo 4	63	24	0	87
Sondrio - Via C. Alessi 16	54	15	0	69
Terni - Via Beccaria 22	17	28	0	45
Torino - Via P. Micca 21	207	205	155	567
Trieste - Via Torrebianca 18	12	36	21	69
Udine - Via Carducci 4	39	72	0	111
Varese - Via Mazzini 1	158	71	41	270
Venezia Mestre - Via Verdi 4	47	65	26	138
Verona - C.So Porta Nuova 53	226	257	129	612
Vicenza - C.So Palladio 155	84	76	36	196
Total buildings used by third parties	5,506	1,802	1,279	8,587
TOTAL BUILDINGS HELD FOR INVESTMENT	5,610	1,846	1,279	8,735
TOTAL BUILDINGS	5,610	1,846	1,279	8,735

Fees paid to directors and statutory auditors

Fees paid to the directors and statutory auditors are set out below, pursuant to article 78 of CONSOB resolution no.11971 dated 14 may 1999:

(thousands of Euros)

NAME	Fees			
	Fees	Non-cash benefits	Bonuses and other incentives	Other fees (1)
Board of directors terms of office up to approval of the financial statements at 31 December 2004				
Chairman				
Luigi Guatri	37			
Deputy Chairman				
Carlo Acutis	29	8		
Giorgio Costa	42			3 (1)
Managing director				
Roberto Guarena	324	6	240	3 (1)
Directors				
Acutis Biscaretti di Ruffia Adriana	10			45 (1)
Acutis Andrea	10	5		140 (2)
Baggi Sisini Francesco	21			
Brandolini D'adda Tiberto	10			
Brignone Marco	14			
Cito Filomarino Carlo	4			
Francois-Poncet Michel	4			
Hellouin de Ménibus Arnaud	18			3 (1)
Marsani Pietro Carlo	14			
Marsiaj Giorgio	14			
Mottura Giacomo	54			3 (1)
Müller-Gotthard Edgar	14			
Paveri Fontana Luca	92			3 (1)
Board of statutory auditors terms of office up to approval of the financial statements at 31 December 2004				
Chairman				
Angelo Caso'	18			
Statutory auditors				
Maritano Giovanni	23			14 (1)
Vasconi Sergio	13			
Strazzeria Livio	3			

(1) Other fees for positions held in subsidiaries

(2) Including wage for position as employee (Euro 137 thousand) and other fees for positions in subsidiaries (Euro 3 thousand).

Investments in subsidiaries

Vittoria Immobiliare S.p.A.

Registered office in Milan - Largo Toscanini 1; Share capital Euro 6,600,000.

Holding percentage: 87,24%.

This company is active in the real estate trading sector and holds investments in companies operating in the real estate management, brokerage and trading sectors.

The draft financial statements approved by the board of directors on 22 March 2005 show shareholders' equity of Euro 11,342 thousand, Euro 4,089 thousand being the net profit for the year. The consolidated financial statements, prepared for parent company consolidation purposes, show consolidated shareholders' equity of Euro 16,029 thousand, Euro 9,815 thousand being the consolidated net profit for the year.

Immobiliare Bilancia S.r.l.

Registered office in Milano - Largo Toscanini 1; Quota capital: Euro 64,000,000.

Holding %: 97.66%.

A real estate trading company.

The draft financial statements approved by the board of directors on 18 February 2005 show quotaholders' equity of Euro 69,569 thousand, Euro 5,586 thousand being the net profit for the year.

Immobiliare Bilancia Prima S.r.l.

Registered office in Milano - Largo Toscanini 1; Quota capital: Euro 29,000,000.

Holding %: 100.00%.

A real estate trading company.

The company became active in January 2004 when it purchased a building in Rome to be used for services. Vittoria Assicurazioni increased its quota capital to Euro 29,000,000 against payment for this transaction. Negotiations are underway for the sale of this building to institutional investors. The draft financial statements examined by the directors on 18 February 2005 show quotaholders' equity of Euro 28,887 thousand and a net loss for the year of Euro 111 thousand.

Immobiliare Bilancia Seconda S.r.l.

Registered office in Milano - Largo Toscanini 1; Quota capital: Euro 100,000.

Holding %: 100.00%.

The company became active in November 2004 when it purchased a building in Rome for residential use; Vittoria Assicurazioni increased its quota capital to Euro 1,000,000 against payment for this transaction, also paying Euro 22,000,000 as share premium.

The draft financial statements examined by the directors on 7 March 2005 show quotaholders' equity of Euro 22,994 thousand and a net loss for the year of Euro 2 thousand.

Immobiliare Bilancia Terza S.r.l.

Registered office in Milano - Largo Toscanini 1; Quota capital: Euro 100,000.

Holding %: 100.00%.

This company was incorporated in 2003 and is still inactive. It represents a special purpose vehicle for the future development of real estate trading initiatives, possibly with other partners of the sector. The draft financial statements examined by the directors on 7 March 2005 show quotaholders' equity of Euro 91 thousand and a net loss for the year of Euro 6 thousand.

Vittoria Properties S.r.l.

Registered office in Milano - Via Caldera 21; Quota capital Euro 4,000,000

Holding %: 99.00% directly and 1.00 % through Vittoria Immobiliare S.p.A.

Incorporated to manage and lease its real estate portfolio.

The draft financial statements approved by the board of directors on 7 March 2005 show quotaholders' equity of Euro 4,003 thousand, Euro 13 thousand being the net profit for the year.

Interbilancia S.r.l.

Registered office in Milano - Via Caldera 21; Quota capital Euro 80,000

Holding %: 80.00% directly and 20.00 % through Vittoria Immobiliare S.p.A.

Holding company of investments in companies operating in the service sector.

The draft financial statements approved by the board of directors on 22 March 2005 show quotaholders' equity of Euro 98 thousand, Euro 4 thousand being the net profit for the year.

Investments in associated companies

Yarpa International Holding N.V.

Registered office in The Hague (Holland); Share capital Euro 675,000.

Holding percentage: 25%.

Holding company of investments in real estate companies

The draft consolidated financial statements show shareholders' equity of Euro 98,265 thousand, Euro 12,993 thousand being the consolidated net profit for the year.

Laumor B.V.

Registered office in Amsterdam (Holland); Share capital Euro 20,000.

Holding percentage: 25%.

Holding company of investments in real estate companies.

The draft consolidated financial statements as at and for the year ended 31 December 2004 show shareholders' equity of Euro 1,096 thousand, Euro 881 thousand being the consolidated net profit for the year.

Touring Vacanze S.r.l.

Registered office in Milan - Corso Italy 10; Quota capital Euro 12,900,000.

Holding percentage: 24%.

Real estate management company.

Investments in related companies

S.In.t. S.p.A.

Registered office in Turin - Piazza Bodoni 3; Share capital Euro 500,000.

Holding percentage: 14.79%.

Service company.

Board of directors

Milan, 22 March 2005

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Company VITTORIA ASSICURAZIONI S.p.A.

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

Current assets

A. SHARE CAPITAL PROCEEDS TO BE RECEIVED					
of which: called-up		2			
B. INTANGIBLE ASSETS					
1. Acquisition commissions to be amortised		4	6,503		
2. Other acquisition costs		6			
3. Start-up and capital costs		7	206		
4. Goodwill		8			
5. Other deferred costs		9	13,994	10	20,703
C. INVESTMENTS					
I - Land and buildings					
1. Operating buildings		11	148		
2. Buildings used by third parties		12	8,587		
3. Other buildings		13			
4. Other property rights		14			
5. Assets under construction and payments on account		15		16	8,735
II - Investments in group and other companies:					
1. Equity investments in:					
a) parent companies	17				
b) subsidiaries	18	59,650			
c) related companies	19	258			
d) associated companies	20	17,813			
e) other companies	21	41,899	22	119,620	
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	7,115			
e) other companies	33		34	7,115	35
				126,735	
			to carry forward		20,703

Previous year

			181
182			
184	5,264		
186			
187	241		
188			
189	14,176	190	19,681
191	144		
192	8,976		
193			
194			
195		196	9,120
197			
198	300		
199	298		
200	18,953		
201	29,105	202	48,656
203			
204			
205			
206			
207		208	
209			
210			
211			
212	8,990		
213		214	8,990
		215	57,646
	to carry forward		19,681

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current year	
		brought forward		20,703	
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	5,780	
	3. Bonds and other fixed-interest securities				
	a) listed	41	343,033		
	b) unlisted	42	1,462		
	c) convertible bonds	43	44	344,495	
	4. Loans				
	a) secured loans	45	3,977		
	b) loans on policies	46			
	c) other loans	47	1,568	48	5,545
	5. Shares in investment pools			49	
	6. Deposits with banks			50	
	7. Other financial investments			51	
				52	355,820
IV	- Deposits with ceding companies			53	370
				54	491,660
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES					
I - NON-LIFE BUSINESSES					
	1. Premium reserve		58	36,416	
	2. Claims reserve		59	78,860	
	3. Profit participation and reimbursement reserve		60		
	4. Other technical reserves		61		62
					115,276
					627,639
					to carry forward

Previous year

	brought forward		19,681
216			
217			
218	219		
	220	779	
221	367,513		
222	2,107		
223	224	369,620	
225	4,510		
226			
227	1,773	228	6,283
		229	
		230	
		231	478
		232	377,160
		233	430
		234	444,356
		238	35,119
		239	74,024
		240	
		241	
		242	109,143
	to carry forward		573,180

BALANCE SHEET - NON-LIFE BUSINESS
ASSETS

		Current year	
		brought forward	627,639
E. RECEIVABLES			
I	- Receivables relating to direct insurance due from:		
	1. Policyholders		
a)	premiums for the year	71 32,264	
b)	premiums for previous years	72 617	
		73 32,881	
	2. Insurance brokers and agents	74 37,337	
	3. Current account companies	75 4,886	
	4. Amounts to be recovered from policyholders and third parties	76 23,222	77 98,326
II	- Receivables relating to reinsurance due from:		
	1. Insurance and reinsurance companies	78 11,654	
	2. Reinsurance brokers and agents	79	80 11,654
III	- Other receivables		81 10,480
F. OTHER ASSETS			
I	- Tangible assets and inventory:		
	1. Office furniture and machines and internal transport systems	83 3,568	
	2. Registered chattel property	84 252	
	3. Plant and machinery	85 614	
	4. Inventory and other assets	86	87 4,434
II	- Liquid funds		
	1. Bank and postal accounts	88 25,434	
	2. Cheques on hand and cash-in-hand	89 23	90 25,457
III	- Own shares or quotas		91
IV	- Other assets		
	1. Suspense reinsurance accounts	92	
	2. Sundry assets	93 3,076	94 3,076
	of which: giro account with life business	901	95 32,967
G. PREPAYMENTS AND ACCRUED INCOME			
	1. Interest		96 4,535
	2. Rent instalments		97 231
	3. Other prepayments and accrued income		98 420
TOTAL ASSETS			100 786,252

Previous year

		brought forward				573,180
251	29,058					
252	556	253	29,614			
		254	33,589			
		255	2,968			
		256	20,177	257	86,348	
		258	4,916			
		259		260	4,916	
				261	9,675	262 100,939
		263	3,730			
		264	235			
		265	557			
		266		267	4,522	
		268	16,802			
		269	41	270	16,843	
				271		
		272				
		273	2,432	274	2,432	275 23,797
		903				
				276	6,606	
				277	227	
				278	425	279 7,258
						280 705,174

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

Current year

A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101 17,500	
II	- Share premium reserve	102 11,104	
III	- Revaluation reserves	103 6,135	
IV	- Legal reserve	104 3,427	
V	- Statutory reserves	105	
VI	- Reserves for purchase of own shares and shares of parent company	106	
VII	- Other reserves	107 40,970	
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit/(loss) for the year	109 11,819	110 90,955
B. SUBORDINATED LIABILITIES			111 10,800
C. TECHNICAL RESERVES			
I	- NON-LIFE BUSINESSES		
1.	Premium reserve	112 159,230	
2.	Claims reserve	113 393,515	
3.	Profit participation and reimbursement reserve	114	
4.	Other technical reserves	115 1,836	
5.	Equalisation reserves	116 1,616	117 556,197
	to carry forward		657,952

Previous year

	281	17,500	
	282	11,104	
	283	6,135	
	284	2,856	
	285		
	286		
	287	32,390	
	288		
	289	11,427	290 81,412
			291 10,800
292	144,599		
293	338,025		
294			
295	1,375		
296	1,377		297 485,376
to carry forward			577,588

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

		Current year	
brought forward			657,952
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	2,432
3.	Other provisions	130	741
			131
			3,173
F. DEPOSITS FROM REINSURERS			
			132
			79,967
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133	1,756
2.	Current account companies	134	4,642
3.	Guarantee deposits and premiums paid by policyholders	135	41
4.	Guarantee funds in favour of policyholders	136	1,374
			137
			7,813
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138	7,024
2.	Reinsurance brokers and agents	139	
			140
			7,024
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
			4,249
VIII	- Other sums payable		
1.	Policyholders' tax due	146	8,709
2.	Other sums payable to taxation authorities	147	863
3.	Social security charges payable	148	1,240
4.	Sundry payables	149	5,775
			150
			16,587
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152	6,903
3.	Other liabilities	153	1,977
			154
			8,880
	of which: giro account with life business	902	390
			155
			44,553
	to carry forward		785,645

Previous year

brought forward			577,588
		308	
		309	300
		310	871
		311	1,171
		312	74,534
313	1,500		
314	4,278		
315	41		
316	1,187	317	7,006
318	6,055		
319		320	6,055
		321	
		322	
		323	
		324	
		325	4,139
326	7,856		
327	1,354		
328	1,184		
329	4,685	330	15,079
331			
332	6,433		
333	12,563	334	18,996
		335	51,275
904	11,137		
to carry forward			704,568

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

		Current year	
brought forward			785,645
<hr style="border-top: 1px dashed black;"/>			
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest	156	594	
2. Rent instalments	157		
3. Other accrued expenses and deferred income	158	13	159
			607
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			786,252

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
II - Guarantees received			
1. Sureties			165
2. Endorsements			166
3. Other personal guarantees			167
4. Collateral			168
III - Guarantees given by third parties in the interest of the Company			169
IV - Commitments			170
V - Third party assets			171
VII - Securities held by third parties			173
VIII - Other memorandum and contingency accounts			174
			2,026
			433,144

Previous year

brought forward		704,568
	336	594
	337	
	338	12 339
	340	705,174

Previous year

		341	
		342	
		343	
		344	
		345	
		346	
		347	
		348	
		349	
		350	
		351	1,792
		353	413,105
	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	6,434		
2. Other acquisition costs		6			
3. Start-up and capital costs		7	137		
4. Goodwill		8			
5. Other deferred costs		9	93	10	6,664
C. INVESTMENTS					
I - Land and buildings					
1. Operating buildings		11			
2. Buildings used by third parties		12			
3. Other buildings		13			
4. Other property rights		14			
5. Assets under construction and payments on account		15		16	
II - Investments in group and other companies:					
1. Equity investments in:					
a) parent companies	17				
b) subsidiaries	18	72,137			
c) related companies	19				
d) associated companies	20				
e) other companies	21	22	72,137		
2. Bonds issued by:					
a) parent companies	23				
b) subsidiaries	24				
c) related companies	25				
d) associated companies	26				
e) other companies	27	28			
3. Loans to:					
a) parent companies	29				
b) subsidiaries	30				
c) related companies	31				
d) associated companies	32				
e) other companies	33	34	35	72,137	
		to carry forward			6,664

Previous year			
			181
182			
183	8,354		
186			
187	160		
188			
189	46		
		190	8,560
191			
192			
193			
194			
195		196	
197			
198	69,759		
199			
200			
201		202	69,759
203			
204			
205			
206			
207		208	
209			
210			
211			
212			
213		214	69,759
	to carry forward	215	8,560

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year	
		brought forward	
			6,664
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 2,501
	3. Bonds and other fixed-interest securities:		
	a) listed	41 493,544	
	b) unlisted	42 2,100	
	c) convertible bonds	43	44 495,644
	4. Loans		
	a) secured loans	45	
	b) loans on policies	46 5,591	
	c) other loans	47	48 5,591
	5. Shares in investment pools		49
	6. Deposits with banks		50
	7. Other financial investments	51	52 503,736
IV	- Deposits with ceding companies		53 606 54 576,479
D. INVESTMENTS BENEFITTING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I	- Investments relating to index-linked policies		55 128,444
II	- Investments relating to pension fund management		56 2,033 57 130,477
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	63 23,205	
	2. Complementary insurance premium reserve	64	
	3. Reserve for amounts payable	65 21	
	4. Profit participation and reimbursement reserve	66	
	5. Other technical reserves	67 38	
	6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	69 23,264
		to carry forward	736,884

Previous year			
	brought forward		8,560
216			
217			
218	219		
	220	32,494	
221	409,014		
222	1,973		
223	224	410,987	
225			
226	4,971		
227	228	4,971	
	229		
	230		
	231	232	448,452
		233	732
		234	518,943
		235	117,563
		236	1,705
		237	119,268
	243	20,929	
	244		
	245	21	
	246		
	247	38	
	248		20,988
	to carry forward		667,759

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year	
		brought forward	
			736,884
E. RECEIVABLES			
I	- Receivables relating to direct insurance due from:		
1. 1.	Policyholders		
a)	premiums for the year	71 4,963	
b)	premiums for previous years	72 4,963	
2.	Insurance brokers and agents	74 7,202	
3.	Current account companies	75 249	
4.	Amounts to be recovered from policyholders and third parties	76 12,414	
II	- Receivables relating to reinsurance due from:		
- 1.	Insurance and reinsurance companies	78 77	
- 2.	Reinsurance brokers and agents	79 77	
III	- Other receivables	81 6,287	82 18,778
F. OTHER ASSETS			
I	- Tangible assets and inventory:		
1.	Office furniture and machines and internal transport systems	83	
2.	Registered chattel property	84	
3.	Plant and machinery	85	
4.	Inventory and other assets	86 87	
II	- Liquid funds		
1.	Bank and postal accounts	88 11,326	
2.	Cheques on hand and cash-in-hand	89 11,326	
III	- Own shares or quotas	91	
IV	- OTHER ASSETS		
1.	Suspense reinsurance accounts	92	
2.	Sundry assets	93 1,015	94 1,015
	of which: giro account with non-life business	901 390	95 12,341
G. PREPAYMENTS AND ACCRUED INCOME			
1.	Interest	96 8,179	
2.	Rent instalments	97	
3.	Other prepayments and accrued income	98 8,179	99 8,179
TOTAL ASSETS			100 776,182

Previous year		brought forward		
				667,759
251	5,598			
252		253	5,598	
		254	8,953	
		255	65	
		256		257 14,616
		258	83	
		259		260 83
				261 4,317
				262 19,016
		263		
		264		
		265		
		266		267
		268	16,170	
		269		270 16,170
				271
		272		
		273	12,004	274 12,004
		903	11,137	275 28,174
				276 7,462
				277
				278 7,462
				279
				280 722,411

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	12,500
II	- Share premium reserve	102	9,038
III	- Revaluation reserves	103	235
IV	- Legal reserve	104	1,649
V	- Statutory reserves	105	
VI	- Reserves for purchase of own shares and shares of parent company	106	
VII	- Other reserves	107	11,538
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit (loss) for the year	109	5,960
		110	40,920
B. SUBORDINATED LIABILITIES			
			111
			7,200
C. TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	118	546,106
	2. Complementary insurance premium reserve	119	212
	3. Reserve for amounts payable	120	18,214
	4. Profit participation and reimbursement reserve	121	13
	5. Other technical reserves	122	3,184
			123
			567,729
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	128,444
II	- Reserves arising from pension fund management	126	2,033
		127	130,477
	to carry forward		746,326

Previous year

		281	12,500	
		282	9,038	
		283	235	
		284	1,463	
		285		
		286		
		287	9,629	
		288		
		289	3,720	290 36,585
				291 7,200
298	511,022			
299	218			
300	16,881			
301	29			
302	2,977			303 531,127
		305	117,563	
		306	1,705	307 119,268
	to carry forward			694,180

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
		brought forward	746,326
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	828
3.	Other provisions	130	131 828
F. DEPOSITS FROM REINSURERS			
			132 23,243
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1.	Insurance brokers and agents	133 120	
2.	Current account companies	134 22	
3.	Guarantee deposits and premiums paid by policyholders	135 20	
4.	Guarantee funds in favour of policyholders	136	137 162
II - Payables arising from reinsurance business due to:			
1.	Insurance and reinsurance companies	138 760	
2.	Reinsurance brokers and agents	139	140 760
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 1,175
VIII - Other sums payable			
1.	Policyholders' tax due	146 258	
2.	Other sums payable to taxation authorities	147 714	
3.	Social security charges payable	148 202	
4.	Sundry payables	149 906	150 2,080
IX - Other liabilities			
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152 952	
3.	Other liabilities	153 259	154 1,211 155 5,388
	of which: giro account with non-life business	902	
		to carry forward	775,785

