

# Vittoria Assicurazioni

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

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

## Consolidated interim financial report at 31 March 2014

Board of Directors' meeting  
of 12 May 2014

(Translation from the Italian original which remains the definitive version)



# Table of contents

	Page
Company bodies and officers	4
Form and contents of report	6
Accounting policies	6
Interim management report	7
Summary of key performance indicators	8
Vittoria Assicurazioni Group and consolidation scope	9
<hr/>	
<u>Directors' Report</u>	<u>11</u>
Performance of the Vittoria Assicurazioni Group	11
Review of operations	14
Premiums	14
Life business	16
Premiums	16
Claims, accrued capital sums and annuities, and surrenders	16
Reinsurance	16
Non-Life business	17
Premiums and technical performance	17
Claims	17
Reinsurance	19
Commercial organisation	19
Products	20
Technical reserves	21
Overhead costs	22
Operating costs	23
Employees	23
Investments – cash & cash equivalents - property	24
Investments for which Group bears risk	24
Change in financial assets	25
Property	26
Investments benefiting Life policy holders who bear risk and those connected with pension fund management	27
Financial liabilities	28
Gains and losses on investments	29
Other revenues	29
Equity	30
Significant events occurring after quarter-end	30
Consolidated interim financial statements	31
Income statement	32
Statement of comprehensive income	33
Income statement by business and business line	34
Detail of insurance technical items	35
Declaration of Corporate Financial Reporting Manager	36

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**BOARD OF DIRECTORS**

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Luigi GUATRI Giorgio Roberto COSTA	Honorary President Chairman
Andrea ACUTIS Carlo ACUTIS	Executive Deputy Chairman Executive Deputy Chairman
Roberto GUARENA	Managing Director
Adriana ACUTIS BISCARETTI di RUFFIA	Director
Francesco BAGGI SISINI	Independent director
Marco BRIGNONE	Independent director
Fulvia FERRAGAMO VISCONTI	Independent director
Bernd GIERL	Independent director
Lorenza GUERRA SERÀGNOLI	Independent director
Pietro Carlo MARSANI	Independent director
Giorgio MARSIAJ	Independent director
Lodovico PASSERIN d'ENTREVES	Independent director
Luca PAVERI FONTANA	Director
Giuseppe SPADAFORA	Independent director
Anna STRAZZERA	Independent director
Mario RAVASIO	Secretary

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**BOARD OF STATUTORY AUDITORS**

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Alberto GIUSSANI	President
Giovanni MARITANO Francesca SANGIANI	Standing statutory auditor Standing statutory auditor
Michele CASO' Maria Filomena TROTTA	Substitute statutory auditor Substitute statutory auditor

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**GENERAL MANAGEMENT**

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

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**INDEPENDENT AUDITOR**

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Deloitte & Touche S.p.A.

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#### APPOINTMENTS AND REMUNERATION COMMITTEE

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

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#### INTERNAL CONTROL COMMITTEE

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Pietro Carlo MARSANI	Independent non-executive president
Luca PAVERI FONTANA	non-executive member
Giuseppe SPADAFORA	Independent non-executive member

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#### FINANCE COMMITTEE

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

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#### REAL ESTATE COMMITTEE

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

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#### RELATED PARTIES COMMITTEE

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

## Form and contents of report

This report is prepared in accordance to IFRS/IAS and is compliant to Article 154/3 of d.lgs. no. 58/1998.

It consists of a directors' report, which comments on the group's performance and the main events in the period, the interim financial statements ruled by the Isvap (now Ivass) Regulation no.7/2007 and related notes.

All insurance technical data, shown in the various tables in the report on operating performance, refer to Vittoria Assicurazioni S.p.A., which is the Group's only insurance company.

## Accounting policies

The rules for preparation and the accounting policies applied for the consolidated for this interim management report are the same as those used for annual consolidated financial statements. Readers should therefore refer to the "Accounting Policies" section of the Consolidated Annual Report for the year ended on 31 December 2013. Given, however, the faster preparation required than in the case of annual financial statements and the fact that this is an interim report, use has been made – consistently with the period's operating data – of appropriate estimation methods.