Previous year

brought forward		694,180
	308	
	309	
	310	634
	311	634
	312	20,967
313	79	
314	158	
315	7	
316	317	244
318	1,270	
319	320	1,270
	321	
	322	
	323	
	324	
	325	1,073
326	298	
327	1,535	
328	226	
329	709	330
		2,768
331		
332	661	
333	218	334
		879
904		335
		6,234
to carry forward		722,015

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

	Current year	
brought forward		775,785
H. ACCRUED EXPENSES AND DEFERRED INCOME		
1. Interest	156	396
2. Rent instalments	157	
3. Other accrued expenses and deferred income	158	159 396
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160 776,181

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 20,500
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 2,033
VII - Securities held by third parties		173 597,923
VIII - Other memorandum and contingency accounts		174

Previous year

brought forward		722,015
	336	396
	337	
	338	339 396
	340	722,411

Previous year

	341	
	342	
	343	20,500
	344	
	345	
	346	
	347	
	348	
	349	
	350	
	351	
	352	1,705
	353	560,872
	354	

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Company VITTORIA ASSICURAZIONI S.p.A.Year 2004

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 11,801	21 7,905	41 19,706
Income on investments	+ 2 19,724		42 19,724
Capital and financial charges	- 3 4,961		43 4,961
Income on investments transferred from the life business technical account	+ 24 1,926		44 1,926
Income on investments transferred to the non-life business technical account	- 5 11,930		45 11,930
Operating result	6 14,634	26 9,831	46 24,465
Other income	+ 7 1,522	27 855	47 2,378
Other expense	- 8 9,078	28 1,212	48 10,290
Extraordinary income	+ 9 12,650	29 675	49 13,325
Extraordinary expense	- 10 185	30 27	50 212
Profit (loss) before taxation	11 19,543	31 10,122	51 29,665
Taxation on profit for the year	- 12 7,724	32 4,162	52 11,886
Net profit (loss) for the year	13 11,819	33 5,960	53 17,779

Year 2004

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 28,240	31 9,120
Increase of the year	+	2 13,688	32 49
for: acquisitions or increases		3 13,688	33 49
write-backs		4	34
revaluations		5	35
other variations		6	36
Decrease of the year	-	7 773	37 434
for: sales or decreases		8 773	38 434
permanent write-downs		9	39
other variations		10	40
Gross closing book value (a)		11 41,155	41 8,735
Amortisation and depreciation:			
Opening book value	+	12	42
Increase of the year	+	13 13,787	43
for: amortisation/depreciation charge of the year		14 13,787	44
other variations		15	45
Decrease of the year	-	16	46
for: disposals		17	47
other variations		18	48
Closing book value (b) (*)		19 13,787	49
Book value (a - b)		20 27,368	50 8,735
Current value			51 14,194
Total revaluations		22	52
Total write-downs		23	53
(*) of which resulting from fiscally-driven entries		24	54

Company VITTORIA ASSICURAZIONI S.p.A.Year 2004Assets - 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	+	1 118,414	21	41 8,990
Increase of the year	+	2 74,972	22	42 1,055
for: acquisitions, subscriptions or lending		3 74,612	23	43 1,055
write-backs		4	24	44
revaluations		5		
other variations		6 360	26	46
Decrease of the year:	-	7 1,629	27	47 2,930
for: sales or repayments.....		8 129	28	48 2,930
write-downs		9	29	49
other variations		10 1,500	30	50
Book value		11 191,757	31	51 7,115
Current value		12 196,989	32	52
Total revaluations		13		
Total write-downs.....		14	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. - Largo Toscanini 1 - 20122 MILANO	242
2	C	NQ	9	S.IN.T. S.p.A. - Piazza Bodoni 3 - 10123 TORINO	242
3	E	NQ	2	B.P.C. S.p.A. - Via Roma 3 - 16121 GENOVA	242
4	E	NQ	2	GRUPPO G.P.A. S.p.A. - Via Melchiorre Gioia 124 - 20125 MILANO	242
5	E	Q	2	CAM FINANZIARIA S.p.A. - Via Sempione 230 - 20016 Pero MILANO	242
6	E	NQ	3	BANCA PASSADORE & C. S.p.A. - Via E. Vernazza 27 - 16121 GENOVA	242
7	E	NQ	3	B CR COOP VALDOSTANA S.c.r.l. - Frazione Taxel 26 - 11020 Gressan AOSTA	242
8	E	NQ	3	BCC ROVIGO S.c.r.l. - Via Casalmi n.10 - 45100 ROVIGO	242
9	E	NQ	3	BANCA POPOLARE ETICA S.c.r.l. - P.tta Forzatè 2 - 35137 PADOVA	242
10	E	NQ	9	ELSAG SUPERNET S.p.A. in liquidazione - Via G.Puccini 2 - 16154 GENOVA	242
11	E	NQ	9	DOWNALL ITALIA S.r.l. - Via Melchiorre Gioia 124 - 20125 MILANO	242
12	E	NQ	9	SOFIGEA S.r.l. in liq. - Via della Frezza 70 - 00186 ROMA	242
13	E	NQ	9	U.C.I. S.cons.r.l. - C.so Sempione 39 - 20145 MILANO	242
14	E	NQ	9	RITA S.r.l. - P.zza San Babila 1 - 20122 MILANO	242
15	E	NQ	9	CESTAR S.cons.r.l. - Via Pisacane 48 - 20016 Pero MILANO	242
16	E	NQ	2	MEDINVEST INTERNATIONAL S.C.A.- 1, Avenue de la Gare - Lussemburgo	242
17	E	NQ	6	EUROPRIUS NBI ASSET MANAGEMENT S.A. - 39, Allée Scheffer - Lussemburgo	242
18	D	NQ	2	YARPA INTERNATIONAL HOLDING N.V. - Herengracht 483, 1017 BT - Amsterdam	242
19	B	NQ	2	INTERBILANCIA S.r.l. - Via Caldera, 21 - 20153 MILANO	242
20	B	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Largo Toscanini n.1 - 20122 MILANO	242
21	D	NQ	2	LAUMOR BV - Herengracht 483, 1017 BT - Amsterdam	242
22	D	NQ	9	TOURING VACANZE Srl - Corso Italia n.10 - 20122 MILANO	242
23	B	NQ	4	VITTORIA PROPERTIES S.r.l. - Via Caldera n.21 - 20153 MILANO	242
24	B	NQ	4	IMMOBILIARE BILANCIA PRIMA S.r.l. - Largo Toscanini n.1 - 20122 MILANO	242
25	B	NQ	4	IMMOBILIARE BILANCIA SECONDA S.r.l. - Largo Toscanini n.1 - 20122 MILANO	242
26	B	NQ	4	IMMOBILIARE BILANCIA TERZA S.r.l. - Largo Toscanini n.1 - 20122 MILANO	242
27	E	NQ	3	BCC APUANA S.c.r.l. - Via E.Chiesa n.4 - 54100 MASSA	242
28	E	NQ	2	LIGURIA S.p.A. - Via Cantù n.1 - 20123 Milano	242
29	E	Q	2	MEDIOBANCA S.p.A - P.tta E.Cuccia n.1 - 20121 Milano	242

(*) List of group companies and other companies held either directly or through trustee or nominee.

(1) Type

- a = Parent companies
- b = Subsidiaries
- c = Related companies
- d = Associated companies
- e = Other companies

(2) Indicate Q for listed securities and NQ for unlisted securities

(3) Business activity

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real estate company
- 5 = Trust
- 6 = Trust management company
- 7 = Consortium
- 8 = Manufacturing company
- 9 = Other

(4) Amounts in original currency

(5) Indicate total holding percentage

Share capital		Shareholders' equity (**)	Net profit or loss for the last year (**)	Percentage held (5)		
Amount (4)	Number of shares			(4)	(4)	Direct %
6,600,000	13,200	11,342,919	4,089,535	87.24		87.24
500,000	500,000			14.79		14.79
7,050,000	15,000,000			19.17		19.17
8,528,000	16,400,000			5		5
106,368,404	204,554,624			4.65		4.65
35,000,000	35,000,000			2.68		2.68
1,869,783	362,361			1.05		1.05
618,889	23,925			0.42		0.42
17,340,505	335,796			0.3		0.3
100,000	100,000			5.08		5.08
47,664,600	47,664,600			1.46		1.46
510,000	1,000,000			0.69		0.69
5,720,000	11,000,000			0.93		0.93
2,040,000	4,000,000			0.71		0.71
76,636,000	7,663,600			3.91		3.91
675,000	1,500	98,264,545	12,992,613	25		25
80,000	80,000	97,929	4,091	80	17.45	97.45
64,000,000	64,000,000	69,564,773	5,586,044	97.66		97.66
20,000	40	1,096,147	880,593	25		25
12,900,000	12,900,000	14,842,977	199,036	24		24
4,000,000	4,000,000	4,003,386	12,972	99	0.87	99.87
29,000,000	29,000,000	28,887,072	-110,567	100		100
23,000,000	1,000,000	22,994,302	-2,203	100		100
100,000	100,000	90,521	-5,984	100		100
3,429,160	13,240			1.46	1.14	2.6
5,600,000	5,600,000			10.3		10.3
389,418,333	778,836,665			0.15		0.15

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

Company **VITTORIA ASSICURAZIONI S.p.A.**

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

Number (1)	Type (2)		Name (3)	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
1	B	V	VITTORIA IMMOBILIARE S.p.A.	1,588		794
1	B	D	VITTORIA IMMOBILIARE S.p.A.	4,288	7,472	
2	C	D	S.IN.T. S.p.A.			
3	E	D	B.P.C. S.p.A.	2,035,833	244	743
4	E	D	GRUPPO G.P.A. S.p.A.			
5	E	D	CAM FINANZIARIA S.p.A.			
6	E	D	BANCA PASSADORE & C. S.p.A.			
7	E	D	B CR COOP VALDOSTANA S.c.r.l.			
8	E	D	BCC ROVIGO S.c.r.l.			
9	E	D	BANCA POPOLARE ETICA S.c.r.l.			
10	E	D	ELSAG SUPERNET S.p.A. in liquidazione			
11	E	D	DOWNALL ITALIA S.r.l.			
12	E	D	SOFIGEA S.r.l. in liq.			
13	E	D	U.C.I. S.cons.r.l.			
14	E	D	RITA S.r.l.			
15	E	D	CESTAR S.cons.r.l.			
16	E	D	MEDINVEST INTERNATIONAL S.C.A.			
17	E	D	EUROPRIUS NBI ASSET MANAGEMENT S.A.			
18	D	D	YARPA INTERNATIONAL HOLDING N.V.			
19	B	D	INTERBILANCIA S.r.l.	64,000	39	39
19	C	D	INTERBILANCIA S.r.l.			
20	B	V	IMMOBILIARE BILANCIA S.r.l.			
21	D	D	LAUMOR BV			
22	D	D	TOURING VACANZE Srl			360
23	B	V	VITTORIA PROPERTIES S.r.l.			1,584
			Totale C.II.1			
	a		Parent companies			
	b		Subsidiaries			
	c		Related companies			
	d		Associated companies			
	e		Other companies			
			Totale D.I			
			Totale D.II			
			Totale D.II			

(1) It should match that indicated in Annex 6

(2) Type
a = Parent companies
b = Subsidiaries
c = Related companies
d = Associated companies
e = Other companies

(3) Indicate:

D investment allocated to the non-life business (caption C.II.1)
V investments allocated to the life business (caption C.II.1)
V1 investments allocated to the life business (caption D.I)
V2 investments allocated to the life business (caption D.2)
Even if it is only a portion, the investment should be identified with the same number

Year **2004**

Decrease of the year			Book value (4)		Acquisition cost	Current value
Sales		Other decreases	Quantity	Amount		
Quantity	Amount					
			7,228	5,677	5,677	5,677
			4,288	7,472	7,472	7,472
			73,950	258	258	258
			2,875,833	1,422	1,422	1,422
			820,000	3,101	3,101	3,101
			9,509,879	18,132	18,132	21,350
			937,500	3,381	3,381	3,381
			3,800	41	41	41
			100	3	3	3
			1,000	52	52	52
5,488		123				
			5,080	3	3	3
			695,819	705	705	705
			6,879	4	4	4
			102,309	53	53	53
			28,225	15	15	15
			300,000	3,001	3,001	3,001
500	6					
		1,500	375	12,282	12,282	12,282
			64,000	78	78	78
39,200		39				
			62,500,000	62,500	62,500	62,500
			10	6	6	6
			3,096,000	5,525	5,525	5,525
			3,960,000	3,960	3,960	3,960

(4) Insert (*) if stated with the equity method (only for types b and d)

Company **VITTORIA ASSICURAZIONI S.p.A.**

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

Number (1)	Type (2)	Name (3)	Increase of the year		
			Acquisitions		Other increases
			Quantity	Amount	
24	B	D IMMOBILIARE BILANCIA PRIMA S.r.l.	28,900,000		28,900
25	B	D IMMOBILIARE BILANCIA SECONDA S.r.l.	900,000		22,900
26	B	D IMMOBILIARE BILANCIA TERZA S.r.l.			
27	E	D BCC APUANA S.c.r.l.			
28	E	D LIGURIA S.p.A.	576,800		494
29	E	D MEDIOBANCA S.p.A	1,167,000	11,443	
		Total C.II.1		65,227	13,292
	a	Parent companies			
	b	Subsidiaries		65,176	6,297
	c	Related companies			
	d	Associated companies			
	e	Other companies		51	6,995
		Total D.I			
		Total D.II			

(1) It should match that indicated in Annex 6

(2) Type
a = Parent companies
b = Subsidiaries
c = Related companies
d = Associated companies
e = Other companies

(3) Indicate:
D investment allocated to the non-life business (caption C.II.1)
V investments allocated to the life business (caption C.II.1)
V1 investments allocated to the life business (caption D.I)
V2 investments allocated to the life business (caption D.2)
Even if it is only a portion, the investment should be identified with the same number

Year **2004**

Decrease of the year			Book value (4)		Acquisition cost	Current value
Sales		Other decreases	Quantity	Amount		
Quantity	Amount					
			29,000,000	29,000	29,000	29,000
			1,000,000	23,000	23,000	23,000
			100,000	100	100	100
			193	50	50	50
			576,800	494	494	494
			1,167,000	11,443	11,443	13,458
		6,150		118,415	118,415	119,217
		6,150		70,059	70,059	70,059
				298	298	298
				18,953	18,953	18,953
				29,105	29,105	29,907

(4) Insert (*) if stated with the equity method (only for types b and d)

Assets - Allocation based on the use of other financial investments: equity investments, unit trust units, bonds and other fixed-interest securities, shares in investment pools and other financial investments (captions C.III.1., 2, 3, 5, 7)

I - Non-life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:						
a) listed shares	21	41	61		81	101
b) unlisted shares	22	42	62		82	102
c) quotas	23	43	63		83	103
2. Unit trust units	24	44	64		84	104
3. Bonds and other fixed-interest securities	25	510	5,000	5,044	85	5,779
a) listed government securities	26	168,107	186,534	186,687	86	344,495
a2) other listed securities	27	117,223	186,534	186,687	87	297,293
b) unlisted government securities	28	49,422	48		88	45,740
b2) other unlisted securities	29		49		89	
c) convertible bonds	30	1,462	50		90	1,462
5. Shares in investment pools	31		51		91	
7. Other financial investments	32		52		92	
	33		53		93	

II - Life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:						
a) listed shares	141	161	181		201	221
b) unlisted shares	142	162	182		202	222
c) quotas	143	163	183		203	223
2. Unit trust units	144	164	184		204	224
3. Bonds and other fixed-interest securities	145	3,546	185	2,500	205	3,546
a) listed government securities	146	442,131	186	97,946	206	495,644
a2) other listed securities	147	302,187	187	95,446	207	366,658
b) unlisted government securities	148	137,975	188	2,369	208	126,886
b2) other unlisted securities	149		189		209	
c) convertible bonds	150	1,969	190	131	210	2,100
5. Shares in investment pools	151		191		211	
7. Other financial investments	152		192		212	
	153		193		213	

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	779 41	709 967 81	101	478
Increase of the year:	22	2 500 42	16 480 82	102	
for: acquisitions	23	2 500 43	6 635 83	103	
write-backs	24	44		104	
transfers from the trading portfolio.....	25	45		105	
other variations	26	46	9 845 86	106	
Decrease of the year:	27	47	170 787 87	107	478
for: sales	28	48	167 205 88	108	478
write-downs	29	49		109	
transfers to the trading portfolio	30	50		110	
other variations	31	51	3 582 91	111	
Book value	32	3 279 52	555 660 92	112	
Current value	33	4 056 53	610 238 93	113	

Year 2004

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	11,254	21
Increase of the year	+ 2	2,903	22
for: lending	3	2,903	
write-backs	4		
other variations	5		
Decrease of the year:	- 6	3,022	26
for: repayments	7	3,022	
write-downs.....	8		
other variations	9		
Book value	10	11,135	30

Company **VITTORIA ASSICURAZIONI S.p.A.**Year **2004**

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	74,404	72,252	74,077	77,854
IV. Other financial investments:				
1. Equity investments	9,653	5,442	8,823	4,790
2. Bonds and other fixed-interest securities	43,250	38,194	43,920	38,646
3. Bank deposits	28	48	68	
4. Other financial investments	29	49	69	
V. Other assets	71	31	71	31
VI. Liquid funds	1,066	1,644	1,066	1,644
.....	32	52	72	
.....	33	53	73	
Total	128,444	117,563	127,957	122,965

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	785 24	700 44	765 64	683
3. Unit trust units	1 123 25	803 45	994 65	796
4. Bank deposits	26	46	66	
5. Other financial investments	27	47	67	
III. Other assets	-174 28	28 48	-174 68	28
IV. Liquid funds	299 29	174 49	299 69	174
	30	50	70	
	31	51	71	
Total	2 033 32	1 705 52	1 884 72	1 681

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2004

Liabilities - 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	1 149,880	11 138,602	21 11,278
Reserve for current risks:	2 9,350	12 5,997	22 3,353
Book value.....	3 159,230	13 144,599	23 14,631
Claims reserve:			
Reserve for claims settlement and direct expenses	4 341,073	14 286,526	24 54,547
Reserve for settlement costs	5 25,881	15 26,189	25 -308
IBNR reserve	6 26,561	16 25,310	26 1,251
Book value	7 393,515	17 338,025	27 55,490

Company VITTORIA ASSICURAZIONI S.p.A.Year 2004

Liabilities - 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	1 524,908	11 486,738	21 38,170
Premiums carried forward	2 18,781	12 19,952	22 -1,171
Mortality risk reserve	3 5	13	23 5
Integration reserves	4 2,412	14 4,332	24 -1,920
Book value	5 546,106	15 511,022	25 35,084
Profit participation and reimbursement reserve.....	6 13	16 29	26 -16

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	300 21	1,505 31	5,212
Accruals of the year	+	12	2,959 22		1,199
Other increases	+	13	23		
Utilisation of the year	-	14	24	764 34	987
Other decreases	-	15	25		
Book value		16	3,259 26	741 36	5,424

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	120
Due to banks and other financial institutions	121	122	123	124	125	126
Secured debts	127	128	129	130	131	132
Sundry loans and other financial payables	133	134	135	136	137	138
Sundry payables	139	140	141	142	143	144
Other liabilities	145	146	147	148	149	150
Total	151	152	153	154	155	156
	9,240					9,240

Company VITTORIA ASSICURAZIONI S.p.A.Year 2004

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	31
b) sureties and endorsements given in the interest of associated companies and other group companies	2 32	32
c) sureties and endorsements given in the interest of third parties	3 33	33
d) other personal guarantees given in the interest of parent companies, subsidiaries and related companies	4 20,500 34	20,500
e) other personal guarantees given in the interest of associated and other group companies	5 35	
f) other personal guarantees given in the interest of third parties	6 36	
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 42	20,500
II. Guarantees received:		
a) from associated and other group companies	13 43	
b) from third parties	14 250 44	
Total	15 250 45	
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 51	
Total	22 52	

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2004

Commitments for derivative transactions

Derivative	Current year		Previous year	
	Purchase	Sale	Purchase	Sale
Futures: on shares	1	21	41	61
on bonds	2	22	42	62
on currencies	3	23	43	63
on exchange rates	4	24	44	64
other	5	25	45	65
Options: on shares	6	26	46	66
on bonds	7	27	47	67
on currencies	8	28	48	68
on exchange rates	9	29	49	69
other	10	30	50	70
Swaps: on currencies	11	31	51	71
on exchange rates	12	32	52	72
other	13	33	53	73
Other transactions	14	34	478	74
Total	15	35	478	75

Notes: - Include only derivative transactions existing at the balance sheet date which imply a commitment for the company

Where the derivative does not exactly match one of the above captions or relates to more than one caption, it should be included in the one more related.

No offsetting is allowed if not related to purchase/sale transactions relating to the same derivative category (same contents, maturity, underlying asset, etc.).

- Derivatives 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

- 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.