## Other information

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

# Interim management report

## Summary of key performance indicators

€/million					
SPECIFIC SEGMENT RESULTS					
	31/03/2014	31/03/2013	31/12/2013	Δ 31/03/13	Δ 31/12/13
<b>Non Life business</b>					
Gross Premiums written - direct Non Life business	242.8	229.3	982.7	5.9	
Non Life business pre-tax result	29.0	24.3	113.8	19.5	
(1) Loss Ratio - retained	63.9%	65.4%	65.7%	(1.5)	
(2) Combined Ratio - retained	90.3%	92.1%	90.7%	(1.8)	
(3) Expense Ratio - retained	26.1%	26.5%	24.5%	(0.4)	
<b>Life business</b>					
Gross Premiums written - direct Life business	57.5	32.1	167.1	79.1	
Life business pre-tax result	2.1	3.1	4.9	(32.3)	
(4) Annual Premium Equivalent (APE)	8.3	4.2	23.9	97.6	
Segregated funds portfolios	708.1	658.2	721.4		(1.8)
Index/Unit - linked and Pension funds portfolios	67.5	62.1	65.5		3.1
Segregated fund performance: Rendimento Mensile	3.89%	3.20%	3.91%		
Segregated fund performance: Valore Crescente	4.28%	4.65%	4.40%		
<b>Total Agencies</b>	<b>402</b>	<b>378</b>	<b>401</b>	<b>6.3</b>	<b>0.2</b>
<b>Average of employees</b>	<b>592</b>	<b>575</b>	<b>581</b>	<b>3.0</b>	<b>2.0</b>
<b>Real Estate business</b>					
Sales	7.4	0.4	27.1	n.s.	
Trading and development margin	1.6	0.1	1.1	n.s.	
Real Estate business pre-tax result	-2.0	-3.0	-10.7	(33.3)	
CONSOLIDATED RESULTS					
	31/03/2014	31/03/2013	31/12/2013	Δ 31/03/13	Δ 31/12/13
Total investments	2,971.9	2,626.1	2,787.5		6.6
Net gains on investments	16.3	14.6	64.4	11.9	
Pre-tax result	29.7	25.2	107.4	17.7	
Consolidated profit (loss)	19.0	15.4	54.0	23.2	
Group profit (loss)	18.9	15.8	53.5	20.0	
Equity attributable to the shareholders of the parent	573.7	456.2	506.4		13.3
Equity attributable to the shareholders of the parent net of unrealised capital gains	472.0	426.6	453.1		4.2

### Legend

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

Technical data are determined in accordance with Italian accounting principles.

## Vittoria Assicurazioni Group and consolidation scope

### Consolidated investments

As at 31 March 2014 the following companies have been consolidated on a line-by-line basis:

	Registered Offices	Share Capital Euro	% Ownership		Via
			Direct	Indirect	
Vittoria Assicurazioni S.p.A.	Milan	67,378,924			
Vittoria Immobiliare S.p.A.	Milan	60,000,000	100.00		
Immobiliare Bilancia S.r.l.	Milan	6,650,000	100.00		
Immobiliare Bilancia Prima S.r.l.	Milan	3,000,000	100.00		
Vittoria Properties S.r.l.	Milan	8,000,000	100.00		
Vittoria Service S.r.l.	Milan	100,000	100.00		
Interbilancia S.r.l.	Milan	80,000	80.00	20.00	Vittoria Immobiliare S.p.A.
Acacia 2000 S.r.l.	Milan	150,000		70.00	Vittoria Immobiliare S.p.A.
Gestimmobili S.r.l.	Milan	104,000		80.00	
Interimmobili S.r.l.	Rome	104,000		80.00	
V.R.G. Domus S.r.l.	Turin	800,000		100.00	
Vaimm Sviluppo S.r.l.	Milan	2,000,000		100.00	
Valsalaria S.r.l.	Rome	60,000		51.00	
Aspevi Milano S.r.l.	Milan	100,000		100.00	Interbilancia S.r.l.
Aspevi Roma S.r.l.	Milan	50,000		100.00	
Plurico S.r.l.	Milan	10,000		70.00	
Consorzio Servizi Assicurativi	Milan	312,000		48.08	Aspevi Roma S.r.l.
				8.01	Aspevi Milano S.r.l.
				8.01	Plurico S.r.l.

### Changes in shareholdings or other changes during the period

#### Immobiliare Bilancia Terza S.r.l. in liquidation

On 24 February 2014, the voluntary liquidation of the company came to an end, with the removal from company register.

#### Acacia 2000 S.r.l.

On 28 February 2014, Vittoria Immobiliare purchased 5% of the shares of the subsidiary Acacia 2000 S.r.l., for €3.450 thousand increasing its stake to 70%.

In the quarter, were completed operations of subscription of the first tranche of the Share Capital Increase of nominal value €50 thousand with a premium of €14,950 thousand, resolved by Shareholders' Meeting on 24 December 2014.

#### V.R.G. Domus S.r.l.

In January Vittoria Immobiliare S.p.A. signed the last tranche of the capital increase of the subsidiary V.R.G. Domus S.r.l. for a total amount of €4,000 thousand, of which €400 thousand of share capital increase and €3,600 thousand of premium share.

#### Consorzio Servizi Assicurativi

On 21 February 2014 the Meeting of Consorzio Servizi Assicurativi resolved the entry of new partners, increasing the consortium fund to €312 thousand.