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)	30,488 ²	30,113 ³	13,560 ⁴	10,959 ⁵	-472
Third-party motor liability (class 10)	246,007 ⁷	239,637 ⁸	202,304 ⁹	46,971 ¹⁰	1,220
Hull insurance for motor vehicles (class 3)	48,807 ¹²	46,605 ¹³	23,825 ¹⁴	13,732 ¹⁵	-1,179
Marine, aviation and transport insurance (classes 4, 5, 6, 7, 11 and 12)	5,016 ¹⁷	5,407 ¹⁸	1,628 ¹⁹	1,134 ²⁰	-1,282
Fire and miscellaneous damages (classes 8 and 9)	35,871 ²²	33,773 ²³	13,960 ²⁴	13,901 ²⁵	-933
Third-party general liability (class 13)	23,102 ²⁷	22,432 ²⁸	16,229 ²⁹	8,126 ³⁰	-2,138
Credit and bond insurance (classes 14 and 15)	7,499 ³²	5,005 ³³	17,367 ³⁴	2,944 ³⁵	7,990
Pecuniary losses (class 16)	6,373 ³⁷	5,674 ³⁸	246 ³⁹	1,895 ⁴⁰	23
Legal protection (class 17)	241 ⁴²	103 ⁴³	44	66 ⁴⁵	-70
Support and assistance (class 18)	2,246 ⁴⁷	2,171 ⁴⁸	980 ⁴⁹	637 ⁵⁰	-103
Total direct insurance	405,650 ⁵²	390,920 ⁵³	290,099 ⁵⁴	100,365 ⁵⁵	3,056
Indirect insurance	1,413 ⁵⁷	1,363 ⁵⁸	925 ⁵⁹	129 ⁶⁰	-161
Total domestic portfolio	407,063 ⁶²	392,283 ⁶³	291,024 ⁶⁴	100,494 ⁶⁵	2,895
Foreign portfolio	67 ⁶⁷	68 ⁶⁸	69 ⁶⁹	70 ⁷⁰	
Total	407,063 ⁷²	392,283 ⁷³	291,024 ⁷⁴	100,494 ⁷⁵	2,895

Company VITTORIA ASSICURAZIONI S.p.A.Year 2004

Summarised life business premiums and reinsurance balance

	Direct insurance	Indirect insurance	Total
Gross premiums:	1 112,176	11 29	21 112,205
a) 1. individual policies	2 107,774	12 29	22 107,803
2. group policies	3 4,402	13 23	23 4,402
b) 1. periodic premiums	4 51,640	14 29	24 51,669
2. single premiums	5 60,537	15 25	25 60,537
c) 1. non-profit participation contracts.....	6 4,520	16 29	26 4,549
2. profit participation contracts.....	7 86,569	17 27	27 86,569
3. contracts where the investment risk is borne by policyholders and pension fund	8 21,087	18 28	28 21,087

Reinsurance balance	9 436	19 -88	29 348
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Company VITTORIA ASSICURAZIONI S.p.A.Year 2004

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 1,018	41 829	81 1,847
Dividends and other income on equity investments in other companies.....	2	42	82
Total	3 1,018	43 829	83 1,847
Income on investments in land and buildings	4 210	44	84 210
Income on other investments:			
Income on bonds issued by group companies.....	5	45	85
Interest on loans to group companies	6 153	46	86 153
Income on unit trust units	7	47 76	87 76
Income on bonds and other fixed-interest securities	8 18,016	48 23,638	88 41,654
Interest on loans	9 298	49 291	89 589
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 11	53 33	93 44
Total	14 18,478	54 24,038	94 42,516
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	59 5	99 5
Other financial investments.....	20	60	100
Total	21	61 5	101 5
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 17	66	106 17
Profit on sale of other financial investments.....	27	67 1,967	107 1,967
Total	28 17	68 1,967	108 1,984
TOTAL	29 19,723	69 26,839	109 46,562

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2004

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 1,096
Other financial investments	4 2,055
- of which: bonds..... 5 1,942	
Other assets	6 65
Total	7 3,216
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	10 805
Profit on sale of other financial investmentsi	11 1,641
- of which: bonds 12 851	
Other income.....	13
Total	14 2,446
Non-realised capital gains	15 6,429
TOTAL.....	16 12,091

II. Investments relating to pension fund management

	Amount
Income on:	
Investments in group companies.....	21
Other financial investments	22 41
- of which: bonds..... 23 41	
Other assets	24 28
Total	25 69
Profit on sale of investments	
Profit on sale of investments in group companies	26
Profit on sale of other financial investments.....	27 59
- of which: bonds 28 1	
Other income.....	29
Total	30 59
Non-realised capital gains	31 134
TOTAL	32 262

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2004

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	95 31	55 61	150	
Charges relating to investments in land and buildings.....	2	166 32	62	166	
Bond charges	3	2,646 33	1,687 63	4,333	
Charges relating to unit trust units.....	4	4 34	2 64	6	
Charges relating to shares in investment pools	5	35	65		
Other financial investment charges	6	36	66		
Interest on deposits from reinsurers	7	2,050 37	1,025 67	3,075	
Total	8	4,961 38	2,769 68	7,730	
Adjustments to investment values:					
Land and buildings	9	39	69		
Equity investments in group companies	10	40	70		
Bonds issued by group companies	11	41	71		
Other equity investments.....	12	42	72		
Other bonds	13	43 39	73	39	
Other financial investments	14	44	74		
Total	15	45 39	75	39	
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	1 78	1	
Loss on sale of other financial investments	19	49	79		
Total	20	50 1	80	1	
TOTAL	21	4,961 51	2,809 81	7,770	

Company VITTORIA ASSICURAZIONI S.p.A.Year 2004

Capital and financial charges and non-realised capital losses relating to investments benefiting policyholders who bear the risk and investments stemming from pension fund management (caption II.10)

I. Investments relating to index-linked policies

	Amount
Management charges arising from:	
Land and buildings	1
Investments in group companies	2
Unit trust units	3
Other financial investments	4 1,723
Other assets	5 654
Total	6 2,377
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	9 221
Loss on sale of other financial investments	10 577
Other charges.....	11
Total	12 798
Non-realised capital losses	13 397
TOTAL	14 3,572

II. Investments relating to pension fund management

	Amounts
Management charges arising from:	
Investments in group companies	21
Other financial investments	22 3
Other assets.....	23 25
Total	24 28
Loss on sale of investments	
Loss on sale of investments in group companies	25
Loss on sale of other financial investments	26 32
Other charges	27
Total	28 32
Non-realised capital losses	29
TOTAL	30 60

	Class 01		Class 02	
	Accident insurance		Health insurance	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+	1 22,636	1 7,852	
Change in premium reserve (+ or -)	-	2 914	2 -539	
Charges relating to claims	-	3 9,124	3 4,436	
Change in other technical reserves (+ or -) (1)	-	4	4 461	
Other technical captions, net (+ or -)	+	5 -333	5 -580	
Management fees	-	6 8,298	6 2,661	
Direct insurance technical result (+ or -)	A	7 3,967	7 253	
Outwards reinsurance result (+ or -)	B	8 -391	8 -81	
Indirect insurance net result (+ or -)	C	9 1	9 1	
Change in equalisation reserve (+ or -)	D	10	10	
Income on investments transferred from non-technical account	E	11 496	11 209	
Result of technical account (+ or -)	(A + B + C - D + E)	12 4,073	12 382	

	Class 07		Class 08	
	Cargo insurance		Fire and natural events	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+	1 2,173	1 22,611	
Change in premium reserve (+ or -)	-	2 -14	2 1,553	
Charges relating to claims	-	3 -6	3 6,478	
Change in other technical reserves (+ or -) (1)	-	4	4	
Other technical captions, net (+ or -)	+	5 -2	5 -487	
Management fees	-	6 730	6 8,528	
Direct insurance technical result (+ or -)	A	7 1,461	7 5,565	
Outwards reinsurance result (+ or -)	B	8 -8	8 -793	
Indirect reinsurance net result (+ or -)	C	9	9 59	
Change in equalisation reserve (+ or -)	D	10 7	10 68	
Income on investments transferred from non-technical account	E	11 52	11 586	
Result of technical account (+ or -) (A + B + C - D + E)		12 1,498	12 5,349	

	Class 13		Class 14	
	Third-party general liability		Credit insurance	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+	1 23,102	1 1	
Change in premium reserve (+ or -)	-	2 670	2	
Charges relating to claims	-	3 16,229	3	
Change in other technical reserves (+ or -) (1)	-	4	4	
Other technical captions, net (+ or -)	+	5 -315	5	
Management fees	-	6 8,126	6	
Direct insurance technical result (+ or -)	A	7 -2,238	7 1	
Outwards reinsurance result (+ or -)	B	8 -2,138	8	
Indirect reinsurance net result (+ or -)	C	9 40	9	
Change in equalisation reserve (+ or -)	D	10	10	
Income on investments transferred from non-technical account	E	11 1,699	11	
Result of technical account (+ or -) (A + B + C - D + E)		12 -2,637	12 1	

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

Year 2004

account by line of business - Domestic portfolio

Class 03 Motor vehicle hulls (name)	Class 04 Railway truck hulls (name)	Class 05 Aviation hulls (name)	Class 06 Marine hulls (name)
1 48,807	1 2	1 2,266	1 258
2 2,202	2	2 -381	2 34
3 23,825	3	3 1,291	3 81
4	4	4	4
5 -91	5	5 -4	5
6 13,732	6	6 270	6 75
7 8,957	7 2	7 1,082	7 68
8 -1,179	8	8 -1,083	8 -26
9 -1	9	9 52	9 4
10 146	10	10	10
11 804	11	11 20	11 5
12 8,435	12 2	12 71	12 51

Class 09 Miscellaneous damages (name)	Class 10 Third-party motor liability (name)	Class 11 Third-party aviation liability (name)	Class 12 Third-party marine liability (name)
1 13,260	1 246,007	1 233	1 84
2 545	2 6,370	2 27	2 -57
3 7,482	3 202,304	3	3 262
4	4	4	4
5 -292	5 -401	5	5
6 5,373	6 46,971	6 42	6 17
7 -432	7 -10,039	7 164	7 -138
8 -140	8 1,220	8 -163	8 -2
9	9 -10	9 -1	9
10 19	10	10	10
11 245	11 7,133	11	11 8
12 -346	12 -1,696	12	12 -132

Class 15 Bond insurance (name)	Class 16 Pecuniary losses (name)	Class 17 Legal protection (name)	Class 18 Support and assistance (name)
1 7,498	1 6,373	1 241	1 2,246
2 2,494	2 699	2 138	2 75
3 17,367	3 246	3	3 980
4	4	4	4
5 -249	5 -8	5	5 -328
6 2,944	6 1,895	6 66	6 637
7 -15,556	7 3,525	7 37	7 226
8 7,990	8 23	8 -70	8 -103
9 3	9	9	9
10	10	10	10
11 596	11 65	11 2	11 11
12 -6,967	12 3,613	12 -31	12 134

Company VITTORIA ASSICURAZIONI S.p.A. Year 2004

Summarised non-life business technical account
Domestic portfolio

	Direct insurance risk		Transferred risks		Indirect insurance risk		Retained risks Total 5 = 1 - 2 + 3 - 4		
	Direct risk 1		2		Inwards reinsurance risks 3	Inwards reinsurance risks 4			
Premiums accounted for	405,650	11	91,070	21	1,413	31	997	41	314,996
Change in premium reserve (+ or -)	14,730	12	2,345	22	50	32	67	42	12,368
Charges relating to claims	290,099	13	72,345	23	925	33	749	43	217,930
Change in other technical reserves (+ or -) (1)	461	14	24	24	34	34	44	44	461
Other technical captions, net (+ or -)	-3,090	15	25	25	35	35	45	45	-3,090
Management fees	100,365	16	19,436	26	129	36	20	46	81,038
Technical result (+ or -)	-3,095	17	-3,056	27	309	37	161	47	109
Change in equalisation reserves (+ or -)	11,903	18	29	29	28	28	48	48	240
Income on investments transferred from non-technical account	8,808	19	-3,056	30	337	40	161	50	11,931
Result of technical account (+ or -)									11,800

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

Year 2004

Company VITTORIA ASSICURAZIONI S.p.A.

Life business - Summarised technical account by line of business - Domestic portfolio

	Class 01 Whole and term life insurance (name)	Class 02 Marriage and birth insurance (name)	Class 03 Insurance linked to unit trusts (name)
Direct insurance gross of outwards reinsurance			
Gross premiums accounted for	+ 53,005	1	20,696
Charges relating to claims	- 48,495	2	17,729
Change in mathematical and other technical reserves (+ or -) (*)	- 6,300	3	11,037
Other technical captions, net (+ or -)	+ 8	4	1,173
Management fees	- 10,606	5	887
Income on investments net of the portion transferred to the non-technical account (**)	+ 19,163	6	8,577
Direct insurance result gross of outwards reinsurance (+ or -) A	6,759	7	793
Outwards reinsurance result (+ or -) B	478	8	
Indirect insurance net result (+ or -) C	-88	9	
Result of technical account (+ or -) (A + B + C)	7,149	10	793

	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	+ 191	1	37,894
Charges relating to claims	- 105	2	10,725
Change in mathematical and other technical reserves (+ or -) (*)	- 105	3	28,710
Other technical captions, net (+ or -)	+ 8	4	-7
Management fees	- 98	5	1,323
Income on investments net of the portion transferred to the non-technical account (**)	+ 3	6	2,846
Direct insurance result gross of outwards reinsurance (+ or -) A	-9	7	-25
Outward reinsurance result B	-42	8	
Indirect insurance net result (+ or -) C		9	
Result of technical account (+ or -) (A + B + C)	-51	10	-25

(*) 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

Company **VITTORIA ASSICURAZIONI S.p.A.** Year **2004**Summarised life business technical account
Domestic portfolio

	Direct insurance risks		Indirect insurance risks		Retained risks Total 5 = 1-2+3-4
	Direct risks 1	Transferred risks 2	Inwards reinsurance risks 3	Outwards reinsurance risks 4	
Premiums accounted for	+ 112,177 11	2,899 21	29 31	41	109,307
Charges relating to claims.....	- 77,200 12	621 22	254 32	42	76,833
Change in mathematical and other technical reserves (+ or -) (*)	- 46,480 13	2,276 23	-126 33	43	44,078
Other technical captions, net (+ or -)	+ 1,190 14	24	34	44	1,190
Management fees.....	- 12,929 15	438 25	14 35	45	12,505
Income on investments net of the portion transferred to the non-technical account (**)	+ 30,799	26	25	46	30,824
Result of technical account (+ or -)	7,557 17	436 27	88 37	47	7,905

(*) The caption "other technical reserves" includes "other technical reserves" and "technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management".

(**) Algebraic sum of the items relating to the domestic portfolio included in captions II.2, II.3, II.9, II.10 and II.12 of the profit and loss account

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2004

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	508 98	99	100	101	102	508
Interest on deposits from reinsurers.....	104	105	106	107	108	
Interest on payables arising from direct insurance business.....	110	111	112	113	114	
Interest on payables arising from reinsurance business.....	116	117	118	119	120	
Interest on sums due to banks and financial institutions.....	122	123	124	125	3 126	3
Interest on secured debts.....	128	129	130	131	132	
Interest on other sums payable	134	135	136	137	138	
Losses on receivables.....	140	141	142	143	144	
Administrative and third party charges	146	147	148	149	150	
Other charges	152	153	154	155	156	
Total	508 158	159	160	161	3 162	511
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.....	508 182	183	184	185	3 186	511

(*) With reference to the counterparty

Company VITTORIA ASSICURAZIONI S.p.A.Year 2004

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 15,104 ³¹	2,465 ⁶¹	17,569
- Social security contributions	2 3,894 ³²	635 ⁶²	4,529
- Accruals to the employees' leaving entitlement and similar provisions	3 1,031 ³³	168 ⁶³	1,199
- Other personnel expenses.....	4 1,326 ³⁴	218 ⁶⁴	1,544
Total	5 21,355 ³⁵	3,486 ⁶⁵	24,841
Foreign portfolio:			
- Wages and salaries	6	66	
- Social security contributions.....	7	67	
- Other personnel expenses	8	68	
Total	9	69	
Total.....	10 21,355 ⁴⁰	3,486 ⁷⁰	24,841
Consultants' fees:			
Domestic portfolio	11 17,315 ⁴¹	602 ⁷¹	17,917
Foreign portfolio	12	72	
Total.....	13 17,315 ⁴³	602 ⁷³	17,917
Total personnel expenses.....	14 38,670 ⁴⁴	4,088 ⁷⁴	42,758

II: Allocation captions

	Non-life business	Life business	Total
Investment management charges.....	15 194 ⁴⁵	215 ⁷⁵	409
Charges relating to claims	16 21,392 ⁴⁶	76	21,392
Other acquisition costs	17 7,363 ⁴⁷	1,248 ⁷⁷	8,611
Other administrative costs	18 9,389 ⁴⁸	2,625 ⁷⁸	12,014
Administrative and third party charges	19	79	
Other technical captions	20 332 ⁵⁰	80	332
Total	21 38,670 ⁵¹	4,088 ⁸¹	42,758

III: Average number of employees for the year

	Number
Managers	91 17
White collars	92 352
Blue collars	93
Other	94
Total.....	95 369

IV: Directors and statutory auditors

	Number	Fees
Directors	96 17 ⁹⁸	953
Statutory auditors	97 4 ⁹⁹	58

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Annexes to the financial statements

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Company VITTORIA ASSICURAZIONI S.p.A.

SOLVENCY MARGIN CALCULATION SCHEDULE
(paragraph 2 of article 61 of Legislative decree no. 174 of 17 March 1995)

Year 2004

(in thousands of Euros)

Lines of business involved in the solvency margin calculation

- | | |
|--|-------------------------------------|
| I. - Whole and term life insurance | <input checked="" type="checkbox"/> |
| II. - Marriage and birth insurance | <input type="checkbox"/> |
| III. - Insurance policies described in points I and II above, linked to unit trusts | <input checked="" type="checkbox"/> |
| IV. - Health insurance as defined by letter d) of number 1 of article 1 of
ECC directive no. 79/267 of 5 March 1979 | <input checked="" type="checkbox"/> |
| V. - Capitalisation transactions insurance as defined by article 40 of Legislative decree no. 174
of 17 March 1995 | <input checked="" type="checkbox"/> |
| VI. - Unit trust Management | <input checked="" type="checkbox"/> |
| Complementary insurance (personal injury risks) | <input checked="" type="checkbox"/> |

I - CALCULATION BASIS FOR THE SOLVENCY MARGIN FOR THE YEAR N DERIVED FROM THE FINANCIAL STATEMENTS

<i>Balance sheet captions - life business</i>			
(1)	Share capital proceeds to be received	(equal to caption 1)	
(2)	Acquisition commissions to be amortised	(equal to caption 3)	6,434
(3)	Other intangible assets	(equal to captions 6, 7, 8 and 9)	230
(4)	Investments in parent companies	(equal to caption 17)	
(5)	Own shares	(equal to caption 91)	
(6)	Subscribed share capital or equivalent fund	(equal to caption 101)	12,500
(7)	Share premium reserve	(equal to caption 102)	9,038
(8)	Revaluation reserves	(included in caption 103)	235
(9)	Legal reserve	(equal to caption 104)	1,649
(10)	Statutory reserves	(equal to caption 105)	
(11)	Reserves for purchase of own shares and shares of parent company	(equal to caption 106)	
(12)	Other reserves (1)		11,538
(13)	Losses carried forward	(equal to caption 11(*))	
(14)	Net loss for the year	(equal to caption 11(*))	
(15)	Retained earnings	(equal to caption 108)	
(16)	Net profit for the year	(equal to caption 109)	5,960
(17)	Cumulative preference share: (2).....		
(18)	Subordinate liabilities (3)	(included in caption 111)	7,200
(19)	Realised profit for year N: (4).....] In the case of use for the purposes of the solvency margin, as per paragraph 2, b/1, article 33, Legislative art. 33 d. lgs. 174/95	
(20)	Realised profit for year N - 1: (4).....		
(21)	Realised profit for year N - 2 : (4).....		
(22)	Realised profit for year N - 3 : (4).....		
(23)	Realised profit for year N - 4 : (4)		
(24)	Estimated profit for the year: (5).....		
(25)	Average residual duration of contracts of year N		368,684
(26)	Mathematical reserve calculated on the basis of pure premiums		
	Mathematical reserve calculated on the basis of pure premiums related to transferred risks		352,739
	Mathematical reserve calculated on the basis of pure premiums increased by the amortisation instalment of the acquisition expense included in the tariff premiums		
(27)	Mathematical reserve as per point (26) related to outwards reinsurance		1,215,349
(28)	Sum of the difference between "Life" capital amounts and mathematical reserves for all contracts for which the premium is still being paid		
(31)	Unrealised capital gains arising from the measurement of all investments, except for those of an extraordinary nature		
(32)	Unrealised capital losses arising from the measurement of all investments		
(33)	Expected liabilities to policyholders (6).....		
GENERAL NOTICE: all captions relating to Outwards reinsurance do not include amounts charged to CONSAP for legal outwards			
(1) Include other reserves as per caption 107 excluding, for the first three years, the organisation reserve as per paragraph 5 of article 10 of Legislative decree no. 174/95, showing its details below:			
Available Reserve			11,538
(2) Include cumulative preference shares, as per article 33, paragraph 4, letters a) and b) of Legislative decree no. 174/95, detailing:			
cumulative preference shares as per article 33, paragraph 4, letter a) of Legislative decree no. 174/95			
cumulative preference shares as per article 33, paragraph 4, letter b) of Legislative decree no. 174/95			
(3) Include subordinated liabilities as per letter a), nos. 7 and 8 of article 33 of Legislative decree no. 175/95, detailing:			
term loans			7,200
open-end loans			
undated securities and other financial instruments			
(4) Include net profits realised in the last five years from operations in classes I, II, III and IV as per point A) and those set out in point B) of the table set out in annex I of Legislative decree no. 174/95			
(5) Include the amount set out in the special report prepared by the actuary, considering the possibility of using this caption up to the date on which the transitory period expires			
(6) Include the amount set out in the special report prepared by the actuary			