## Unconsolidated investments valued with the net equity method

At 31 March 2014 the following companies were carried at equity:

	Registered Offices	Share Capital Euro	% Ownership		Via
			Direct	Indirect	
S.In.T S.p.A.	Turin	900,000	48.19		
Yarpa S.p.A.	Genoa	38,201,600	27.31		
Touring Vacanze S.r.l.	Milan	12,900,000	37.00		
Consorzio Movincom S.c.r.l.	Turin	103,600	28.97		
Movincom Servizi S.p.A.	Turin	4,500,000	46.65		
Spefin Finanziaria S.p.A.	Rome	2,000,000		21.00	Vittoria Service S.r.l.
Rovimmobiliare S.r.l.	Rome	20,000		50.00	Vittoria Immobiliare S.p.A.
Mosaico S.p.A.	Turin	500,000		45.00	
Pama & Partners S.r.l.	Genoa	1,200,000		25.00	
Fiori di S. Bovio S.r.l.	Milan	30,000		40.00	
Valsalaria A.11 S.r.l.	Rome	33,715		40.00	
VP Sviluppo 2015 S.r.l.	Milan	1,000,000		40.00	
VZ Real Estate S.r.l.	Turin	100,000		49.00	

## Changes in shareholdings or other changes during the period

No changes occurred during the period.

# Directors' Report

## Performance of the Vittoria Assicurazioni Group

Results as of 31 March 2014 (1Q14), which is exposed in the Income Statement on page 32, show profit attributable to parent company shareholders amounting to €18,943 thousand vs. €15,786 thousand in the same period in 2013 (1Q13) (+20.0%).

The following table shows the contributions of the Group's various businesses to net profit.

Reclassified Profit and Loss by business segment	(€/000)			
	31/03/14	31/03/13	31/12/13	Δ
Non life business - Gross Insurance Result (excluding investments result)	21,237	16,816	84,322	+26.3%
Non life business - Gross Investments Result (excluding Yam and Private Equity)	7,570	7,528	29,523	+0.6%
Life business - Gross Insurance Result (including Investments Result)	2,070	3,059	4,915	-32.3%
<b>Gross Insurance business Result</b>	<b>30,877</b>	<b>27,403</b>	<b>118,760</b>	<b>+12.7%</b>
Consolidation adjustments: dividends and interests from Real estate business	16	(4)	(771)	n.s.
Real estate business: taxes	(10,913)	(10,099)	(54,789)	+8.1%
<b>Insurance business net contribution to Profit attributable to parent company shareholders</b>	<b>19,980</b>	<b>17,300</b>	<b>63,200</b>	<b>+15.5%</b>
Gains on property trading	1,629	142	1,103	+1,047.2%
Real estate service revenues	451	163	2,345	+176.7%
Real estate business net costs	(4,078)	(3,332)	(14,163)	+22.4%
<b>Gross Real estate business Result</b>	<b>(1,998)</b>	<b>(3,027)</b>	<b>(10,715)</b>	<b>-34.0%</b>
Elimination from consolidation: gains	0	0	(1,778)	n.s.
Taxes and minority interests	500	1,027	1,989	-51.3%
<b>Net Real estate business Result</b>	<b>(1,498)</b>	<b>(2,000)</b>	<b>(10,504)</b>	<b>-25.1%</b>
Net profit attributable to Life business Policyholders	550	859	3,517	-36.0%
Tax on profit attributable to Life business Policyholders	(186)	(367)	(1,374)	-49.3%
<b>Real estate business net contribution to Profit attributable to parent company shareholders</b>	<b>(1,134)</b>	<b>(1,508)</b>	<b>(8,361)</b>	<b>-24.8%</b>
Private equity net contribution to Profit attributable to parent company shareholders	201	(78)	(93)	n.s.
Service business net contribution to Profit attributable to parent company shareholders	(104)	72	(1,216)	n.s.
<b>Net Profit attributable to parent company shareholders</b>	<b>18,943</b>	<b>15,786</b>	<b>53,530</b>	<b>+20.0%</b>
Other Comprehensive Income (Loss) net of tax	48,294	(1,685)	22,314	n.s.
<b>Comprehensive Income attributable to parent company shareholders</b>	<b>67,237</b>	<b>14,101</b>	<b>75,844</b>	<b>+376.8%</b>

Insurance segment result, gross of taxes and intersegment eliminations, amounted to €30,877 thousand (€27,403 thousand at 31 March 2013, increasing by +12.7%).

Non-Life retained combined ratio passed from 92.1% in 1Q13 to the actual 90.3%. In more detail:

- Non Marine lines of business registered a negative performance for the higher incidence of serious claims, improving over the same period of the previous year thanks, in part, to an increase in premiums written (+13.4%);
- Motor lines of business show a positive trend, with premiums written increasing by 4.0%, although this is less than the growth posted for the same period of the previous year (+6.3%);
- Specialty lines of business registered a negative technical result, improving over the same period of the previous year, linked to the actual scenario of economic crisis.

The Group's comprehensive income statement, which also considers gains or losses recognized directly in equity as at 31 March 2014 shows an income of €67,237 thousand vs. €14,101 thousand recorded as at 31 March 2013, which benefited from securities portfolio's significant recover.

Group equity was €573,686 thousand, up by +13.3% compared with €506,449 thousand at 31 December 2013. This increase reflects the result of the period and the increase of earnings-related reserves on investments classified as Financial assets available for sale.

Premiums written at 31 March 2014 amounted to €300,345 thousand (€261,454 thousand at 31 March 2013), up by +79.1% in the life business and by 5.9% in the non-life business, amounting to an overall increase of 14.9%. The growth is due to the consolidation of the results of the agents' network.