(*) Include the absolute value

I/II - Whole and term life, marriage and birth insurance.		
(34)	Mathematical reserves related to direct transactions	476,900
(35)	Mathematical reserves related to inwards reinsurance	604
(36)	Mathematical reserves related to outwards reinsurance	23,010
(37)	Non-negative risk capitals taken on by the company	1,307,714
(38)	Non-negative sums at risk at the charge of the company after outwards reinsurance and retrocession	1,163,749
(39)	Non-negative sums at risk at the charge of the company for term life insurance	
	with a maximum term of three years	83,869
(40)	Non-negative sums at risk at the charge of the company for term life insurance	
	with terms greater than three years but lower than or equal to five years	51,827
<i>Complementary insurance - personal injury risks</i>		
(41)	Gross premiums accounted for	709
(42)	Claims paid in year N: gross amount paid	42
(43)	Claims paid in year N: reinsurers' share	
(44)	Change in claims reserve in year N: gross amount (equal to caption 15 of the annex)	85
(45)	Change in claims reserve in year N: reinsurers' share	
(46)	Claims paid in year N - 1: gross amount paid	205
(47)	Claims paid in year N - 1: reinsurers' share	
(48)	Change in claims reserve in year N - 1: gross amount (equal to caption 16 of the annex)	
(49)	Change in claims reserve in year N - 1: reinsurers' share	
(50)	Claims paid in year N - 2: gross amount paid	8
(51)	Claims paid in year N - 2: reinsurers' share	
(52)	Change in claims reserve in year N - 2: gross amount (equal to caption 17 of the annex)	44
(53)	Change in claims reserve in year N - 2: reinsurers' share	
IV Health insurance		
(54)	Mathematical reserves related to direct transactions	238
(55)	Mathematical reserves related to inwards reinsurance	
(56)	Mathematical reserves related to outwards reinsurance	190
(57)	Gross premiums accounted for	190
(58)	Claims paid in year N: gross amount	
(59)	Claims paid in year N: reinsurers' share	
(60)	Change in claims reserve in year N: gross amount (equal to caption 16 of annex 2)	
(61)	Change in claims reserve in year N: reinsurers' share	
(62)	Claims paid in year N - 1: gross amount	
(63)	Claims paid in year N - 1: reinsurers' share	
(64)	Change in claims reserve in year N - 1: gross amount (equal to caption 17 of annex 2).....	
(65)	Change in claims reserve in year N - 1: reinsurers' share	
(66)	Claims paid in year N - 2: gross amount	
(67)	Claims paid in year N - 2: reinsurers' share	
(68)	Change in claims reserve in year N - 2: gross amount (equal to caption 18 of annex 2).....	
(69)	Change in claims reserve in year N - 2: reinsurers' share	
V Capitalisation transactions		
(70)	Mathematical reserves related to direct transaction:	68,371
(71)	Mathematical reserves related to inwards reinsurance	
(72)	Mathematical reserves related to outwards reinsurance	
III/VI - Unit-linked policies and pension fund management		
Where the company bears the investment:		
(73)	Mathematical reserves related to direct business	12,508
(74)	Mathematical reserves related to inwards reinsurance	
(75)	Mathematical reserves related to outwards reinsurance	
Where policyholders bear the investment risk and the contract sets out the amount of administrative costs for a period exceeding five years:		
(76)	Mathematical reserves related to direct business	117,975
(77)	Assets pertaining to pension funds managed in favour and on behalf of third parties	
With mortality risk underwriting:		
<i>Where policyholders bear the investment risk and the contract sets out the amount of administrative costs for a period not exceeding five years:</i>		
(78)	Net administrative costs of the last year (relating to unit-linked policies).(8)	
(79)	Net administrative costs of the last year (relating to pension fund management).(9)	
<i>With mortality risk underwriting:</i>		
(80)	Non-negative sums at risk at the charge of the company.....	1,216
(81)	Residual non-negative sums at risk at the charge of the company after outwards reinsurance and retrocession	1,216

(8) Include the amount set out in line c) of schedule 2 of annex 3 to the solvency margin calculation schedule as per article 61, paragraph 2, of Legislative decree no. 174/95, relating to class III

(9) Include the amount set out in line c) of schedule 2 of annex 3 to the solvency margin calculation schedule as per article 61, paragraph 2, of Legislative decree no. 174/95, relating to class VI

(*) Include only the amounts that, according to the resolution of the shareholders' meeting, remain included under shareholders' equity

II - SOLVENCY MARGIN COMPONENTS

<i>A) components</i>		
(82) = (6) - (1)	Paid in share capital or equivalent fund	12,500
(83) = (9)	legal reserve	1,649
(58)	free reserves	20,811
	Retained earnings:	
(85)	retained earnings (*) (*)	
(86)	retained profit for the year (*) (*)	4,210
(87)	Total cumulative preference shares and subordinated liabilities within the limits of article 33, paragraph 4, of Legislative decree no. 174/95	6,506
	of which:	
(88)	term subordinated loan or cumulative preference shares with fixed duration (amount not exceeding 25% of the lower of the amount set out in line (169) and that in line 168).....	6,506
(89)	open-end loans	
(90)	undated securities and other financial instruments, including cumulative preference shares other than those set out in article 33, paragraph 4, letter a) of Legislative decree no. 174/95.....	
(91)	<i>Total from (82) to (87)</i>	45,676
(92)	Acquisition commissions to be amortised, as per paragraph 3 of article 33 of Legislative decree no. 174/95	
(93) = (3)	Other intangible assets	230
(94) = (4) + (5)	Own shares or investments in parent companies	
(94) = (13) + (14)	Loss for the year and losses carried forward	
(96)	<i>Total from (92) to (95)</i>	230
(97)	<i>Total A) components = (91) - (96)</i>	45,446
<i>B) components</i>		
(98)	50% of future profits	
(99)	Difference between the mathematical reserve calculated on the basis of the pure premiums shown in the financial statements, decreased by the portion thereof relating to transferred risks	
	and the mathematical reserve calculated on basis of pure premiums increased by the amortisation instalment of the acquisition expense included in the tariff premiums	
(100)	(within the limits indicated in no. 2) of letter b) of paragraph 2 of article 33 of Legislative decree no. 174/95) Unrealised capital gains, net of capital losses and expected liabilities to policyholders, arising from the measurement of all investments.....	
(101)	Half of the unpaid portion of the subscribed share capital or equivalent fund as long as at least 50% of the entire subscribed share capital or fund has been paid-up	
(102)	<i>Total B) components = (98) + (99) + (100) + (101)</i>	
(103)	<i>Total solvency margin components corresponding to shareholders' equity of the company (of which, B components</i>	
	<i>Total A) and B) components = (72) + (75)</i>	45,446

(*) Include only those amount that, pursuant to shareholders' resolution, remain, by rights, part of the company's assets

$$(84) = (7) + (8) + (10) + (11) + (12)$$

$$(87) = (88) + (89) + (90) \text{ as long as } (87) \leq 0.5 * [\text{lower of } (168) \text{ and } (169)]$$

$$(92) = (2) - [(26) - (27) - (28) + (29)] \text{ as long as positive}$$

$$(98) = 0.5 * [(24) * (25)] - [(31) - (32) - (33)]; \text{ as long as } (98) \leq 0.25 * [(\text{lower of } (168) \text{ and } (169))] \text{ and } (24) \leq [(19) + (20) + (21) + (22) + (23)] / 5; \text{ moreover } (25) \leq 6$$

$$(99) = [(26) - (27) - (28) + (29)] - (2) \text{ as long as positive and } [(26) - (27) - (28) + (29)] \leq [3.5 / 100] * (30)$$

$$(100) = [(31) - (32) - (33)] \text{ as long as } [(31) - (32) - (33)] \leq 0.10 * [\text{lower of } (168) \text{ and } (169)]$$

$$(101) = 0.5 * (1) \text{ se } (82) \geq (6) / 2 \text{ as long as } (101) \leq 0.5 * [\text{lower of } (168) \text{ and } (169)]; (101) = 0 \text{ if } (82) < (6) / 2$$

III - SOLVENCY MARGIN AMOUNT

<i>A) Whole and term life, marriage and birth insurance</i>			
(104)	4/100 mathematical reserve relating to direct insurance and inwards reinsurance	19,100	
(105)	retention ratio relating to the above reserves (0.85 minimum)	0.952	
(106)	(104) x (105)		18,183
Contracts whose sums at risk are not negative (excluding term life insurance indicated in the following points)			
(107)	0.3/100 of the risk capital	3,516	
Contracts whose sums at risk are not negative (term life insurance with a maximum term of three years):			
(108)	0.1/100 of the risk capital	84	
Contracts whose sums at risk are not negative (term life insurance with term greater than three years but lower than or equal to five years):			
(109)	0.15/100 of the risk capital	78	
(110)	<i>Total (107) + (108) + (109)</i>	3,678	
(111)	retention ratio of risk capitals (0.50 minimum)	0.890	
(112)	(110) x (111)		3,273
(113)	Margin A), (106) + (112)		21,456
B) Complementary insurance for personal injury risks (point B of the schedule included in annex I to Legislative decree no. 174/95)			
<i>b1) Calculation in relation to annual premiums and contributions</i>			
(114) = (41)	Gross premiums accounted for	709	
to be allocated:			
(115)	portion lower than or equal t 50,000,000 EURO = Euro 709 x 0.18 =	128	
(116)	portion exceeding 50,000,000 EURO = Euro x 0.16 =		
(117)	<i>Total (115) + (116)</i>	128	
(118)	Retention level in relation to residual incurred claims with the company after outwards reinsurance (0.50 minimum)	1.000	
(119)	<i>Solvency margin, (117) x (118)</i>		128
<i>b2) Calculation in relation to average claim charge of the last 3 years</i>			
(120)	Claims paid in the period: gross amount paid	255	
(121)	Change in claims reserve in the period: gross amount	129	
(122)	Claims charges	384	
(123)	Annual average: 1/3 of (122)	128	
to be allocated:			
(124)	portion lower than or equal t 35.000.000 EURO = Euro 128 x 0.26 =	33	
(125)	portion exceeding 35.000.000 EURO = Euro x 0.23 =		
(126)	<i>Total (124) + (125)</i>	33	
(127)	<i>Solvency margin, (126) x (118)</i>		33
(128)	<i>Margin B), (greater amount between (119) and (127))</i>	128	
(129)	Required margin B) year N - 1	132	
(130)	Required margin B)		132
C) Health and capitalisation transactions insurance			
(131)	4/100 mathematical reserves relating to direct insurance and inwards reinsurance	10	
(132)	retention ratio relating to the above reserves (0.85 minimum)	0.850 0.2	
(133)	<i>Margin C), (131) x (132)</i>		9
<i>c1) Calculation in relation to the annual amount of premiums and contributions</i>			
(134) = (57)	Gross premiums accounted for	190	
to be allocated:			
(135)	portion lower or equal to 50,000,000 EURO = 190.00 x (0.18)/3 =	11	
(136)	portion exceeding 50,000,000 EURO = x (0.16)/3 =		
(137)	<i>Total (135) + (136)</i>	11	
(138)	Retention level in relation to claims to be dealt with by the company following outwards reinsurance (minimum 0.50)	0.500	
(139)	<i>Required margin c1, (137) x (138)</i>		6
<i>c2) Calculation in relation to the in relation to the average claims charge of the last three years</i>			
(140)	Claims paid in the period: gross amount		
(141)	Change in claims reserve in the period: gross amount		
(142)	Claims charge		
(143)	Annual average: 1/3 di (142)		
to be allocated:			
(144)	portion lower or equal to 35,000,000 EURO = x (0.26)/3 =		
(145)	portion exceeding 35,000,000 EURO = x (0.23)/3 =		
(146)	<i>Total (144) + (145)</i>		
(147)	<i>Required margin c2, (146) x (138)</i>		
(148)	<i>Greater amount between (139) and (147)</i>	6	
(149)	Required margin C): (133) + (148)	15	
(150)	Required margin C) year N - 1	6	
(151)	Required margin C)		15

continues: III - SOLVENCY MARGIN AMOUNT

D) Capitalisation transactions.			
(152)	4/100 mathematical reserves relating to direct insurance and inwards reinsurance		2,735
(153)	retention rate relating to the above reserves (minimum 0.85)	1,000	
(154)	Required margin D): (152) x (153)		2,735
E) Unit-linked policies and pension fund management			
Where the company bears the investment risk			
(155)	4/100 mathematical reserves relating to direct insurance and inwards Reinsurance		500
(156)	retention ratio relating to the above reserves (0.85 minimum)	1,000 1	
(157)	(155) x (156)		500
Where policyholders bear the investment risk and the contract sets out the amount of administrative costs for more than five years			
(158)	1/100 gross reserves for direct insurance and inwards reinsurance		1,180
Where policyholders bear the investment risk and the contract sets out the amount of administrative costs for less than five years			
(159)	25/100 of the net administrative costs of the last year		
With mortality risk underwriting			
(160)	0.3/100 of non-negative risk capitals		4
(161)	retention ratio of risk capital (0.50 minimum)	1,000 1	
(162)	(160) x (161)		4
(163)	Margin D), (157) + (158) + (159) + (162)		1,684
Solvency margin position			
(164)	Total solvency margin (113) + (130) + (151) + (154) + (163)		26,022
(165)	Guarantee fund: 1/3 of (164)		8,674
(166)	Minimum guarantee fund as per paragraph 2 of article 36 of Legislative decree no. 174/95		800
(167)	Guarantee fund (greater amount between (165) and (166))		8,674
(168)	Solvency margin amount (greater result between (164) and (167))		26,022
(169) = (103)	Available solvency margin		45,446
(170) = (169) - (168)	Surplus (deficit)		19,424

$$(104) = [4 / 100] \times [(34) + (35)]$$

$$(105) = [(34) + (35) - (36)] / [(34) + (35)]$$

$$(107) = [0,3 / 100] \times [(37) - (39) - (40)]$$

$$(108) = [0,1 / 100] \times (39)$$

$$(109) = [0,15 / 100] \times (40)$$

$$(111) = (38) / (37)$$

$$(118) = [(42+46+50)-(43+47+51)+(44+48+52)-(45+49+53)] / [(42+46+50)+(44+48+52)]$$

$$(120) = (42) + (46) + (50)$$

$$(121) = [(44)+(48)+(52)]$$

$$(122) = (120) + (121)$$

$$(130) = \text{if } (128) < (129) \text{ then } (130) = (129) * [\text{Mathematical reserve N (caption (2) - Annex 1)}] / [\text{Mathematical reserve N - 1 (caption (2) - Annex 1)}] \text{ this ratio cannot be } > 1; \text{ if } 128 \geq 129 \text{ then } 130 = 128$$

$$(131) = [4 / 100] \times [(54) + (55)]$$

$$(132) = [(54) + (55) - (56)] / [(54) + (55)]$$

$$(138) = [(58+62+66)-(59+63+67)+(60+64+68)-(61+65+69)] / [(58+62+66)+(60+64+68)]$$

$$(140) = (58) + (62) + (66)$$

$$(141) = [(60)+(64)+(68)]$$

$$(142) = (140) + (141)$$

$$(151) = \text{if } (149) < (150) \text{ then } (151) = (150) * [\text{Mathematical reserve N (caption (2) - Annex 2)}] / [\text{Mathematical reserve N - 1 (caption (2) - Annex 2)}] \text{ this ratio cannot be } > 1; \text{ if } 149 \geq 150 \text{ then } 151 = 149$$

$$(152) = [4 / 100] \times [(70) + (71)]$$

$$(153) = [(70) + (71) - (72)] / [(70) + (71)]$$

$$(155) = [4 / 100] \times [(73) + (74)]$$

$$(156) = [(73) + (74) - (75)] / [(73) + (74)]$$

$$(158) = [1 / 100] \times [(76) + (77)]$$

$$(159) = (25/100) * [(78) + (79)]$$

$$(160) = [0,3 / 100] \times (80)$$

$$(161) = (81) / (80)$$

**Annex 1 to the solvency margin calculation schedule as per
article 61, paragraph 2, of Legislative decree no. 174 of 17 March 1995**

Company **VITTORIA ASSICURAZIONI S.p.A.**

Year 2004

Annex to the solvency margin calculation schedule - complementary insurance (personal injury risks)

(in thousands of Euros)

	Years		
	N	N-1	N-2
(1) Change in claims reserve: gross amount (included in caption 48 of the profit and loss account)	85		44
(2) Claims reserve net of outwards reinsurance	85		
Portfolio transfers by claims reserve of the current and previous years *:			
- costs			
(3) - direct insurance risks			
(4) - outwards reinsurance of direct insurance risks			
(5) - inwards reinsurance risks			
(6) - outwards reinsurance of reinsurance risks			
(7) - direct insurance risks			
(8) - outwards reinsurance of direct insurance risks			
(9) - inwards reinsurance risks			
(10) - outwards reinsurance of reinsurance risks			
Exchange rate adjustments to opening claims reserve			
- direct insurance risks:			
(11) -costs			
(12) -revenues			
- inwards reinsurance risks:			
(13) -costs			
(14) -revenues			
(15) total exchange rate adjustments (11 + 13 - 10 - 12)			

Change in claims reserve: gross amount to be used for solvency margin calculation purposes:

	Amount	Matching of the captions of the solvency margin calculation schedule
(16) year N	85	caption 39 section I
(17) year N-1		caption 42 section I
(18) year N-2	44	caption 44 section I

* Costs and revenues arising from portfolio transfers relating to the current and previous years should not be netted, and therefore, inwards reinsurance should not compensate outwards reinsurance.

Annex 2 to the solvency margin calculation schedule as per
article 61, paragraph 2, of Legislative decree no. 174 of 17 March 1995

Company: VITTORIA ASSICURAZIONI S.P.A.

Year: 2004

Annex to the solvency margin calculation schedule - health insurance as per article 1, number 1, letter d,
of EEC directive no. 79/267 of 5 March 1979 - guidelines for the calculation of the required solvency margin
pursuant to paragraph c), point 2, of article 35 of Legislative decree no. 174/95

(in thousands of Euros)

	Year		
	N	N-1	N-2
(1) Change in claims reserve: gross amount (included in caption 48 of the profit and loss account)	0	0	0
(2) Claims reserve net of outwards reinsurance	0	0	0
Portfolio transfers by claims reserve of the current and previous years *:			
- costs			
(3) - direct insurance risks	0	0	0
(4) - outwards reinsurance of direct insurance risks	0	0	0
-5 - inwards reinsurance risks	0	0	0
-6 - outwards reinsurance of inwards reinsurance risks	0	0	0
- revenues			
-7 - direct insurance risks	0	0	0
-8 - outwards reinsurance of direct insurance risks	0	0	0
-9 - inwards reinsurance risks	0	0	0
-10 - outwards reinsurance of inwards reinsurance risks	0	0	0
Exchange rate adjustments to opening claims reserve			
- direct insurance risks:			
-11 -costs	0	0	0
-12 -revenues	0	0	0
- inwards reinsurance risks:			
-13 -costs	0	0	0
-14 -revenues	0	0	0
-15 Total exchange rate adjustments (12 + 14 - 11 - 13)	0	0	0

Change in claims reserve: gross amount to be used for solvency margin calculation purposes:

-16 year N (1+7+9+15)
-17 year N-1(1-3-5+7+9+15)
-18 year N-2(1-3-5)

Amount	Matching of the captions of the solvency margin calculation schedule
0	caption 60 section I
0	caption 64 section I
0	caption 68 section I

* Costs and revenues arising from portfolio transfers relating to the current and previous years should not be netted,
and, therefore, inwards reinsurance should not compensate outwards reinsurance.

Annex 3 to the solvency margin calculation schedule as per
 article 61, paragraph 2, of Legislative decree no. 174 of 17 March 1995

Company: VITTORIA ASSICURAZIONI S.P.A.

Year: 2004

**Annex to the solvency margin calculation schedule - net administrative costs of the last year
 relating to unit-linked policies and pension fund management**

(in thousands of Euros)

schedule 1

Other administrative costs	Class I	Class II	Class III	Class IV	Class V	Class VI	Total (1)
		3,939	0	349	2	92	11

(1) equal to caption 70 of the profit and loss account

schedule 2

Breakdown of other administrative costs by type of contract (classes III and VI)	Class III	Class VI
	a) where the company bears the investment risk	0
b) where policyholders bear the investment risk and the contract sets out the amount of administrative costs for a period exceeding five years	349	11
c) where policyholders bear the investment risk and the contract sets out the amount of administrative costs for a period not exceeding or equal to five years	0	0
TOTAL	349	11

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Company

VITTORIA ASSICURAZIONI SPA

SOLVENCY MARGIN CALCULATION SCHEDULE
(paragraph 2 of article 72 of Legislative decree no. 175 of 17 March 1995)

Year

2004

(in thousands of Euros)

Lines of business

Third-party motor, aviation, watercraft and general liability; credit insurance; bond insurance

Accident insurance: health insurance; motor vehicle, railway truck, aviation and marine hulls
cargo insurance; fire and natural events; pecuniary losses; support and assistance

Miscellaneous damage; legal protection

(Tick the relevant box, considering the provisions of paragraph 4 of article 12
of Legislative decree no. 175/95)

I - CALCULATION BASIS FOR THE SOLVENCY MARGIN FOR THE YEAR N DERIVED FROM THE FINANCIAL STATEMENTS

Balance sheet captions- non-life business		
(1) Share capital proceeds to be received	(equal to caption 1)	
(2) Acquisition commissions to be amortised	(equal to caption 4)	6.503
(3) Other intangible assets	(equal to captions 6, 7, 8 and 9)	14.200
(4) Investments in parent companies	(equal to caption 17)	
(5) Own shares	(equal to caption 91)	
(6) Subscribed share capital or equivalent fund	(equal to caption 101)	17.500
(7) Share premium reserve	(equal to caption 102)	11.104
(8) Revaluation reserves	(equal to caption 103)	6.135
(9) Legal reserve	(equal to caption 104)	3.427
(10) Statutory reserves	(equal to caption 105)	
(11) Reserves for purchase of own shares and shares of parent company	(equal to caption 106)	
(12) Other reserves (1)		40.970
(13) Losses carried forward	(equal to caption 108 (*))	
(14) Net loss for the year	(equal to caption 109 (*))	
(15) Retained earnings	(equal to caption 108)	
(16) Net profit for the year	(equal to caption 109)	11.819
(17) Cumulative preference shares (2)		
(18) Subordinated liabilities (3)	(included in caption 111)	10.800
(19) Unrealised capital gains arising from the measurement of all investments, except for those of an extraordinary nature		
(20) Unrealised capital losses arising from the measurement of all investments		
Profit and loss account captions for the year N		
(21) Gross premiums accounted for	(equal to caption 1)	407.063
(22) Gross premiums accounted for of classes 11, 12 and 13.....	(see annex 2).....	23.584
(23) Claims paid: gross amount	(equal to caption 8)	245.357
(24) Claims paid of classes 11, 12 and 13: gross amount	(see annex 2).....	13.204
(25) Claims paid: reinsurers' share	(equal to caption 9)	59.984
(26) Claims paid of classes 11, 12 and 13: reinsurers' share	(see annex 2).....	358
(27) Change in recoveries: gross amount	(equal to caption 11)	10.019
(28) Change in recoveries of classes 11, 12 and 13: gross amount	(see annex 2).....	485
(29) Change in recoveries: reinsurers' share	(equal to caption 12)	432
(30) Change in recoveries of classes 11, 12 and 13: reinsurers' share	(see annex 2).....	19
(31) Change in claims reserve: gross amount	(as per annex 1)	55.491
(32) Change in claims reserve of classes 11, 12 and 13: gross amount	(see annex 2).....	3.854
(33) Change in claims reserve: reinsurers' share	(equal to caption 15)	13.544
(34) Change in claims reserve of classes 11, 12 and 13: reinsurers' share	(see annex 2).....	-1.142
(1) Include other reserves as per caption 107 excluding, for the first three years, the organisation reserve as per article 12 of Legislative decree no. 175/95, showing its details below:		
Available Reserve		40.970
<hr/>		
(2) Include cumulative preference shares, as per article 33, paragraph 4, letters a) and b) of Legislative decree no. 175/95, detailing:		
cumulative preference shares as per article 33, paragraph 4, letter a) of Legislative decree no. 175/95		
cumulative preference shares as per article 33, paragraph 4, letter b) of Legislative decree no. 175/95		
(3) Include subordinated liabilities as per letters g) and h) of article 33 of Legislative decree no. 175/95, detailing:		
- term loans		
- open-end loans		
- undated securities and other financial instruments		10.800
(*) Indicate the loss absolute value		

<i>Profit and loss account captions for the years prior to N</i>		
(35) Claims paid in year N - 1: gross amount	(equal to caption 8)	232,085
(36) Claims paid of classes 11, 12 and 13 in year N - 1: gross amount	(as per annex 2).....	14,942
(37) Claims paid in year N - 1: reinsurers' share	(equal to caption 9)	59,208
(38) Change in recoveries in year N - 1: gross amount	(equal to caption 11)	10,456
(39) Change in recoveries of classes 11, 12 and 13 in year N - 1: gross amount	(as per annex 2).....	550
(40) Change in recoveries in year N - 1: reinsurers' share.....	(equal to caption 12).....	2,491
(41) Change in claims reserve in year N - 1: gross amount	(as per annex 1).....	18,417
(42) Change in claims reserve of classes 11, 12 and 13 in year N - 1: gross amount.....	(as per annex 2).....	4,312
(43) Change in claims reserve in year N - 1: reinsurers' share.....	(equal to caption 15).....	12,514
(44) Claims paid in year N - 2: gross amount	(equal to caption 8)	195,203
(45) Claims paid of classes 11, 12 and 13 in year N - 2: gross amount	(as per annex 2).....	11,186
(46) Claims paid in year N - 2: reinsurers' share.....	(equal to caption 9)	47,324
(47) Change in recoveries in year N - 2: gross amount	(equal to caption 11)	8,405
(48) Change in recoveries of classes 11, 12 and 13 in year N - 2: gross amount	(as per annex 2).....	153
(49) Change in recoveries in year N - 2: reinsurers' share.....	(equal to caption 12)	2,280
(50) Change in claims reserve in year N - 2: gross amount	(as per annex 1)	22,117
(51) Change in claims reserve of classes 11, 12 and 13 in year N - 2: gross amount.....	(as per annex 2)	4,083
(52) Change in claims reserve in year N - 2: reinsurers' share.....	(equal to caption 15)	17,796
To be compiled only by companies which exclusively or mainly deal with "particular risks" (**):		
(53) Claims paid in year N - 3: gross amount paid	(equal to caption 8)	
(54) Change in claims reserve in year N - 3: gross amount	(see annex)	
(55) Claims paid in year N - 4: gross amount paid	(equal to caption 8)	
(56) Change in claims reserve in year N - 4: gross amount	(see annex)	
(57) Claims paid in year N - 5: gross amount paid	(equal to caption 8)	
(58) Change in claims reserve in year N - 5: gross amount	(see annex)	
(59) Claims paid in year N - 6: gross amount paid	(equal to caption 8)	
(60) Change in claims reserve in year N - 6: gross amount	(see annex)	

(**) "Particular risks" are credit, storm, hail and frost risks

II - SOLVENCY MARGIN COMPONENTS

A) components		
(61) = (6) - (1)	Paid in share capital or equivalent fund	17,500
(62) = (9)	Reserves not allocated to specific commitments or to adjustments to asset captions legal reserve	3,427
(63)	free reserves	58,209
(64)	Retained earnings: retained earnings (*)	
(65)	retained profit for the year (*)	9,369
(66)	Total cumulative preference shares and subordinated liabilities within the limits of article 33, paragraph 4, of Legislative decree no. 175/95	10,800
	of which:	
(67)	term subordinated loan or cumulative preference shares with fixed duration (amount not exceeding 25% of the lower of the amount set out in line (105) and that in line (104)).....	10,800
(68)	open-end loans	
(69)	undated securities and other financial instruments, including cumulative preference shares other than those set out in article 33, paragraph 4, letter a) of Legislative decree no. 175/95.....	
(70)	Total from (61) to (66)	99,305
(71)	Acquisition commissions to be amortised and other acquisition costs	2,601
(72) = (3)	Other intangible assets	14,200
(73) = (4) + (5)	Own shares or investments in parent companies	
(74) = (13) + (14)	Net loss for the year and losses carried forward	
(75)	Total from (71) to (74)	16,801
(76)	Total A) components = (70) - (75).....	82,504
B) components		
(77)	Unrealised capital gains, net of capital losses arising from the measurement of all investments.....	
(78)	Half of the unpaid portion of the subscribed share capital or equivalent fund as long as at least 50% of the entire subscribed share capital or fund has been paid-up	
(79)	Total B) components = (77)+(78).....	
(80)	Available solvency margin (of which B) components %	82,504

(63) = (7) + (8) + (10) + (11) + (12)

(66) = (67) + (68) + (69) as long as (66) <= 0.5 * [lower of (105) and (104)]

(71) = 0.4 * (2)

(77) = [(19) - (20)] a condizione che [(19) - (20)] <= 0.20 * [minore fra (105) e (104)]

(78) = 0.5 * (1) se (61) >= (6) / 2 a condizione che (78) <= 0.5 * [minore fra (105) e (104)]; (78) = 0 se (61) < (6) / 2

(***) Devono essere indicati i soli importi che, in base alla delibera dell'assemblea dei soci, permangono ad ogni effetto nel patrimonio netto dell'impresa

III - Solvency margin AMOUNT

(A) Calculation in relation to annual premiums or contributions			
(81)	Gross premiums accounted for in the last year		418,855
	to be allocated:		
(82)	portion lower than or equal to Euro 50,000,000 =	$50,000 \times 0.18 =$	9,000
(83)	portion exceeding 50,000,000 EURO =	$368,855 \times 0.16 =$	59,017
(84)	<i>Total a), (82) + (83)</i>		68,017
(85)	Retention level (g) in relation to residual incurred claims with the company after outwards reinsurance (minimum 0.500)	0.723	
(86)	<i>Solvency margin a) x g), (84) x (85)</i>		49,176
(B) Calculation in relation to the average claim charge of the last 3 or 7 years only for companies which exclusively or mainly deal with "particular risks"			
(87)	Claims paid in the period: gross amount paid		692,311
(88)	Change in claims reserve in the period: gross amount		102,150
(89)	Change in recoveries during the period: gross amount recovered		29,474
(90)	Claims charges		764,987
(91)	Annual average: 1/3 or 1/7 of (90) * to be allocated:		254,996
(92)	portion lower than or equal to 35,000,000 EURO	$35,000 \times 0.26 =$	9,100
(93)	portion exceeding 35,000,000 EURO	$220,073 \times 0.23 =$	50,599
(94)	<i>Total b), (92) + (93)</i>		59,699
(95)	<i>Solvency margin b) x g), (94) x (85)</i>		43,162

Solvency margin and guarantee fund			
(96) = (86)	Amount of solvency margin required in relation to the annual amount of premiums or contributions		49,176
(97) = (95)	Amount of solvency margin required in relation to the average claims charge		43,162
(98)	<i>Greater result between (96) and (97)</i>		49,176
(99)	Guarantee fund: 1/3 of (98)		16,392
(100)	Guarantee fund as per paragraphs 2, 3, 4 and 5 of article 39 of Legislative decree no. 175/95		3,000
(101)	<i>Guarantee fund (greater amount between (99) and (100))</i>		16,392
(102)	Solvency margin required in year N [greater amount between (98) and (101)]		49,176
(103)	Solvency margin required in year N - 1.		41,593
(104)	Available solvency margin required		49,176
(105) = (80)	Available solvency margin		82,504
(106) = (105) - (104)	<i>Surplus (deficit)</i>		33,328

(81) = (21) + [(0.5) * (22)]

(85) = [(23) + (35) + (44)] - [(25) + (37) + (46)] + [(31) + (41) + (50)] - [(33) + (43) + (52)] / [(23) + (35) + (44)] + [(31) + (41) + (50)]

(87) = (23) + (35) + (44) + (0.5) * [(24) + (36) + (45)]; companies which deal with "particular risks" should also include: (53) + (55) + (57) + (59)

(88) = (31) + (41) + (50) + (0.5) * [(32) + (42) + (51)]; companies which deal with "particular risks" should also include: (54) + (56) + (58) + (60)

(89) = (27) + (38) + (47) + (0.5) * [(30) + (39) + (48)]

(90) = (87) + (88) - (89)

(104) = (103) * [(113) - (59) of annex 1 to the notes to the financial statements] / [(293) - (239) of annex 1 to the notes to the financial statements], this ratio cannot exceed 1; if (102) < (103). If (102) > (103): (104) = (102).

(*) For companies which have been operating for less than 3 (7) years, the average should be calculated on the basis of the actual years of operations.

Annex I to the solvency margin calculation schedule as per article 72, paragraph 2, of Legislative decree no. 175 of 17 March 1995

Company **VITTORIA ASSICURAZIONI SPA**

Year 2004

Annex to the solvency margin calculation schedule - non-life business

(in thousands of Euros)

	Years						
	N	N-1	N-2	N-3	N-4	N-5	N-6
(1) Change in claims reserve: gross amount (caption 14 of the profit and loss account)	55,689	19,683	22,184	22,770	54,059	25,616	23,149
Portfolio transfers by claims reserve of the current and previous years*:							
- costs							
(2) - direct insurance risks	0	0	67	2,132	0	301	0
(3) - outwards reinsurance of direct insurance risks	8,525	7,955	10,977	15,368	9,741	0	0
(4) - inwards reinsurance risks	0	0	0	34	33	34	22
(5) - outwards reinsurance of inwards reinsurance risks	0	0	0	2,030	0	0	0
- revenues							
(6) - direct insurance risks	0	0	0	0	0	301	0
(7) - outwards reinsurance of direct insurance risks	0	0	0	0	0	0	0
(8) - inwards reinsurance risks	0	0	77	2,131	33	19	25
(9) - outwards reinsurance of inwards reinsurance risks	0	0	0	0	0	0	0
Exchange rate adjustments to opening claims reserve							
- direct insurance risks:							
(10) -costs	18	765	297	0	0	0	38
(11) -revenues	0	0	0	208	56	154	0
- inwards reinsurance risks:							
(12) -costs	180	501	403	0	0	0	7
(13) -revenues	0	0	0	68	7	25	0
(14) total exchange rate adjustments (11 + 13 - 10 - 12)	-198	-1,266	-700	276	63	179	-45

Change in claims reserve: gross amount to be used for solvency margin calculation purposes:

Amount	Matching of the captions of the solvency margin calculation schedule
55,491	caption 23 section I
18,417	caption 28 section I
22,117	caption 31 section I

- (15) year N (1+6+8+14)
(16) year N-1 (1-2-4+6+8+14)**
(17) year N-2 (1-2-4)***

* Costs and revenues arising from portfolio transfers relating to the current and previous years should not be netted, and therefore, inwards reinsurance should not compensate outwards reinsurance.
** For "particular risks", also consider years N-2, N-3, N-4, N-5 (captions 31, 33, 35, 37 section I)
*** For "particular risks", also consider year N-6 (caption 39, section I)

Company: VITTORIA ASSICURAZIONI SPA

Year: 2004

Annex to the solvency margin calculation schedule - classes 11, 12 and 13 (in thousands of Euros)

	N	N-1	N-2
1 Gross premiums accounted for (1)			
2 - class 11	233	9	0
3 - class 12	84	208	234
4 - class 13	23,267	22,247	18,815
5 Claims paid: gross amount (2)			
6 - class 11	1	2	2
7 - class 12	223	143	128
8 - class 13	12,980	14,797	11,056
9 Claims paid: reinsurers' share (3)			
10 - class 11	0	0	0
11 - class 12	0	0	0
12 - class 13	358	988	285
13 Change in recoveries: gross amount (4)			
14 - class 11	0	0	0
15 - class 12	1	5	2
16 - class 13	484	545	151
17 Change in recoveries: reinsurers' share (5)			
18 - class 11	0	0	0
19 - class 12	0	0	0
20 - class 13	19	7	26
21 Change in claims reserve: gross amount (6)			
22 - class 11	-1	-6	-3
23 - class 12	40	-45	-99
24 - class 13	3,815	4,363	4,185
25 Change in claims reserve: reinsurers' share (7)			
26 - class 11	0	0	0
27 - class 12	0	0	0
28 - class 13	-1,142	408	714

(1) Included in caption 1 of annex II

(2) Included in caption 8 of annex II

(3) Included in caption 9 of annex II

(4) Included in caption 11 of annex II

(5) Included in caption 12 of annex II

(6) Include the amount set out in annex 2 bis

(7) Included in caption 15 of annex II

(Annex 2 bis)

Year: 2004

(in thousands of Euros)

Company: VITTORIA ASSICURAZIONI SPA

Annex to the solvency margin calculation schedule - class 11

	Year		
	N	N-1	N-2
(1) Change in claims reserve: gross amount (caption 14 of profit and loss account)	-1	-6	-3
Portfolio transfers by claims reserve of the current and previous years *:			
- costs			
(2) - direct insurance risks	0	0	0
(3) - outwards reinsurance of direct insurance risks	0	0	0
(4) - inwards reinsurance risks	0	0	0
(5) - outwards reinsurance of inwards reinsurance risks	0	0	0
- revenues			
(6) - direct insurance risks	0	0	0
(7) - outwards reinsurance of direct insurance risks	0	0	0
(8) - inwards reinsurance risks	0	0	0
(9) - outwards reinsurance of inwards reinsurance risks	0	0	0
Exchange rate adjustments to opening claims reserve			
- direct insurance risks:			
(10) - costs	0	0	0
(11) - revenues	0	0	0
- inwards reinsurance risks:			
(12) - costs	0	2	3
(13) - revenues	0	0	0
(14) Total exchange rate adjustments (11 + 13 - 10 - 12)	0	-2	-3

Change in claims reserve: gross amount to be used for the purposes of calculation of caption 22 of annex 2

Amount
-1
-8
-3

(15) year N	(1+6+8+14)
(16) year N-1	(1-2-4+6+8+14)
(17) year N-2	(1-2-4)

* Costs and revenues arising from portfolio transfers relating to the current and previous years should not be netted, and, therefore, inwards reinsurance should not compensate outwards reinsurance.

(Annex 2 bis)

Year: 2004

Company: VITTORIA ASSICURAZIONI SPA

Annex to the solvency margin calculation schedule - class 12

(in thousands of Euros)

	Year		
	N	N-1	N-2
(1) Change in claims reserve: gross amount (caption 14 of profit and loss account)	40	-45	-99
Portfolio transfers by claims reserve of the current and previous years *:			
- costs			
(2) - direct insurance risks	0	0	0
(3) - outwards reinsurance of direct insurance risks	0	0	0
(4) - inwards reinsurance risks	0	0	0
(5) - outwards reinsurance of inwards reinsurance risks	0	0	0
- revenues			
(6) - direct insurance risks	0	0	0
(7) - outwards reinsurance of direct insurance risks	0	0	0
(8) - inwards reinsurance risks	0	0	0
(9) - outwards reinsurance of inwards reinsurance risks	0	0	0
Exchange rate adjustments to opening claims reserve			
- direct insurance risks:			
(10) -costs	0	0	0
(11) -revenues	0	0	0
- inwards reinsurance risks:			
(12) -costs	0	0	9
(13) -revenues	0	0	0
(14) total exchange rate adjustments (11 + 13 - 10 - 12)	0	0	-9

Change in claims reserve: gross amount to be used for the purposes of calculation of caption 23 of annex 2

Amount
40
-45
-99

(15) year N	(1+6+8+14)
(16) year N-1	(1-2-4+6+8+14)
(17) year N-2	(1-2-4)

Costs and revenues arising from portfolio transfers relating to the current and previous years should not be netted,
and, therefore, inwards reinsurance should not compensate outwards reinsurance.

(Annex 2 bis)

Year: 2004

(in thousands of Euros)

Company: VITTORIA ASSICURAZIONI SPA

Annex to the solvency margin calculation schedule - class 13

	Year		
	N	N-1	N-2
(1) Change in claims reserve: gross amount (caption 14 of profit and loss account)	3,815	4,363	4,185
Portfolio transfers by claims reserve of the current and previous years *:			
- costs			
(2) - direct insurance risks	0	0	0
(3) - outwards reinsurance of direct insurance risks	0	0	0
(4) - inwards reinsurance risks	0	0	0
(5) - outwards reinsurance of inwards reinsurance risks	0	0	0
- revenues			
(6) - direct insurance risks	0	0	0
(7) - outwards reinsurance of direct insurance risks	0	0	0
(8) - inwards reinsurance risks	0	0	0
(9) - outwards reinsurance of inwards reinsurance risks	0	0	0
Exchange rate adjustments to opening claims reserve			
- direct insurance risks:			
(10) -costs	0	0	0
(11) -revenues	0	0	0
- inwards reinsurance risks:			
(12) -costs	0	8	9
(13) -revenues	0	0	0
(14) total exchange rate adjustments (11 + 13 - 10 - 12)	0	-8	-9
Change in claims reserve: gross amount to be used for the purposes of calculation of caption 24 of annex 2			

Amount
3,815
4,355
4,185

(15) year N (1+6+8+14)
(16) year N-1 (1-2-4+6+8+14)
(17) year N-2 (1-2-4)

Costs and revenues arising from portfolio transfers relating to the current and previous years should not be netted,
and, therefore, inwards reinsurance should not compensate outwards reinsurance.