The real estate segment shows a pre-tax loss of €1,998 thousand, vs. a pre-tax loss of €3,027 thousand in the same period of the previous year. The profit margin on notarial deeds of sale signed at 31 March 2014 was €1,629 thousand, compared with €142 thousand at 31 March 2013.

Of investments totaling €2,971,926 thousand (+6.6%) compared with 31 December 2013, €67,488 thousand (+3.1%) related to investments with risk borne by policyholders and €2,904,438 thousand (+6.7%) to investments with risk borne by the Group.

Net income from investments with risk borne by the Group amount to €16,287 thousand, compared with €14,551 thousand in the previous period (+11.9%).

As up to 31 March 2014 the direct operating parent company, Vittoria Assicurazioni SpA, showed a net profit – based on Italian GAAPs – of €19,865 thousand (vs. €17,477 thousand in 1Q13) increasing by 13.7%.

Given the expected FY13 Group results, we feel that we should confirm the targets previously communicated.

## Insurance business

Income statement by business and business line reports for the insurance business, before taxes and intersegment eliminations, a result equal to €31,078 thousand (€27,325 thousand in 1Q13). The key operating items contributing to the period's result are described below.

Total insurance premiums in 1Q14 amounted to €300,583 thousand (+14.9% vs. premiums of €261,709 thousand in 1Q13), of which €300,345 thousand for insurance premiums written and €238 thousand for unit-linked investment contracts and for the Vittoria Formula Lavoro open-ended pension fund.

Direct Life insurance premiums – which do not include contracts considered to be financial instruments – featured an increase of 79.1% vs. premiums in 1Q13.

Direct Non-Life (i.e. property & casualty) insurance premiums increased by 5.9%, specifically:

- Motor premiums progressed by 4.0%;
- Premiums for other non-marine insurance increased by 13.4%;
- Premiums for specialty categories [i.e. marine & transport, aviation, and credit & suretyship] decreased by 14.1%.

Overhead costs as a percentage of total direct insurance premiums were 7.8% (vs. 8.7% in 1Q13).

The Non-Life combined ratio and loss ratio on the retained business (based on Italian GAAPs), as at 31 March 2014, were respectively 90.3% and 63.9%. (92.1% and 65.4% as at 31 March 2013).

## Real estate business

The loss made by the real estate business, before taxes and intersegment eliminations, amounted to €1,998 thousand (loss of €3,027 thousand in 1Q13) and featured contributors to the income statement that, before intersegment eliminations, included:

- Income earned on properties from trading and development totalling €1,629 thousand (€142 thousand in 1Q13);
- Revenues from real estate brokerage and management services of €614 thousand and rental income of €163 thousand (€163 thousand and €145 thousand respectively in 1Q13);
- Financial expenses of €1,628 thousand (€940 thousand in 1Q13).

The Group's real estate business includes trading and development, brokerage, and management of own and third-party property.

## Service business

This segment showed a loss in the period, before tax and minority interest, of €18 thousand (profit of €57 thousand in 1Q13).

Revenues for services rendered in 1Q14 by Group companies, before elimination of infra-group services, amounted to €1,779 thousand (€1,925 thousand in 1Q13). These revenues included €1,587 thousand for commissions and services rendered to the direct operating parent company (€1,883 thousand in 3Q13).

## Review of operations

Premiums as up to 31 March 2014 amounted to €300,345 thousand. Portfolio breakdown and the changes occurring by business segment and branch are shown in the following table:

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

	31/03/2014	31/03/2013	YoY change %	% of total book	
		0		2014	2013
<b>Domestic direct business</b>					
<b>Life business</b>					
I Whole- and term life	53,843	28,971	85.9	18.0	11.1
IV Health (long-term care)	142	163	-12.9	-	0.1
V Capitalisation	3,471	2,955	17.5	1.2	1.1
<b>Total Life business</b>	<b>57,456</b>	<b>32,089</b>	<b>79.1</b>	<b>19.2</b>	<b>12.3</b>
<b>Non-Life business</b>					
<b>Total non-marine lines (exc. specialty and motor)</b>	<b>61,053</b>	<b>53,846</b>	<b>13.4</b>	<b>20.3</b>	<b>20.7</b>
<b>Total specialty lines</b>	<b>3,245</b>	<b>3,777</b>	<b>-14.1</b>	<b>1.1</b>	<b>1.4</b>
<b>Total motor lines</b>	<b>178,551</b>	<b>171,695</b>	<b>4.0</b>	<b>59.4</b>	<b>65.6</b>
<b>Total Non-Life business</b>	<b>242,849</b>	<b>229,318</b>	<b>5.9</b>	<b>80.8</b>	<b>87.7</b>
<b>Total direct business</b>	<b>300,305</b>	<b>261,407</b>	<b>14.9</b>	<b>100.0</b>	<b>100.0</b>
<b>Domestic indirect business</b>					
<b>Non-Life business</b>	40	47	-14.9	0.0	0.0
<b>Total indirect business</b>	<b>40</b>	<b>47</b>	<b>-14.9</b>	<b>0.0</b>	<b>0.0</b>
<b>Grand Total</b>	<b>300,345</b>	<b>261,454</b>	<b>14.9</b>	<b>100.0</b>	<b>100.0</b>

Revenues not qualified as premiums as defined by IFRS 4 (Unit Linked contracts and those relating to the Vittoria Formula Lavoro open-ended pension fund) amounted to €238 thousand (€255 thousand in 1Q13).