**SOLVENCY MARGIN SCHEDULE
OF COMPANIES OPERATING IN BOTH THE
LIFE AND NON-LIFE BUSINESS**
(paragraph 2 of article 61 of Legislative decree no. 174 of 17 March 1995,
paragraph 2 of article 72 of Legislative decree no. 175 of 17 March 1995)

(in thousands of Euros)

Reference captions of solvency margin forms Life and non-life business	Life	Non-life	Total
Solvency margin amount Life business (168); Non-life business (104)	26,022	49,176	75,198
Solvency margin components for life business, components A (97); for non-life business (76)	45,446	82,504	127,950
for life business, components B (102), non-life (79)	0	0	0
Total solvency margin components	45,446	82,504	127,950
Surplus/deficit of available solvency margin components with respect to the amount of solvency margin to allocate			
$d = [(b+c) - a]$	19,424	33,328	52,752
Use pursuant to paragraph 3 of article 21 of Legislative decree no. 174 of 17 March 1995, of the explicit solvency margin components still available, as defined by letter a) of paragraph 2 of article 33 of Legislative decree no. 174/95 and paragraph 2 of article 33 of Legislative decree 175/95	0	0	0
$f = (d + e)$	19,424	33,328	52,752

N.B. (e) always \leq (d)
(e) always \leq (b)

FORM 1

Vittoria Assicurazioni S.p.A.

Life businesses

**SCHEDULE OF ASSETS ALLOCATED
TO COVER TECHNICAL RESERVES**
(pursuant to paragraph 6 of article 31 of Legislative decree no. 174 of 17 March 1995)

Year 2004

(in euro)

TECHNICAL RESERVES		2004 year end		2003 year end	
Technical reserves	(a)	1	567,112,087	2	530,380,714
- Legal transfers	(b)	3	0	4	0
Technical reserves to be covered	(a)-(b)	9	567,112,087	10	530,380,714

	Maximum limit	Balance at 2003 year end		Balance at 2002 year end					
		Amount	%	Amount	%				
A INVESTMENTS									
A.1 Loan and other similar securities									
A.1.1a Securities issued or secured by governments included in zone A, pursuant to EEC directive no. 89/647, or issued by local or public bodies of EU governments or by international organisations to which one or more of the above EU governments belong, traded in a regulated market;		13	410,068,369	14	72.31	15	324,267,834	16	61.14
A.1.1b Securities issued or secured by governments included in zone A, pursuant to EEC directive no. 89/647, or issued by local or public bodies of EU governments or by international organisations to which one or more of the above EU government belong, not traded in a regulated market;		17	1,955,822	18	0.34	19	1,955,822	20	0.37
A.1.2a Bonds or other similar securities traded in a regulated market;		21	79,247,810	22	13.97	23	75,195,563	24	14.18
A.1.2b Bonds or other similar securities, not traded in a regulated market, issued by companies or banks with registered office in one of the countries included in zone A, the accounts of which have been audited for at least three years by a duly authorised audit company;		25	13,434	26	0.00	27	14,175	28	0.00
A.1.3 Other bonds or similar securities, other than those indicated above, as long as due within one year;		29	0	30	0.00	31	0	32	0.00
A.1.4 Units of undertaking for collective investment in transferable securities (UCITS);		33	0	34	0.00	35	32,493,403	36	6.13
A.1.5 Repurchase agreements, with obligation to reacquire and deposit the securities with a bank;	20%	37	0	38	0.00	39	0	40	0.00
A.1.6 Banker's acceptances performed or issued by banks with registered office in one of the countries included in zone A;		41	0	42	0.00	43	0	44	0.00
A.1.7 Financial bills as per Law no. 43 of 13 January 1994;		45	0	46	0.00	47	0	48	0.00
Sub-total A.1.6+A.1.7	10%	49	0	50	0.00	51	0	52	0.00
A.1.8 Accrued interest on securities eligible to cover technical reserves		53	8,176,683	54	1.44	55	7,039,470	56	1.33
Total A.1		57	499,462,118	58	88.07	59	440,966,267	60	83.14
<i>to carry forward</i>			499,462,118		88.07		440,966,267		83.14

	<i>brought forward</i>		499,462,118	88.07		440,966,267	83.14
A.2	Interest-bearing loans secured by mortgages, bank guarantees insurance or other suitable guarantees given by local bodies;	20%	0 ⁶¹	0 ⁶²	0.00 ⁶³	0 ⁶⁴	0.00
A.3	Equity and other similar securities						
A.3.1a	Shares traded in a regulated market;		0 ⁶⁵	0 ⁶⁶	0.00 ⁶⁷	0 ⁶⁸	0.00
A.3.1b	Quotas of Bank of Italy, quotas of cooperative societies and shares, not traded in a regulated market, issued by companies with registered office in one of the countries included in zone A, the accounts of which have been audited for at least three years by a duly authorised audit company;		0 ⁶⁹	0 ⁷⁰	0.00 ⁷¹	0 ⁷²	0.00
A.3.2	Warrants traded in a regulated market;	3%	0 ⁷³	0 ⁷⁴	0.00 ⁷⁵	0 ⁷⁶	0.00
A.3.3	Units of undertaking for collective investment in transferable securities (UCITS);		0 ⁷⁷	0 ⁷⁸	0.00 ⁷⁹	0 ⁸⁰	0.00
A.3.4	Units of closed-end unit trusts located in an EU country, traded in a regulated market;	5%	0 ⁸¹	0 ⁸²	0.00 ⁸³	0 ⁸⁴	0.00
	Total A.3	35%	0 ⁸⁵	0 ⁸⁶	0.00 ⁸⁷	0 ⁸⁸	0.00
A.4	Real estate						
A.4.1	Land, buildings and beneficial interests in real estate, for the portion not charged with mortgages;		0 ⁸⁹	0 ⁹⁰	0.00 ⁹¹	0 ⁹²	0.00
A.4.2	Leased buildings;	10%	0 ⁹³	0 ⁹⁴	0.00 ⁹⁵	0 ⁹⁶	0.00
A.4.3	Investments in real estate companies in which the company holds more than 50 per cent of share capital, with the sole business purpose of building or managing non-luxury buildings or buildings used for industrial or commercial activities or agricultural activities, for the amount stated in the financial statements, up to the buildings' economic value proportional to the share capital held, net of the total liabilities stated in the real estate company's accounts;		48,529,555 ⁹⁷	8.56 ⁹⁸	8.56 ⁹⁹	55,045,863 ¹⁰⁰	10.38
A.4.4	Units of closed-end unit trusts the real estate of which is composed of at least 90% of buildings sold by the government or social security institutions, regions, local bodies or their consortia, or companies wholly owned, including indirectly, by such entities.		0 ¹⁰¹	0 ¹⁰²	0.00 ¹⁰³	0 ¹⁰⁴	0.00
A.4.5	Units of other closed-end other unit trusts located in an EU country.	5%	2,500,000 ¹⁰⁵	0.44 ¹⁰⁶	0.44 ¹⁰⁷	0 ¹⁰⁸	0.00
	Total A.4	40%	51,029,555 ¹⁰⁹	9.00 ¹¹⁰	9.00 ¹¹¹	55,045,863 ¹¹²	10.38
	TOTAL A		550,491,673 ¹¹³	97.07 ¹¹⁴	97.07 ¹¹⁵	496,012,130 ¹¹⁶	93.52
B	RECEIVABLES						
B.1	Receivables due from reinsurers, net of liabilities, including their share of technical reserves, duly documented, up to 90% of their amount;		0 ¹¹⁷	0 ¹¹⁸	0.00 ¹¹⁹	0 ¹²⁰	0.00
B.2	Deposits with and receivables from cedant companies, net of liabilities, duly documented, up to 90% of their amount;		0 ¹²¹	0 ¹²²	0.00 ¹²³	0 ¹²⁴	0.00
	<i>to carry forward</i>		550,491,673	97.07		496,012,130	93.52

	<i>brought forward</i>		550,491,673	97.07		496,012,130	93.52
B.3.1	Portion of receivables due from policyholders, net of payables, arising from direct insurance business, due within three months;						
		125	3,747,949	126 0.66	127	4,475,667	128 0.84
B.3.2	Portion of receivables due from broker and agents, net of payables, arising from direct insurance and reinsurance business due within three months;						
		129	7,081,804	130 1.25	131	8,874,318	132 1.67
B.4	Advances on policies	133	0	134 0.00	135	0	136 0.00
B.5	Tax credits relating to years definitively assessed or time-barred to tax assessments;	5%	0	138 0.00	139	0	140 0.00
B.6	Receivables from guarantee funds, net of liabilities;	5%	0	142 0.00	143	0	144 0.00
	TOTAL B	145	10,829,753	146 1.91	147	13,349,985	148 2.52
C	OTHER ASSETS						
C.1	Operating tangible assets other than land and buildings, up to 30 per cent of their book value adjusted by the related accumulated depreciation;						
		149	0	150 0.00	151	0	152 0.00
C.2	Non-operating tangible assets other than land and buildings, duly documented, up to 10 per cent of their book value;						
		153	0	154 0.00	155	0	156 0.00
	Sub-total C.1 + C.2	5%	0	158 0.00	159	0	160 0.00
C.3	Acquisition commissions to be amortised up to 90 per cent of their amount;						
		161	5,790,661	162 1.02	163	7,518,599	164 1.42
C.4	Accrued rent instalments up to 30 per cent of their amount;						
		165	0	166 0.00	167	0	168 0.00
C.5	Reversible interest	5%	0	170 0.00	171	0	172 0.00
	TOTAL C	173	5,790,661	174 1.02	175	7,518,599	176 1.42
	TOTAL B + C - C3	25%	10,829,753	178 1.91	179	13,349,985	180 2.52
D	Bank accounts, deposits with other banks or any other institutions authorised by the relevant supervisory of Legislative decree no. 174/95						
		181	0	182 0.00	183	13,500,000	184 2.55
E	Other asset categories authorised by ISVAP pursuant to paragraph 5 of article 26 of Legislative decree no. 174/95						
		185	0	186 0.00	187	0	188 0.00
	TOTAL ASSETS ALLOCATED	189	567,112,087	190 100.00	191	530,380,714	192 100.00
	Sub-total A.1.1b + A.1.2b + A.1.3 + A.3.1b	10%	1,969,256	194 0.35	195	1,969,997	196 0.37

Breakdown of commitments and assets allocated by currency

(in euro)

CURRENCY	EXCHANGE RATE (1)	TECHNICAL RESERVES	ASSETS ALLOCATED
European Union			
EURO	1.000	567,112,087.000	567,112,087.000
Drachma			
Danish krone			
Swedish krone			
Pound			
Non-EU countries			
Norwegian krone			
Swiss franc			
Icelandic krone			
US dollar			
Canadian dollar			
Australian dollar			
New Zealand dollar			
Japanese yen			
Saudi Arabia riyal			
Turkish lira			
.....			
.....			
.....			
.....			
.....			
TOTAL (2)		567,112,087	567,112,087

- (1) Technical reserves and allocated asset amounts are converted at the exchange rates ruling at year end for each currency used for reporting.
- (2) Total technical reserves match the amount stated in caption 9 of the annual schedule of assets allocated to cover technical reserves. Total assets match the amount stated in caption 189 of the same schedule.

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Vittoria Assicurazioni S.p.A.

Life businesses

**SCHEDULE OF ASSETS ALLOCATED TO COVER
TECHNICAL RESERVES RELATING TO CLASS "D.I" OF THE BALANCE SHEET
FOR CONTRACTS PROVIDED FOR BY paragraphs 1 and 2 of ARTICLE 30 OF LEGISLATIVE DECREE no. 174 OF 17 MARCH 1995**

Year 2004

FORM 3

Vittoria Assicurazioni S.p.A.

Life businesses

**SCHEDULE OF INVESTMENTS RELATING TO
PENSION FUND MANAGEMENT INCLUDED IN CLASS "D.II" OF THE BALANCE SHEET**

Year 2004

Breakdown of bonds

(in euros)

(1)	(2)	(3)	(4)	(5)	Rating		ISIN code	Type of security			Currency (*) (10)	Total nominal value	Market value	
					(6)	(7)		Name (8)	Country code (*) (9)	Maturity (*) (*)			unit	total
1	1	2 Q	41	AA-	5	IT0001224309	BTP 01.05.98 2008 5%				243,000	107.00	259,573	
1	1	2 Q	41	Aa3	4	IT0003357982	BTP 01.02.13 4.75%				107,000	108.00	115,592	
1	2	2 Q	41	AA-	5	IT0001224309	BTP 01.05.98 2008 5%				170,000	107.00	181,594	
1	3	2 Q	41	AA-	5	IT0001224309	BTP 01.05.98 2008 5%				204,000	107.00	217,913	
1	3	2 Q	41	Aa3	4	IT0003357982	BTP 01.02.13 4.75%				9,000	108.00	9,723	
								Total by investment line						
								F.P. GARANTITA						375,165
								F.P. EQUILIBRATA						181,594
								F.P. CAPITALIZZATA						227,636
								Total by pension fund						784,395
								Total						784,395

(1) Fund order number

(2) Investment line: give order number of each investment line as part of each fund (to be maintained in subsequent disclosures)

(3) Category
 1 = Securities issued by companies of the same group
 2 = Listed government securities
 3 = Other listed securities
 4 = Unlisted government securities
 5 = Other unlisted securities
 6 = Convertible bonds
 7 = Other

(4) Put Q for securities traded on regulated markets and NQ for others

(5) Listing market: using the code of the regulated markets as per annex 6 of ISVAP circular no. 358/99

(6) Show security rating or, if unavailable, that of the issuer

(7) Show rating agency
 1 = Duff & Phelps Credit Rating Co.
 2 = Fitch Ibea
 3 = Italrating
 4 = Moody's Investors Service
 5 = Standard & Poor's
 6 = Thomson Bank Watch, Inc.
 7 = Other

(8) For the convertible bonds, show the convertible share as well

(9) Country code of issuer (source: U.I.C.)

(10) Currency code (source: U.I.C.)

(*) The 'Country code', 'Maturity' and 'Currency' columns do not have to be filled in if the security's ISIN code is given

Company **Vittoria Assicurazioni S.p.A.**

Year 2004

Breakdown of OEIC units

(in euros)

(1)	(2)	Type			ISIN code	Name	Country code (*) (6)	Currency (*) (7)	Market value	
		(3)	(4)	(5)					Quantity	Amount
1	2	1	E	A	LU0149524547	SISF EURO Eq. ACT VALUE Cl. A			2,234.00	66,068
1	2	1	E	A	LU0106236267	SISF EUR EQ SIGMA A			5,658.00	62,234
1	3	1	E	A	LU0149524547	SISF EURO Eq. ACT VALUE Cl. A			17,287.00	511,163
1	3	1	E	A	LU0106236267	SISF EUR EQ SIGMA A			44,017.00	484,189
Total by investment line										
F.P. GARANTITA										0
F.P. EQUILIBRATA										128,302
F.P. CAPITALIZZATA										995,352
Total by pension fund										1,123,654
Total										1,123,654

(1) Fund order number

(2) Investment line: show order number of each investment line as part of each fund (to be maintained in subsequent disclosures)

(3) 1 = open ... OEICs
2 = open ... OEICs
3 = Closed end securities funds
4 = Closed end real estate funds
5 = Funds reserved to qualified investors
6 = Other funds

(4) I = Italian
E = EU state
T = Other countries

(5) A = mainly invested in shares or similar securities
O = mainly invested in bonds or similar securities

(6) Country code of issuer (source: U.I.C.)

(7) Currency code (source: U.I.C.)

(*) The 'Country code' and 'Currency' columns do not have if the ISIN code is given

Annex 4 to the schedule of investments relating to pension fund management included in class "D.II" of the balance sheet

Company **Vittoria Assicurazioni SpA**

Year 2004

Breakdown of other assets and liabilities

(in euros)

(1)	(2)	(3)	(4)	(5)	Counterparty/issuer	Country code (6)	Maturity	Currency	Total nominal value	Market value	
										unit	value
1	1	Q	41	10	BTP 01.05.98 2008 5%	86	01/05/2008	242	243,000	1	2,014
1	1	NQ		12	Commissioni Gestore			242	722	1	-722
1	1	NQ		13	Imposta Sostitutiva			242	2,251	1	-2,251
1	1	NQ		3a	FP GARANTITA EUR FP GARANTITA			242	186,038	1	186,038
1	1	NQ		14	Arrotondamenti cop.ris.			242			1
1	1	Q	41	10	BTP 01.02.13 4,75%	86	01/02/2013	242	107,000	2	2,099
1	1	NQ		11	Liquidita' a termine passiva			242	162,723	1	-162,723
1	2	Q	41	10	BTP 01.05.98 2008 5%	86	01/05/2008	242	170,000	1	1,409
1	2	NQ		12	Commissioni Gestore			242	347	1	-347
1	2	NQ		13	Imposta Sostitutiva			242	223	1	-223
1	2	NQ		3a	FP EQUILIBRATA EUR FP EQUILIBRATA			242	25,057	1	25,057
1	2	NQ		14	Arrotondamenti cop.ris.			242			-1
1	2	NQ		11	Liquidita' a termine passiva			242	10,268	1	-10,268
1	2	NQ		10	Retrocessione comm. gestione			242	425	1	425
1	3	Q	41	10	BTP 01.05.98 2008 5%	86	01/05/2008	242	204,000	1	1,691
1	3	NQ		12	Commissioni Gestore			242	1,767	1	-1,767
1	3	NQ		4	Imposta Sostitutiva			242	2,345	1	2,345
1	3	NQ		3a	FP CAPITALIZZ. EUR FP CAPITALIZZ.			242	87,818	1	87,818
1	3	NQ		14	Arrotondamenti cop.ris.			242			-2
1	3	Q	41	10	BTP 01.02.13 4,75%	86	01/02/2013	242	9,000	2	177
1	3	NQ		11	Liquidita' a termine passiva			242	9,491	1	-9,491
1	3	NQ		10	Retrocessione comm. gestione			242	3,224	1	3,224
					F.P. GARANTITA						24,456
					F.P. EQUILIBRATA						16,052
					F.P. CAPITALIZZATA						83,995
					Total by pension fund						124,503
					Total						124,503

(1) Fund order number

(2) Investment line: show order number of each investment line as part of each fund (to be maintained in subsequent disclosures)

(3) Put Q for investments traded on regulated markets and NQ for others

(4) Listing market: using the code of the regulated markets as per annex 6 of ISVAP circular no. 358/99

(5) Show the codes as per annex 3 of ISVAP circular no. 474 of 21 February 2002 for the other assets and liabilities

(6) Country code of counterparty or issuer (source: U.I.C.)

(7) Currency code (source: U.I.C.)

Annex 5 to the schedule of investments relating to pension fund management included in class " D.II" of the balance sheet

Company **Vittoria Assicurazioni S.p.A.**

Year 2004

Breakdown of units by pension fund and investment line

(in euros)

(1)	(2)	Investment line (3)	No. of units at 01-Jan	No. of units issued	No. of units eliminated	No. of units at 31-Dec	Unit value of units at 31-Dec	Net assets allocated for ... (4)	Additional reserve (*)
1	1	F.P. GARANTITA	39,085.193	8,748.204	13,908.213	33,925.184	11.779	399,621	-
1	2	F.P. EQUILIBRATA	34,122.096	6,788.149	6,758.887	34,151.358	9.544	325,948	-
1	3	F.P. CAPITALIZZATA	138,282.261	31,978.114	6,627.929	163,632.446	7.987	1,306,983	-
		Total by pension fund						2,032,552	
		Total						2,032,552	

(1) Fund order number

(2) Investment line: show order number of each investment line as part of each fund (to be maintained in subsequent disclosures)

(3) Give description of type of investment line (e.g. equity, balanced, guaranteed, etc.)

(4) The column total should match caption 10 of Form 3

(*) Show the additional reserve for only investment lines with guarantees for which the relevant management technique ...

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Non-Life Business

**SCHEDULE OF ASSETS ALLOCATED
TO COVER TECHNICAL RESERVES**
(pursuant to paragraph 6 of article 31 of Legislative decree no. 175 of 17 March 1995)

2004

(in euro)

TECHNICAL RESERVES	2004 year end		2003 year end	
Technical reserves to be covered	5	552,847,944 ⁶		481,237,294

	Maximum limit	Balance at 2004 year end		Balance at 2003 year end	
		Amount	%	Amount	%
A INVESTMENTS					
A.1 <i>Loan and other similar securities</i>					
A.1.1a Securities issued or secured by governments included in zone A, pursuant to EEC directive no. 89/647, or issued by local or public bodies of EU governments or by international organisations to which one or more of the above EU governments belong, traded in a regulated market;	9	329,467,560 ¹⁰	59.59 ¹¹	326,273,908 ¹²	67.80
A.1.1b Securities issued or secured by governments included in zone A, pursuant to EEC directive no. 89/647, or issued by local or public bodies of EU governments or by international organisations to which one or more of the above EU government belong, not traded in a regulated market;	13	1,162,027 ¹⁴	0.21 ¹⁵	1,302,503 ¹⁶	0.27
A.1.2a Bonds or other similar securities traded in a regulated market;	17	10,979,479 ¹⁸	1.99 ¹⁹	32,590,515 ²⁰	6.77
A.1.2b Bonds or other similar securities, not traded in a regulated market, issued by companies or banks with registered office in one of the countries included in zone A, the accounts of which have been audited for at least three years by duly a duly authorised authorised audit company;	21	299,787 ²²	0.05 ²³	804,318 ²⁴	0.17
A.1.3 Other bonds or similar securities, other than those indicated above, as long as due within one year;	25	0 ²⁶	0.00 ²⁷	0 ²⁸	0.00
A.1.4 Units of undertaking for collective investment in transferable securities (UCITS);	29	5,000,058 ³⁰	0.90 ³¹	0 ³²	0.00
A.1.5 Repurchase agreements, with obligation to reacquire and deposit the securities with a bank;	20% 33	0 ³⁴	0.00 ³⁵	0 ³⁶	0.00
A.1.6 Banker's acceptances performed or issued by banks with registered office in one of the countries included in zone A;	37	0 ³⁸	0.00 ³⁹	0 ⁴⁰	0.00
A.1.7 Financial bills as per Law no. 43 of 13 January 1994;	41	0 ⁴²	0.00 ⁴³	0 ⁴⁴	0.00
Sub-total A.1.6+A.1.7	10% 45	0 ⁴⁶	0.00 ⁴⁷	0 ⁴⁸	0.00
A.1.8 Accrued interest on securities eligible to cover technical reserves	49	4,452,830 ⁵⁰	0.81 ⁵¹	6,382,311 ⁵²	1.33
Total A.1	85% 53	351,361,741 ⁵⁴	63.55 ⁵⁵	367,353,555 ⁵⁶	76.34
<i>to carry forward</i>		351,361,741	63.55	367,353,555	76.34

	<i>brought forward</i>		351,361,741	63.55	367,353,555	76.34				
A.2	Interest-bearing loans secured by mortgages, bank guarantees insurance or other suitable guarantees given by local bodies;	20%	57	0.58	0.00	59	0.60	0.00		
A.3	Equity and other similar securities									
A.3.1a	Shares traded in a regulated market;		61	29,575,208	62	5.35	63	18,132,217	64	3.77
A.3.1b	Quotas of Bank of Italy, quotas of cooperative societies and shares, not traded in a regulated market, issued by companies with registered office in one of the countries included in zone A, the accounts of which have been audited for at least three years by a duly authorised audit company;		65	21,399,859	66	3.87	67	6,482,224	68	1.35
A.3.2	Warrants traded in a regulated market;	3%	69	0.70	0.00	71	0.72	0.00		
A.3.3	Units of undertaking for collective investment in transferable securities (UCITS);		73	0.74	0.00	75	0.76	0.00		
A.3.4	Units of closed-end unit trusts located in an EU country, traded in a regulated market;	5%	77	0.78	0.00	79	0.80	0.00		
	Total A.3	25%	81	50,975,067	82	9.22	83	24,614,441	84	5.11
A.4	Real estate									
A.4.1	Land, buildings and beneficial interests in real estate, for the portion not charged with mortgages;		85	8,734,975	86	1.58	87	9,119,813	88	1.90
A.4.2	Leased buildings;	10%	89	0.90	0.00	91	0.92	0.00		
A.4.3	Investments in real estate companies in which the company holds more than 50 per cent of share capital, with sole business purpose of building or managing non-luxury buildings or buildings used for industrial or commercial activities or agricultural activities, for the amount stated in the financial statements, up to the buildings' economic value proportional to the share capital held, net of the total liabilities stated in the real estate company's accounts;		93	52,000,000	94	9.41	95	0.96	0.00	
A.4.4	Units of closed-end unit trusts located in an EU country.	5%	97	0.98	0.00	99	0.100	0.00		
	Total A.4	40%	101	60,734,975	102	10.99	103	9,119,813	104	1.90
	TOTAL A		105	463,071,783	106	83.76	107	401,087,809	108	83.35
B	RECEIVABLES									
B.1	Receivables due from reinsurers, net of liabilities, including their share of technical reserves, duly documented, up to 90% of their amount;		109	33,377,255	110	6.04	111	27,463,521	112	5.71
	<i>to carry forward</i>			496,449,038		89.80		428,551,330		89.05

	<i>brought forward</i>		496,449,038	89.80		428,551,330	89.05		
B.2	Deposits with and receivables from cedant companies, net of liabilities, duly documented, up to 90% of their amount;	113	0	114	0.00	115	0	116	0.00
B.3.1	Portion of receivables due from policyholders, net of payables, arising from direct insurance business, due within three months;	117	25,332,503	118	4.58	119	22,612,354	120	4.70
B.3.2	Portion of receivables due from broker and agents, net of payables, arising from direct insurance and reinsurance business due within three months;	121	24,213,384	122	4.38	123	23,319,027	124	4.85
B.4	Receivables arising from loss containment or subrogation;	3%	0	125	0.00	126	0	127	0.00
B.5	Tax credits relating to years definitively assessed or time-barred to tax assessments;	5%	0	129	0.00	130	0	131	0.00
B.6	Receivables from guarantee funds, net of liabilities;	5%	0	133	0.00	134	0	135	0.00
	TOTAL B		82,923,142	137	15.00	138	73,394,902	139	15.25
C	OTHER ASSETS								
C.1	Operating tangible assets other than land and buildings, up to 30 per cent of their book value adjusted by the related accumulated depreciation;	141	0	142	0.00	143	0	144	0.00
C.2	Non-operating tangible assets other than land and buildings, duly documented, up to 10 per cent of their book value;	145	0	146	0.00	147	0	148	0.00
	Sub-total C.1 + C.2	5%	0	149	0.00	150	0	151	0.00
C.3	Acquisition commissions to be amortised up to 90 per cent of their amount;	153	5,853,020	154	1.06	155	4,737,347	156	0.98
C.4	Accrued rent instalments up to 30 per cent of their amount;	157	0	158	0.00	159	0	160	0.00
	TOTAL C		5,853,020	161	1.06	162	4,737,347	163	0.98
	TOTAL B + C - C - 1	25%	55,398,907	165	10.02	166	50,668,728	167	10.53
D	Bank accounts, deposits with other banks or any other institutions authorised by the relevant supervisory body to receive deposit, net of liabilities;	15%	1,000,000	169	0.18	170	2,017,236	171	0.42
E	Other asset categories authorised by ISVAP pursuant to paragraph 5 of article 27 of Legislative decree no. 175/95		0	173	0.00	174	0	175	0.00
	TOTAL ASSETS ALLOCATED		552,847,945	177	100.00	178	481,237,294	179	100.00
	Sub-total A.1.1b + A.1.2b + A.1.3 + A.3.1b	10%	22,861,673	181	4.14	182	8,589,045	183	1.78

Breakdown of commitments and assets allocated by currency

(in lire)

CURRENCY	EXCHANGE RATE (1)	TECHNICAL RESERVES	ASSETS ALLOCATED
European Union			
EURO	1.00	550,744,273	551,847,944
Drachma			
Danish krone	1.00	3,724	
Swedish krone			
Pound			
Non-EU countries			
<u>2002</u>			
Norwegian krone			
Swiss franc			
Icelandic krone			
US dollar	1.36	1,975,117	1,000,000
Canadian dollar	1.00	21,909	
Australian dollar			
New Zealand dollar			
Japanese yen	139.65	102,921	
Saudi Arabia riyal			
Turkish lira			

TOTAL (2)		552,847,944	552,847,944

- (1) Technical reserves and allocated asset amounts are converted at the exchange rates ruling at year end for each currency used for reporting.
- (2) Total technical reserves match the amount stated in caption 5 of the annual schedule of assets allocated to cover technical reserves. Total assets match the amount stated in caption 177 of the same schedule.

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Vittoria Assicurazioni

Open pension fund Vittoria Formula Lavoro

(registration no. 22
of 4 November 1998)

2004 Financial Statements



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DIRECTORS' REPORT

At 31 December 2004, the net assets of Vittoria Formula Lavoro pension fund, that is the fund assets allocated to pension benefits, totalled Euro 2,032,552, Euro 399,621 of which relates to the "Previdenza Garantita" sector, Euro 325,948 to the "Previdenza Equilibrata" sector and Euro 1,306,983 to the "Previdenza Capitalizzata" sector.

The fund assets were invested in government securities for the bond portion of the portfolio or units of OEICs with investment purposes consistent with those of the investment line for the equity portion, except for December, when the assets were maintained liquid.

The table below shows a breakdown of returns on investment for the last three years, net and gross of management fees and administrative and tax charges, compared with benchmark returns.

	2000	2001	2002	2003	2004
Previdenza Garantita					
- net return	-0.34%	3.81%	7.30%	2.19%	3.83%
- gross return	4.24%	5.89%	9.84%	4.03%	5.98%
- benchmark	7.17%	5.90%	9.85%	3.98%	7.74%
Previdenza Equilibrata					
- net return	-2.35%	-5.68%	-8.11%	3.17%	9.30%
- gross return	1.08%	-5.10%	-7.75%	4.94%	11.77%
- benchmark	2.96%	-3.79%	-7.73%	9.25%	8.47%
Previdenza Capitalizzata					
- net return	-6.02%	-13.75%	-21.00%	3.57%	15.15%
- gross return	-2.60%	-14.00%	-22.20%	5.74%	18.55%
- benchmark	-1.34%	-13.21%	-23.59%	14.20%	9.13%

Trading charges had an impact of 0.01% on the "Previdenza Equilibrata" while their impact on "Previdenza Garantita" and "Previdenza Capitalizzata" was immaterial.

With respect to financial activities, the fund decided to shorten the duration of the bond portion of the balanced portfolio to prevent the effects of any increases in interest rates, at the expense of a greater immediate return. The equity portfolio remained invested in OEICs managed by Schroder Investment Management.

Contributions due and not yet paid at year end are shown in the relevant memorandum and contingency accounts for an overall amount of Euro 111.

Administrative charges are borne by Vittoria Assicurazioni S.p.A.. Members are only charged entrance and individual management fees as provided for by the Fund regulations.

No transactions in conflict of interest pursuant to articles 7 and 8 of decree no. 703 issued by the Treasury Ministry on 21 November 1996 were carried out during 2004.

Expected future developments for 2005 mainly relate to the accumulation period. With respect to investment policies, the fund is considering a possible increase in the duration of the bond portfolio during 2005.

Fund manager

A. Acutis

Board of directors

Milan, 22 March 2005

"PREVIDENZA GARANTITA" SECTOR

BALANCE SHEET – ACCUMULATION PERIOD

	<i>(in euros)</i>	
	2004	2003
10 Investments	565,316	444,673
a) Bank accounts	186,038	43,508
c) Securities issued by governments or international organisations	375,165	397,679
l) Prepayments and accrued income	4,113	3,486
TOTAL ASSETS	<u>565,316</u>	<u>444,673</u>
10 Liabilities relating to pension activities	162,722	0
a) Payables relating to pension activities	162,722	0
30 Liabilities relating to financing activities	722	558
d) Other liabilities relating to financing activities	722	558
40 Sums payable to taxation authorities	2,251	741
TOTAL LIABILITIES	<u>165,695</u>	<u>1,299</u>
100 Net assets allocated to benefits	<u>399,621</u>	<u>443,374</u>
MEMORANDUM AND CONTINGENCY ACCOUNTS	8,141	0

PROFIT AND LOSS ACCOUNT – ACCUMULATION PERIOD

	<i>(in euros)</i>	
	2004	2003
10 Balance of pension activities	-61,963	136,392
a) Contributions	100,760	140,679
c) Transfers and surrenders	-162,723	-4,287
20 Result of financing activities	28,413	12,605
a) Dividends and interest	22,471	16,419
b) Profits and losses on financial transactions	5,942	-3,814
30 Operating costs	7,952	5,867
a) Management company	7,952	5,867
40 Change in net assets allocated to benefits before substitute tax (10)+(20)+(30)	-41,502	143,130
50 Substitute tax	-2,251	-741
Change in net assets allocated to benefits (40)+(50)	<u>-43,753</u>	<u>142,389</u>

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NOTES TO THE FINANCIAL STATEMENTS - PREVIDENZA GARANTITA

General information

Structure of the fund

The Vittoria Formula Lavoro open pension fund was set up in compliance with article 9 of Legislative decree no. 124 of 21 April 1993 with the purpose of providing members with pension benefits additional to the mandatory pension scheme. The fund is based on defined benefits, the amount of which is calculated using the capitalisation principle.

The fund is divided into three sectors with the following investment policies. The "Previdenza Garantita" sector mainly invests in bonds issued by European government bodies. A minimum annual return rate of 2% is guaranteed, applicable to all managed assets, net of charges to be borne by members and the pension fund. The guarantee is valid for pension benefits and in the case of death or permanent disablement leading to the early pension benefit disbursement. The "Previdenza Equilibrata" sector mainly invests in bonds issued by European government bodies and, up to 50%, in European equities. The "Previdenza Capitalizzata" sector mainly invests in European equities.

The fund financial assets are managed by Vittoria Assicurazioni S.p.A., which can engage legally qualified entities to perform particular management activities.

The fund can invest in the OEICs included in EEC directive no. 85/611, as long as the investment plans and limits comply with the fund's investment policies.

The annuity payments are guaranteed by Vittoria Assicurazioni S.p.A.. Upon maturity of the right to pension benefits, the individual position, possibly integrated by the related performance guarantee, net of any portion to be paid in capital, is used as a single premium to set up an immediate lifetime annuity. As an alternative, the member can request a reversible lifetime annuity or a certain annuity for five or ten years and, subsequently, lifetime.

The fund is deposited with Banca Passadore & C.. Subject to its responsibilities, the bank can subdeposit the fund assets, in whole or in part, with Monte Titoli S.p.A., the central securities management department of the Bank of Italy or with entities for the centralised management of Italian and foreign securities and international bank counterparties.

Accounting policies for assets and liabilities

The financial statements are prepared in order to give a better view of the substance rather than the type of the captions. In order to gain a better understanding of investments, sale and purchase transactions of financial instruments are recorded with reference to their trading date rather than their settlement date. Accordingly, captions relating to investments in financial instruments include transactions in financial instruments which have been traded but not yet settled, with a corresponding entry under the captions "Other financial assets" and "Other financial liabilities".

Income and charges are recorded on an accruals basis, regardless of the collection or payment date.

A waiver to the accruals principle is applied to contributions paid by members which are recorded as income only when collected. Accordingly, both the net assets allocated to

benefits and individual positions are increased only after collection of contributions. Contributions due and not yet paid are recorded in the memorandum and contingency accounts.

Investments in listed financial instruments are stated at the market price of the day in which the valuation is made. For securities listed on more than one market, the most significant markets in terms of volume and trading are taken into account. Market prices are the closing prices indicated by Bloomberg.

Investments in OEICs are stated on the basis of the value allocated by the relevant managers to each unit.

Investments in unlisted financial instruments are stated on the basis of the relevant market trend, also considering all available elements in order to obtain a prudent estimate of their realisation value at the reference date.

Assets and liabilities expressed in foreign currencies are stated using the spot exchange rate ruling at year end. Forward transactions are stated using the forward rate ruling at year end for maturities similar to that of the relevant transaction.

Allocation of mutual costs

Mutual costs are fully allocated to the relevant sector whenever this can be easily identified. When this identification is not possible, they are allocated among the various sectors in accordance with their operations.

Costs and revenues recognition

Costs and revenues are calculated monthly, in conjunction with each unit valuation, on an accruals basis, regardless of the collection or payment date.

Fund members

The pension fund is open to all employees, consultants, free-lance professionals and members working with cooperatives. Members numbered 240 at year end, as follows:

	Active consultants	Active employees	Total
Previdenza Garantita	14	32	46
Previdenza Equilibrata	21	22	43
Previdenza Capitalizzata	47	104	151
Total	82	158	240

Variations in units issued - " Previdenza Garantita"

The following table sets out the number and value of existing units at beginning and year end and units issued or cancelled during the year:

	Number	Value
Existing units at 1 January 2004	39,085.193	443,374
Units issued	8,748.204	101,840
Units cancelled *	13,908.213	163,803
Existing units at 31 December 2004	33,925.184	399,621

* including those part of units relating to the Euro 2 monthly charges for each member

Notes to the balance sheet - " Previdenza Garantita"

Assets

10 – Investments

- Managers

The fund manager is Vittoria Assicurazioni S.p.A..

- Securities in portfolio

Securities in portfolio are as follows:

Name	Investment assets	Percentage of total
Btp 01.05.2008 5%	259,573	64.95%
Btp 01.02.2013 4,75%	115,592	28.93%

- Transactions traded but not yet settled

None.

- Derivative contracts

None.

- Breakdown of investments by geographical area and currency

All investments are expressed in Euros.

- Average financial duration of investments

At 31 December 2004, the modified duration of investments in bonds was equal to 4.09 years.

- Investments with conflict of interest

None.

- Repurchase agreements

None.

- Value of acquisitions and sales

During the year, the fund acquired and sold government securities for Euro 121,095 and Euro 150,150, respectively.

- **Trading commissions**

Commissions arising from trading in securities totalled Euro 16 equal to 0.01% of traded volumes.

- **Prepayments and accrued income**

They relate to accrued coupons on the bonds in portfolio.

Liabilities

10 - Liabilities relating to pension activities

- **Payables relating to pension activities**

These are existing pension-related payables.

30 - Liabilities relating to financing activities

- **Other liabilities related to financing activities**

They relate to accrued commissions not yet settled.

40 - Sums payable to taxation authorities

They relate to the substitute tax due for the year.

- **Memorandum and contingency accounts**

They include contributions due and not yet paid.

Notes to the profit and loss account - "Previdenza Garantita"

10 - Balance of pension activities

Contributions				
Transfers to other sectors	Contributions from employers	Contributions from employees	Contributions from employees' leaving entitlement	TOTAL
16,363	20,998	40,753	23,726	101,840

Transfers and surrenders			
Transfers to other sectors	Transfers to other pension schemes	Surrenders	TOTAL
-	-	162,723	162,723

20 - Result of financing activities

	Dividends and interest	Profits and losses on financial transactions
Listed loan securities	22,288	5,942
Bank accounts	183	
Total	22,471	5,942

30 - Operating costs

- Management company

Operating costs entirely relate to the management fees due to Vittoria Assicurazioni S.p.A..

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VITTORIA FORMULA LAVORO OPEN PENSION FUND

"PREVIDENZA EQUILIBRATA" SECTOR

BALANCE SHEET – ACCUMULATION PERIOD

(in euros)

	2004	2003
10 Investments	336,786	294,901
a) Bank accounts	25,057	43,506
c) Securities issued by governments or international organisations	181,594	145,247
h) OEIC units	128,302	104,865
l) Prepayments and accrued income	1,409	1,129
n) Other financial assets	424	154
30 Tax credits	3,262	4,397
TOTAL ASSETS	<u>340,048</u>	<u>299,298</u>
10 Liabilities relating to pension activities	10,268	0
a) Payables relating to pension activities	10,268	0
30 Liabilities relating to financing activities	347	292
d) Other liabilities relating to financing activities	347	292
40 Sums payable to taxation authorities	3,485	1,038
TOTAL LIABILITIES	<u>14,100</u>	<u>1,330</u>
100 Net assets allocated to benefits	<u>325,948</u>	<u>297,968</u>
MEMORANDUM AND CONTINGENCY ACCOUNTS	5,615	0

PROFIT AND LOSS ACCOUNT – ACCUMULATION PERIOD

(in euros)

	2004	2003
10 Balance of pension activities	-214	39,004
a) Contributions	61,845	65,450
b) Advances	-20,930	-7,003
c) Transfers and surrenders	-41,129	-19,443
20 Result of financing activities	35,948	12,813
a) Dividends and interest	11,825	7,249
b) Profits and losses on financial transactions	24,123	5,564
30 Operating costs	4,269	3,375
a) Management company	4,269	3,375
40 Change in net assets allocated to benefits before substitute tax (10)+(20)+(30)	31,465	48,442
50 Substitute tax	-3,485	-1,038
Change in net assets allocated to benefits (40)+(50)	<u>27,980</u>	<u>47,404</u>

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NOTES TO THE FINANCIAL STATEMENTS "PREVIDENZA EQUILIBRATA"

General information

For information of a general nature, reference should be made to the notes to the "Previdenza Garantita" sector.

Variations in units issued - "Previdenza Equilibrata"

The following table sets out the number and value of existing units at year end and units issued or cancelled during the year.

	Number	Value
Existing units at 1 January 2003	34,122.096	297,968
Units issued	6,788.149	62,927
Units cancelled *	6,758.887	63,141
Existing units at 31 December 2003	34,151.358	325,948

* including those part of units relating to the Euro 2 monthly charges for each member

Notes to the balance sheet - " Previdenza Garantita"

Assets

10 - Investments

- Managers

The fund manager is Vittoria Assicurazioni S.p.A..

- Securities in portfolio

Securities in portfolio are as follows:

Name	Investment assets	Percentage of total
SISF Euro Equity Alpha Cl.A	62,234	19.09%
SISF Euro Equity Value Cl.A	66,068	20.27%
Btp 01.05.98-2008 5%	181,594	55.71%

- Transactions traded but not yet settled

None.

- Derivative contracts

None.