The table below shows the geographical spread of agencies and geographical breakdown of premiums for Italian direct business:

Regions	Agencies	Non-Life Business		Life Business	
		Premiums	%	Premiums	%
(€/000)					
<b>NORTH</b>					
Emilia Romagna	36	17,417		2,796	
Friuli Venezia Giulia	4	1,954		335	
Liguria	16	10,720		1,294	
Lombardy	103	53,954		23,217	
Piedmont	46	19,257		1,776	
Trentino Alto Adige	7	2,488		781	
Valle d'Aosta	1	770		131	
Veneto	36	14,250		1,805	
<b>Total</b>	<b>249</b>	<b>120,810</b>	<b>49.7</b>	<b>32,135</b>	<b>55.9</b>
<b>CENTRE</b>					
Abruzzo	12	12,106		1,485	
Lazio	26	23,701		7,769	
Marche	17	8,578		628	
Tuscany	44	26,715		3,688	
Umbria	14	11,652		1,682	
<b>Total</b>	<b>113</b>	<b>82,752</b>	<b>34.1</b>	<b>15,252</b>	<b>26.5</b>
<b>SOUTH AND ISLANDS</b>					
Basilicata	3	2,183		145	
Calabria	2	1,336		14	
Campania	8	8,778		782	
Molise	2	611		22	
Puglia	6	7,137		8,515	
Sardinia	9	8,594		118	
Sicily	10	10,648		473	
<b>Total SOUTH AND ISLANDS</b>	<b>40</b>	<b>39,287</b>	<b>16.2</b>	<b>10,069</b>	<b>17.5</b>
<b>Total ITALY</b>	<b>402</b>	<b>242,849</b>	<b>100.0</b>	<b>57,456</b>	<b>100.0</b>
<b>Total</b>	<b>402</b>	<b>242,849</b>	<b>100.0</b>	<b>57,456</b>	

## Life business

### Premiums

Direct insurance business premiums recognised for the period totalled €57,456 thousand (€32,089 thousand in 1Q13), split as follows:

	31/03/2014	31/03/2013	YoY change %	% of total book 2014	2013
Recurring premiums	10,370	9,389	10.5	18.0	29.3
Annual premiums	47,086	22,700	107.4	82.0	70.7
<b>Total Life business</b>	<b>57,456</b>	<b>32,089</b>	<b>79.1</b>	<b>100.0</b>	<b>100.0</b>

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

The comparison relating to settlements in the quarter is shown in the following table:

	31/03/2014	31/03/2013	YoY change %
Claims	6,130	5,530	10.9
Accrued capital sums & annuities	10,112	9,731	3.9
Surrenders	12,002	10,202	17.6
<b>Total</b>	<b>28,244</b>	<b>25,463</b>	<b>10.9</b>

### Reinsurance

#### Outward reinsurance

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

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

In 1Q14 ceded premiums amounted to €309 thousand (€647 thousand in 1Q13).

#### Inward reinsurance

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

## Non-Life business

### Premiums and technical performance

Direct premiums written at 31 March 2014 amounted to €242,849 thousand (€229,318 thousand in the same period of previous year) and featured an increase of 5.9% YoY.

The technical performance of the individual Businesses prompts the following observations:

#### Non-Life - non-marine (exc. specialty and motor)

Non-life non-marine policy premiums posted an increase of 13.4% (18.3% in 3Q13), with a negative technical performance for the higher incidence of serious claims, but an improvement compared to the same period of the previous year.

#### Non-Life - specialty

Premiums in the Specialty Business category decreased by 14.1% (+5.2% in 1Q13). The technical result was negative, improving over the same period of the previous year.

#### Non-Life - motor

Premiums in Motor Insurance business rose by 4.0% (6.3% in 1Q13).

The technical result was positive, with a further improvement compared to 31 March 2013.

## Claims

### Reported claims

The following table of claims was prepared by counting the claims filed during the examined period. The data are compared with those of the same period of the previous year:

	(€/000)					
	31/03/14		31/03/13		Change %	
	number	total cost	number	total cost	number	total cost
Total non-motor businesses	11,655	34,929	10,972	29,625	6.2	17.9
Total Special businesses	432	5,044	554	1,733	-22.0	191.1
Total motor businesses	46,193	130,225	40,059	98,099	15.3	32.7
<b>Total non-life businesses</b>	<b>58,280</b>	<b>170,198</b>	<b>51,585</b>	<b>129,457</b>	<b>13.0</b>	<b>31.5</b>

Furthermore, no. 22,633 claims referring to "CARD claims" were received. Their total cost, net of applicable deductibles, was €19,288 thousand.