- Breakdown of investments by geographical area and currency

All investments are expressed in Euros.

- Average financial duration of investments

At 31 December 2004, the modified duration of investments in bonds was equal to 3.01 years.

- **Investments with conflict of interest**

None.

- **Repurchase agreements**

None.

- **Value of acquisitions and sales**

During the year, the fund acquired and sold government securities for Euro 37,459 and Euro 2,144, respectively. With respect to investments in OEICs, it entered into a switch transaction of Euro 79,141.

- **Trading commissions**

Commissions arising from trading in securities totalled Euro 23 equal to 0.01% of traded volumes.

- **Prepayments and accrued income**

They relate to accrued coupons on the bonds in portfolio.

- **Other financial assets**

These are commissions on OEICs to be repaid to the fund.

30 - Tax credits

They relate to the substitute tax credit balance carried forward from previous years.

Liabilities

10 - Liabilities relating to pension activities

- **Payables relating to pension activities**

These are existing pension-related payables.

30 - Liabilities relating to financing activities

- **Other liabilities related to financing activities**

They relate to accrued commissions not yet settled.

40 - Tax payables

They relate to the substitute tax payable for the year.

- **Memorandum and contingency accounts**

They include contributions due and not yet paid.

Notes to the profit and loss account - "Previdenza Equilibrata"

10 - Balance of pension activities

Contributions			
Contributions from employers	Contributions from employees	Contributions from employees' leaving entitlement	T O T A L
7,679	43,220	12,028	62,927

Transfers and surrenders			
Transfers to other sectors	Transfers to other pension schemes	Surrenders	T O T A L
- 16,363	-	-45,696	-62,059

20 - Result of financing activities

	Dividends and interest	Profits and losses on financial transactions
Listed loan securities	8,630	808
Bank accounts	158	
OEIC units		23,315
OEIC commissions to be repaid	3,037	
Total	11,825	24,123

30 - Operating costs

- Management company

Operating costs entirely relate to the management fees due to Vittoria Assicurazioni S.p.A..

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VITTORIA FORMULA LAVORO OPEN PENSION FUND

"PREVIDENZA CAPITALIZZATA" SECTOR

BALANCE SHEET – ACCUMULATION PERIOD

(in euros)

	2004	2003
10 Investments	1,315,896	943,120
a) Bank accounts	87,818	86,213
c) Securities issued by governments or international organisations	227,635	156,909
h) OEIC units	995,352	697,754
l) Prepayments and accrued income	1,867	1,220
n) Other financial assets	3,224	1,024
30 Tax credits	21,611	26,227
TOTAL ASSETS	1,337,507	969,347
10 Liabilities relating to pension activities	9,491	4,937
a) Payables relating to pension activities	9,491	4,937
30 Liabilities relating to financing activities	1,767	1,250
d) Other liabilities relating to financing activities	1,767	1,250
40 Sums payable to taxation authorities	19,266	3,972
TOTAL LIABILITIES	30,524	10,159
100 Net assets allocated to benefits	1,306,983	959,188
MEMORANDUM AND CONTINGENCY ACCOUNTS	15,292	0

PROFIT AND LOSS ACCOUNT – ACCUMULATION PERIOD

(in euros)

	2004	2003
10 Balance of pension activities	191,917	174,572
a) Contributions	238,627	256,842
c) Transfers and surrenders	-46,710	-64,876
20 Result of financing activities	194,489	49,428
a) Dividends and interest	31,164	8,601
b) Profits and losses on financial transactions	163,325	40,827
30 Operating costs	19,345	13,315
a) Management company	19,345	13,315
40 Change in net assets allocated to benefits before substitute tax (10)+(20)+(30)	367,061	210,685
50 Substitute tax	-19,266	-3,972
Change in net assets allocated to benefits (40)+(50)	347,795	206,713

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NOTES TO THE FINANCIAL STATEMENTS

"PREVIDENZA CAPITALIZZATA"

General information

For information of a general nature, reference should be made to the notes to the "Previdenza Garantita" sector.

Variations in units issued - "Previdenza Capitalizzata"

The following table sets out the number and value of existing units at year end and units issued or cancelled during the year.

	Number	Value
Existing units at 1 January 2004	138,282.261	959,188
Units issued	31,978.114	242,231
Units cancelled *	6,627.929	50,314
Existing units at 31 December 2004	63,632.446	1,306,983

* including those part of units relating to the Euro 2 monthly charges for each member

Notes to the balance sheet - " Previdenza Capitalizzata"

Assets

10 - Investments

- Managers

The fund manager is Vittoria Assicurazioni S.p.A..

- Securities in portfolio

Securities in portfolio are as follows:

Name	Investment assets	Percentage of total
SISF Euro Equity Alpha Cl.A	484,189	37.05%
SISF Euro Equity Value Cl.A	511,163	39.11%
Btp 01.02.02-2013 4,75%	9,722	0.74%
Btp 01.05.98-2008 5%	217,913	16.67%

- Transactions traded but not yet settled

None.

- Derivative contracts

None.

- Breakdown of investments by geographical area and currency

All investments are expressed in Euros.

- Average financial duration of investments

At 31 December 2004, the modified duration of investments in bonds was equal to 3.16 years.

- **Investments with conflict of interest**

None.

- **Repurchase agreements**

None.

- **Value of acquisitions and sales**

During the year, the fund acquire OEICs for Euro 135,000 government securities for Euro 69,601 and switches relating to OEICs for Euro 467,463.

- **Trading commissions**

Commissions arising from trading in securities totalled Euro 42.

- **Prepayments and accrued income**

They relate to accrued coupons on the bonds in portfolio.

- **Other financial assets**

These are commissions on OEICs to be repaid to the fund.

30 - Tax credits

They relate to the substitute tax credit balance carried forward from previous years.

Liabilities

10 - Liabilities relating to pension activities

- **Payables relating to pension activities**

These are existing pension-related payables.

30 - Liabilities relating to financing activities

- **Other liabilities related to financing activities**

They relate to accrued commissions not yet settled.

40 - Tax payables

They relate to the substitute tax payable for the year.

- **Memorandum and contingency accounts**

They include contributions due and not yet paid.

Notes to the profit and loss account - "Previdenza Capitalizzata"

10 - Balance of pension activities

Contributions			
Contributions from employers	Contributions from employees leaving entitlement	Contributions from employees	TOTAL
54,996	111,949	75,286	242,231

Transfers and surrenders			
Transfers to other sectors	Transfers to other pension schemes	Surrenders	TOTAL
-	-	- 46,710	- 46,710

20 - Result of financing activities

Dividends and interest	Profits and losses on financial transactions	
Listed loan securities	10,009	872
Bank accounts	289	-
OEIC units	-	162,453
OEIC commissions to be repaid	20,866	-
Total	31,164	163,325

30 - Operating costs

- Management company

Operating costs entirely relate to the management fees due to Vittoria Assicurazioni S.p.A..

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Report of the auditors

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

To the board of directors of
Vittoria Assicurazioni S.p.A.

1. We have audited the financial statements relating to the accumulation period of the "Previdenza Garantita" sector of the Vittoria Formula Lavoro open pension fund as at and for the year ended December 31st, 2004. These financial statements are the responsibility of the parent company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to our report issued on March 26th, 2004 on the prior year figures which are presented for comparative purposes as required by law.

3. In our opinion, the financial statements relating to the accumulation period of the "Previdenza Garantita" sector of the Vittoria Formula Lavoro open pension fund as at and for the year ended December 31st, 2004 comply with the Italian regulations governing their preparation; therefore they are clearly stated and give a true and fair view of the financial position and changes in net assets allocated to the benefits of the sector.

Milan, March 22th, 2005

BDO Sala Scelsi Farina
Società di Revisione per Azioni

Signed by: Paolo Scelsi

Report of the auditors

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

To the board of directors of
Vittoria Assicurazioni S.p.A.

1. We have audited the financial statements relating to the accumulation period of the "Previdenza Equilibrata" sector of the Vittoria Formula Lavoro open pension fund as at and for the year ended December 31st, 2004. These financial statements are the responsibility of the parent company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to our report issued on March 26th, 2004 on the prior year figures which are presented for comparative purposes as required by law.

3. In our opinion, the financial statements relating to the accumulation period of the "Previdenza Equilibrata" sector of the Vittoria Formula Lavoro open pension fund as at and for the year ended December 31st, 2004 comply with the Italian regulations governing their preparation; therefore they are clearly stated and give a true and fair view of the financial position and changes in net assets allocated to the benefits of the sector.

Milan, March 22th, 2005

BDO Sala Scelsi Farina
Società di Revisione per Azioni

Signed by: Paolo Scelsi

Report of the auditors

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

To the board of directors of
Vittoria Assicurazioni S.p.A.

1. We have audited the financial statements relating to the accumulation period of the "Previdenza Capitalizzata" sector of the Vittoria Formula Lavoro open pension fund as at and for the year ended December 31st, 2004. These financial statements are the responsibility of the parent company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to our report issued on March 26th, 2004 on the prior year figures which are presented for comparative purposes as required by law.

3. In our opinion, the financial statements relating to the accumulation period of the "Previdenza Capitalizzata" sector of the Vittoria Formula Lavoro open pension fund as at and for the year ended December 31st, 2004 comply with the Italian regulations governing their preparation; therefore they are clearly stated and give a true and fair view of the financial position and changes in net assets allocated to the benefits of the sector.

Milan, March 22th, 2005

BDO Sala Scelsi Farina
Società di Revisione per Azioni

Signed by: Paolo Scelsi

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Report of the Board of Statutory Auditors

Report of the board of statutory auditors pursuant to article 153, of Legislative decree no. 58/98 to the shareholders' meetings called on 29 and 30 April 2005

Dear shareholders,

During the year, we performed our duties as required by law, the Consob and ISVAP communications and in accordance with the ethical guidelines of the board of statutory auditors recommended by the Italian accounting profession.

In particular, in accordance with the provisions governing the duties of the board of statutory auditors set out in Legislative decree no. 58/98:

- we attended the board of directors' meetings and obtained at least quarterly updates on the activities and the most significant financial transactions carried out by the company and its subsidiaries. We also verified that the resolutions of the board were in compliance with the law and the company's business object and that they were not in conflict of interest or in conflict with the resolutions of the shareholders' meetings;
- to the extent of our responsibilities, we verified that the directors applied correct governance criteria in performing their duties, in line with our duties and through direct observations, information gathered from administrative staff and discussions with the audit company in order to exchange significant data and information;
- we monitored and assessed the adequacy of the internal control and administrative and accounting systems and the reliability of the latter with respect to the correct representation of operating activities by gathering data, examining company documents and analysing the findings of the external auditors, which reported to us the results of their quarterly reviews of the regular keeping of accounting records;
- during our regular reviews, we found the assets to be correctly allocated to cover technical reserves in accordance with ISVAP circular no. 176/92;
- we performed all the checks required by ISVAP with regard to insurance books and registers, classification and valuation of the securities portfolio, anti-money laundering regulations and use of derivative financial instruments.

With respect to the statutory and consolidated financial statements, the audit company issued unqualified audit reports, without emphasis paragraphs, on 4 April 2005.

Furthermore, in compliance with CONSOB recommendations, we note the following:

- we believe that the information obtained from the board of directors, in particular that relating to the subsidiaries and to intercompany and related party transactions, is comprehensive;
- no atypical or unusual transactions were carried out with group companies, related or third parties, as confirmed by the directors in their report;
- ordinary transactions with group companies and related parties were carried out on an arm's length basis and met the company's interests. They were performed in compliance with the specific procedure approved by the Board of directors; they are described in the directors' report, with details of their amount and impact on the result for the year;
- there are no significant post-balance sheet events;
- during the year, the audit company BDO Sala Scelsi Farina S.p.A., was requested to perform the following additional engagements on:

- a study on the monitoring of claims accrued to reserves Euro 42,000 excl. VAT
- valuation of the economic capital of Interbilancia S.r.l and its subsidiaries Euro 22,000 excl. VAT
- the internal control system is effective and adequate, as confirmed during the regular meetings of the internal control committee at which the statutory auditors were always present;
- during 2004, the board of directors and the board of statutory auditors met six times each;
- the instructions given by the parent company to its subsidiaries in compliance with paragraph 2 of article 114 of Legislative decree no. 58/98 are adequate;
- the company has been applying the Code of Conduct issued by the Corporate Governance Committee for listed companies for several years and has almost completed its implementation, as documented in the related report to the shareholders.

Finally, we did not receive any complaints or claims pursuant to article 2408 of the Civil Code during our above-described supervisory activities, nor have issues emerged which would need to be reported to the relevant supervisory authorities or disclosed in this report. We invite you to approve the financial statements at 31 December 2004 which show a net profit for the year of Euro 17,778,685.

We agree with the proposal of the board of directors to allocate Euro 888,934 to the legal reserve, Euro 12,689,751 to the available reserve and to distribute dividends of Euro 4,200,000.

Milan, 7 April 2005

BOARD OF STATUTORY AUDITORS

Angelo Casò

Giovanni Maritano

Livio Strazzera

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Report of the Independent Auditors

Report of the auditors in accordance with article 156 of legislative decree n. 58 of 24 February 1998, article 62 of legislative decree n. 174/95 and article 73 of legislative decree n. 175/95

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

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

1. We have audited the financial statements of Vittoria Assicurazioni S.p.A. as at and for the year ended December 31st, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. With respect to the examination of technical reserves accounted for under liabilities in the balance sheet, we also referred to the attached report issued by a qualified actuary in accordance with article 62 of legislative decree n. 174/95 and article 73 of legislative decree n. 175/95. This report states that the company's technical reserves are adequate and comply with the provisions of relevant legislation and regulations and correct actuarial techniques. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of some associated companies representing approximately 7% of the total assets, have been audited by other auditors who provided us with their report thereon. Our opinion, expressed herein, with respect to the figures relating to such company is based, inter alia, on the audit performed by other auditors.

Reference should be made to the report issued by us on April 7th, 2004 for our opinion on the prior year figures which are presented for comparative purposes as required by law.

3. In our opinion, the financial statements of Vittoria Assicurazioni S.p.A. as at and for the year ended December 31st, 2004 comply with the Italian regulations governing their preparation; therefore they are clearly stated and give a true and fair view of the financial position and results of the company.

4. The company holds controlling interests in a number of companies and, in accordance with current legislation, has prepared consolidated financial statements. Such statements are presented in addition to its own financial statements in order to furnish adequate information on the financial position and results of both the company and the group. We have audited the consolidated financial statements and these (with our audit report thereon) are presented together with the statutory financial statements.

Milan, April 4th, 2005

BDO Sala Scelsi Farina
Società di Revisione per Azioni

Signed by: Paolo Scelsi



ASSOCIAZIONE PER LA CONSULENZA E LA RICERCA ATTUARIALE

Prof. Paolo De Angelis
Dott. Giuseppe Cerati

Dott. Paolo Nicoli
Dott. Fabio Baione

Dott. Andrea Fortunati

Convenzionata con lo Studio Attuariale Visintin & Associati

Via Refi. 4 - 34122 TRIESTE Tel./Fax +39 040 36.17.03 / Corso Matteotti, 8 - 20121 MILANO Tel./Fax +39 02 76.31.70.40

REPORT OF THE ACTUARY

IN ACCORDANCE WITH ART. 62, OF LEGISLATIVE DECREE NO. 174 OF MARCH 17th 1995 AND
ARTICLE 73 OF LEGISLATIVE DECREE NO. 175 OF MARCH 17th 1995 AS REPLACED BY LETTER R) OF ARTICLE
79 AND LETTER I) OF ARTIVLE 80 OF LEGISLATIVE DECRRE NO. 173/1997

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

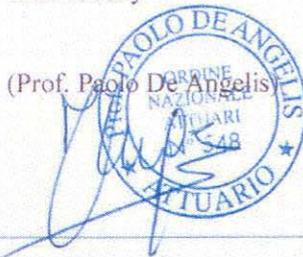
Rome, April 4th 2005

OBJECT: VITTORIA ASSICURAZIONI S.p.A.
Financial Statements as at and for the year ended December 31st 2004

1. In accordance with my engagement, I have carried out an actuarial audit of the captions relating to the technical reserves 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 2004, in order to express my opinion on the adequacy of the above technical reserves in accordance with the relevant laws and regulations and correct actuarial practices in compliance with the guidelines set out in article 2 of ISVAP regulation no. 845 of April 1st 1998.
2. In my opinion, the technical reserve – non-life business- of VITTORIA ASSICURAZIONI S.p.A at December 31st 2004 taken as a whole, are sufficient in accordance with relevant law and regulations and correct actuarial practices in compliance with the guidelines set out in article 2 of the above ISVAP regulation.
3. In my opinion, the technical reserves – life business – of VITTORIA ASSICURAZIONI S.p.A at December 31st 2004 taken as a whole, are sufficient in accordance with relevant laws and regulations and correct actuarial practices in compliance with the guidelines set out in article 2 of the above ISVAP regulation.

The Actuary

(Prof. Paolo De Angelis)



A.C.R.A.

ASSOCIAZIONE PER LA CONSULENZA E LA RICERCA ATTUARIALE

Via Nizza n. 63 - 00198 Roma Tel. 0684242534 Fax 0685865685
Partita IVA n. : 06920691000
C. Fiscale n. : 06920691000

SUMMARISED RESOLUTIONS OF THE SHAREHOLDERS' MEETING

On 29 April 2005, the shareholders of Vittoria Assicurazioni S.p.A. regularly met for the ordinary meeting.

The shareholders:

- after reading the report of the board of statutory auditors, approved the directors' report, the 2004 financial statements and the distribution of a dividend of Euro 0.14 to each of the 30,000,000 outstanding shares;
- increased the number of directors to 16 and appointed Mr. Giuseppe SPADAFORA as a new director. Meanwhile, they established new fees to the board of directors, pursuant to article 15 of the company's by-laws.

Company's development from incorporation

YEAR	PREMIUS				Technical reserves		Capital income net of charges	Monetary revaluation reserves	Net profit	Equity reserves	Share capital fully paid-up
	Gross	Ceded	Retained	and payable amounts net of reinsurance	Investments						
1922	6	4	2	1	1	0	-	0	-	3	
1930	6	3	3	2	4	0	-	0	0	3	
1940	14	6	8	7	15	1	-	0	1	6	
1950	424	165	259	176	301	14	61	3	8	62	
1960	1,581	353	1,227	1,685	2,061	104	-	63	222	258	
1970	4,525	844	3,681	6,800	5,814	319	-	25	425	258	
1975	10,092	1,693	8,399	12,943	11,186	632	1,046	1	1,099	258	
1980	24,693	5,436	19,257	30,174	22,649	2,140	271	718	2,979	1,033	
1981	29,966	6,027	23,939	35,829	27,719	2,852	13	768	3,563	1,291	
1982	36,270	7,985	28,285	41,685	39,726	4,466	4,912	702	4,153	1,291	
1983	42,780	9,745	33,035	48,221	48,182	5,221	4,912	728	4,687	1,291	
1984	49,449	9,558	39,891	59,481	58,277	7,263	4,912	1,244	5,122	1,291	
1985	57,175	10,124	47,051	74,108	76,515	8,150	4,912	3,119	6,023	1,291	
1986	64,856	11,961	52,894	88,726	91,824	9,773	4,912	4,779	8,626	1,291	
1987	76,060	8,128	67,932	104,268	119,538	11,123	4,912	4,847	20,376	5,165	
1988	86,712	9,068	77,644	121,473	136,094	13,809	3,880	4,985	23,480	6,197	
1989	98,217	10,598	87,619	140,330	155,311	14,695	3,880	5,206	27,918	6,197	
1990	112,689	11,074	101,616	168,239	198,395	18,440	781	4,704	43,691	15,494	
1991	134,123	16,245	117,877	205,814	233,988	23,271	4,266	3,188	45,490	15,494	
1992	154,447	19,140	135,307	244,818	260,910	27,683	3,931	4,168	45,731	15,494	
1993	165,536	25,865	139,671	282,544	305,133	32,111	3,911	4,155	47,126	15,494	
1994	178,889	23,968	154,921	329,168	352,350	29,155	3,911	4,147	48,638	15,494	
1995	197,690	17,744	179,946	392,946	393,862	35,550	3,911	4,220	50,146	15,494	
1996	221,584	20,185	201,399	467,309	460,189	39,109	3,911	4,264	51,595	15,494	
1997	249,580	20,195	229,385	553,201	550,231	36,523	3,911	4,665	51,965	15,494	
1998	289,033	54,849	234,184	614,684	653,252	44,466	3,911	6,322	54,012	15,494	
1999	339,363	67,464	271,899	700,653	762,096	41,342	3,911	8,400	57,562	15,494	
2000	391,485	79,638	311,847	818,799	898,521	34,209	3,911	6,835	63,038	15,494	
2001	386,400	77,879	308,521	884,849	978,279	19,300	3,911	10,744	52,289	30,000	
2002	407,054	83,605	323,449	934,347	1,027,554	21,975	3,911	12,806	59,733	30,000	
2003	457,564	95,129	362,435	1,005,640	1,114,418	46,385	3,911	15,147	68,939	30,000	
2004	519,268	94,965	424,303	1,115,862	1,234,421	47,511	3,911	17,779	80,186	30,000	