## Claims paid

The following table shows claims paid for direct business and the amount charged to reinsurers, with the data broken down by the period to which claims refer:

(€/000)

	Claims paid 31/03/14			Claims recovered from reinsurers	Claims paid 31/03/13			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reins. %
	Current year	Previous years	Total		Current year	Previous years	Total			
Total non-motor businesses	2,380	21,752	24,132	3,286	2,172	20,814	22,986	2,016	5.0	63.0
Total Special businesses	151	2,540	2,690	810	24	1,343	1,367	383	96.9	111.8
Total motor businesses	23,257	78,957	102,214	3,177	21,440	72,376	93,816	1,285	9.0	147.2
<b>Total non-life businesses</b>	<b>25,789</b>	<b>103,248</b>	<b>129,037</b>	<b>7,273</b>	<b>23,636</b>	<b>94,534</b>	<b>118,170</b>	<b>3,684</b>	<b>9.2</b>	<b>97.5</b>

The cost includes the amount incurred in the period for the contribution to the guarantee fund for road-accident victims. This totalled €3,586 thousand vs. €3,438 thousand at 31 March 2013.

## Claims settlement speed

The following table illustrates how quickly reported claims (by number) were paid net of claims eliminated without consequences, broken down by current generation and previous generation in reference to the principal Businesses:

(percentages)

	current generation		previous generations	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Accident insurance	12.46	11.88	26.86	26.35
Health insurance	45.95	50.11	25.12	34.49
Motor vehicle hulls	56.62	56.44	53.58	52.84
Fire and natural events	35.37	29.89	44.99	46.49
Miscellaneous damages - theft	37.47	39.51	60.04	59.97
Third-party motor liability	51.09	51.83	27.88	30.07
Third-party general liability	29.84	22.98	14.90	14.49

## Reinsurance

### Outward reinsurance

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

The main existing treaties relate to:

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

Ceded premiums in 1Q14 totalled €7,001 thousand (€6,682 thousand at 31 March 2013).

### Inward reinsurance

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

## Commercial organisation

During the period, 2 new agencies were opened, other 9 were reorganised and 1 was closed. As a result, the parent company was domestically represented by 402 general agencies (378 at 1Q13) and 783 professional sub-agencies (670 at 1Q13).

## Products

The actions taken on revamping of exiting products during the 1Q14 are outlined below:

### **Non-Life business:**

In the Motor Business, from the 1st February 2014, were reviewed Motor TPL tariff and TPL tariff dedicated to the camper.

With regards to non-Marine Line:

- from 9 January 2014 was introduced the the geographical tariff of the following products:
  - Overall accident;
  - Daily allowance for hospitalization.
  
- Moreover, from 9 January 2014, was revamped the geographical tariff of the following products:
  - Multirisk for home and family;
  - Multirisk for shopping center;
  - Multirisk Companies and Craftsmen;
  - Multirisk Offices and Professionals;
  - Multirisk for farms;
  - All the risks solar energy;
  - Buildings insurance;
  - Multirisk for hotels;
  - Accident insurance to the family;
  - Refund health care costs elite.
  
- From 27 March 2014, were been carried out technical measures on the following products:
  - Multirisk for shopping center;
  - Multirisk Companies and Craftsmen.

### **Life business:**

The activities taken during the 1Q14 were focused on the following points:

- annual update pursuant to CONSOB rules (2 capital redemption products and 1 unit-linked product);
- annual update pursuant to COVIP rules (Individual Pension Plan and Open Pension Fund).

## Technical reserves

Technical reserves, gross of reinsurers' share, were as shown in the following table:

(€/000)						
	Direct business		Indirect business		Total carrying amount	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013	31/03/2014	31/12/2013
<b>Non-life reserves</b>	<b>1,312,442</b>	<b>1,286,528</b>	<b>851</b>	<b>850</b>	<b>1,313,293</b>	<b>1,287,378</b>
Premium reserve	363,533	360,887	41	40	363,574	360,927
Claims reserve	948,500	925,232	810	810	949,310	926,042
Other reserves	409	409	-	-	409	409
<b>Life reserves</b>	<b>876,689</b>	<b>859,849</b>	<b>4,633</b>	<b>4,633</b>	<b>881,322</b>	<b>864,482</b>
Reserve for payable amounts	21,596	21,999	12	12	21,608	22,011
Mathematical reserves	837,152	805,068	4,619	4,619	841,771	809,687
Other reserves	17,941	32,782	2	2	17,943	32,784
<b>Total technical reserves</b>	<b>2,189,131</b>	<b>2,146,377</b>	<b>5,484</b>	<b>5,483</b>	<b>2,194,615</b>	<b>2,151,860</b>

The Non-Life "Other reserves" item consists of the ageing reserve of the Health line.

The Life "Other reserves" item mainly refers to:

- €8,270 thousand for the reserve for deferred liabilities to policyholders (of which €13,383 thousand stemming from measurement at fair value of available-for-sale securities and €-5,113 thousand by provisioning made against subsidiaries' profit allocated to segregated accounts);
- €9,521 thousand for the operating expenses reserve.

Reinsurers' share of technical reserves is detailed in the following table:

(€/000)						
	Direct business		Indirect business		Total carrying amount	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013	31/03/2014	31/12/2013
<b>Non-life reserves</b>	<b>62,914</b>	<b>66,729</b>	<b>270</b>	<b>270</b>	<b>63,184</b>	<b>66,999</b>
Premium reserve	15,559	15,901	-	-	15,559	15,901
Claims reserve	47,355	50,828	270	270	47,625	51,098
<b>Life reserves</b>	<b>6,035</b>	<b>6,164</b>	<b>-</b>	<b>-</b>	<b>6,035</b>	<b>6,164</b>
Mathematical reserves	6,006	6,136	-	-	6,006	6,136
Other reserves	29	28	-	-	29	28
<b>Total reinsurers' share of technical reserves</b>	<b>68,949</b>	<b>72,893</b>	<b>270</b>	<b>270</b>	<b>69,219</b>	<b>73,163</b>

## Overhead costs

### Insurance Business

#### Overhead costs – direct business

The total amount of insurance overhead costs – consisting of personnel costs, various general expenses, plus depreciation of tangible assets and amortisation of intangible assets – rose to €23,373 thousand vs. €22,722 thousand at 31 March 2013, increasing by 2.9%.

Besides current operating expenses, these costs also include depreciation & amortisation costs for investments made in IT facilities and processes. These investments are intended to limit, in future years, the operating costs burdening corporate departments and the agency network, whilst at the same time improving services to policyholders as regards insurance coverage and claims settlement. Their breakdown is shown in the following table, where “Other costs” consist mainly of office running costs, IT costs, legal and legal-entity expenses, mandatory contributions, and association membership dues.

(€/000)			
<b>ANALYSIS OF COSTS</b>	<b>31/03/2014</b>	31/03/2013	<b>Change</b>
Personnel expenses	11,679	11,188	4.4%
Other costs	7,996	7,729	3.5%
Amortisation/Depreciation	3,698	3,805	-2.8%
<b>Total cost by nature</b>	<b>23,373</b>	<b>22,722</b>	<b>2.9%</b>

The overhead costs as a percentage of totale direct insurance premiums were 7.8% (8.7% in the same period of previous year).

### Real-estate business – Service Business

The overhead costs of the Real Estate and Service businesses, before intersegment eliminations, are shown in the following tables:

(€/000)			
<b>ANALYSIS OF COSTS</b>	<b>31/03/2014</b>	31/03/2013	<b>Change</b>
Personnel expenses	993	1,013	-2.0%
Other costs	1,480	1,643	-9.9%
Amortisation/Depreciation	157	160	-1.9%
<b>Total cost by nature</b>	<b>2,630</b>	<b>2,816</b>	<b>-6.6%</b>

(€/000)			
<b>ANALYSIS OF COSTS</b>	<b>31/03/2014</b>	31/03/2013	<b>Change</b>
Personnel expenses	276	284	-2.8%
Other costs	446	362	23.2%
Amortisation/Depreciation	9	8	12.5%
<b>Total cost by nature</b>	<b>731</b>	<b>654</b>	<b>11.8%</b>

Personnel costs and general expenses are allocated to operating expenses (and specifically to “Other administrative costs”). Depreciation and amortisation costs are allocated to the “Other costs” item in the income statement.

## Operating costs

The following table shows the total amount of insurance operating costs (Non-Life and Life) as reported in the income statement by business segment:

	(€/000)		
	31/03/2014	31/03/2013	Change
Gross commissions and other acquisition costs	51,656	46,906	10.1%
Profit participation and other commissions received from reinsurers	-1,042	-1,416	-26.4%
Investment management costs	501	358	39.9%
Other administrative costs	6,066	6,315	-3.9%
<b>Total</b>	<b>57,181</b>	<b>52,163</b>	<b>9.6%</b>

Operating costs as a percentage of total direct retained insurance premiums were 19.5% (vs. 20.5% in 1Q13).

## Employees

As at 30 March 2014 Vittoria Assicurazioni and fully consolidated companies had 592 employees vs. 590 as at 31 December 2013 and 576 as at 31 March 2013.

The average number of employees on the payroll, split by contractual category and calculated on an active in-force basis, was as follows:

	31/03/2014	31/03/2013	31/12/2013
Managers	26	26	26
Officers	147	145	146
Administrative staff	419	404	409
<b>Total</b>	<b>592</b>	<b>575</b>	<b>581</b>

## Investments – Cash & cash equivalents - Property

Investments, cash & cash equivalents, and property reached a value of €2,971,926 thousand with an increase equal to +6.6% vs. 31/12/2013. The detailed breakdown is shown in the following table:

(€/000)			
INVESTMENTS - CASH AND CASH EQUIVALENTS - PROPERTY	31/03/2014	31/12/2013	Change
A Investments in subsidiaries and associates and interests in joint ventures	18,529	18,446	0.4%
B Held to maturity investments	64,155	67,307	-4.7%
Loans and receivables	68,080	67,832	0.4%
- Reinsurance deposits	4,620	4,620	
- Other loans and receivables	63,460	63,212	
C Financial assets available for sale	1,883,874	1,807,203	4.2%
- Equity investments	101,987	99,431	
- OEIC units	35,953	35,969	
- Bonds and other fixed-interest securities	1,745,934	1,671,803	
Financial assets at fair value through profit or loss	67,745	65,736	3.1%
D Financial assets held for trading	257	249	3.2%
- Bonds and other fixed-interest securities held for trading	257	249	
E Financial assets at fair value through profit or loss	67,488	65,487	3.1%
- Investments where policyholders bear the risk	67,488	65,487	
Cash and cash equivalents	276,442	167,120	65.4%
F Total Property	593,101	593,817	-0.1%
Investment property	88,716	89,509	-0.9%
Property	504,385	504,308	0.0%
Property under construction	268,673	269,030	
Property held for trading	115,568	114,390	
Owner-occupied property	120,144	120,888	
<b>TOTAL INVESTMENTS</b>	<b>2,971,926</b>	<b>2,787,461</b>	<b>6.6%</b>
of which			
investments where the Group bears the risk	2,904,438	2,721,974	6.7%
investments where policyholders bear the risk	67,488	65,487	3.1%

### Investments for which Group bears risk

Investments with risks borne by the Group totalled €2,904,438 thousand (€2,721,974 thousand as at 31 December 2013).

The following transactions took place during the period:

#### B) Investments held to maturity:

- redemption of bonds for €3,295 thousand.

#### C) Financial assets available for sale:

- redemption of bonds for €70,562 thousand;
- purchases of fixed rate Italian government securities for €100,690 thousand;
- concerning the closed-end Italian mutual funds managed by Yarpa Investimenti SGR S.p.A., a wholly owned subsidiary of the associate Yarpa S.p.A., were paid in €709 thousand for the funds recall;
- partial rebates units of closed-end real estate fund Cloe, managed by Pirelli RE SGR for €71 thousand;
- generated a capital gain of €466 thousand relating to the judgment by the Regional Administrative Court of Lazio to recognize a rise in the price of Camfin's takeover, from €0.80 to €0.83, which occurred during last year.

D) Financial assets held for trading:

No changes occurred during the period.

Changes in financial assets

The following table illustrates the changes recorded up through 31 March 2014 in financial assets with the risk borne by Group Companies for equity investments, bonds and other fixed-income securities, and OEIC units, and changes in the assets where the risk is borne by policyholders and related to pension funds:

(€/000)

	Held to maturity investments	Financial assets available for sale				Financial assets at fair value through profit or loss	Financial assets held for trading	Total
		Equity investments	OEIC units	Bonds and other fixed-interest securities	Total	Assets where the risk is borne by policyholders and related to pension funds	Bonds and other fixed-interest securities	
<b>Carrying amount at 31/12/2013</b>	<b>67,307</b>	<b>99,431</b>	<b>35,969</b>	<b>1,671,803</b>	<b>1,807,203</b>	<b>65,487</b>	<b>249</b>	<b>1,940,246</b>
<b>Acquisitions and subscriptions</b>				106,612	106,612	223		106,835
<b>Sales and repayments</b>	-3,295			-76,501	-76,501	-141		-79,937
<b>Other changes:</b>								
- effective interest adjustments	39			-260	-260			-221
- fair value adjustments	-	2,556	-653	51,392	53,295	238	8	53,541
- rate changes	104			-7,112	-7,112			-7,008
<b>- other changes</b>			<b>637</b>		<b>637</b>	<b>1,681</b>		<b>2,318</b>
<b>Carrying amount at 31/03/2014</b>	<b>64,155</b>	<b>101,987</b>	<b>35,953</b>	<b>1,745,934</b>	<b>1,883,874</b>	<b>67,488</b>	<b>257</b>	<b>2,015,774</b>

## F) Property

As at 31 March 2014, real estate assets totalled €593,101 thousand (essentially unchanged vs. 31 December 2013). The following table shows the breakdown and changes of these real estate assets:

	(€/000)				
	Investment Property	Property under construction	Property held for trading	Owner- occupied property	Total
<b>Balance as at 31/12/2013</b>	<b>89,509</b>	<b>269,030</b>	<b>114,390</b>	<b>120,888</b>	<b>593,817</b>
<b>Purchase and capitalised interests paid</b>					
- MILAN - Parco Vittoria (via Acacia 2000 S.r.l.)		4,649			4,649
- SAN DONATO MILANESE (MI) - (via Immobiliare Bilancia S.r.l.)		2			2
- ROME (via Valsalaria S.r.l.)		4			4
- ROME (via Immobiliare Bilancia Prima S.r.l.)			3		3
- TURIN - Barbaroux Str. - (via Vittoria Immobiliare S.p.A.)			4		4
- TURIN - Via Villafochiardo - (via Vittoria Immobiliare S.p.A.)		1			1
- GENOA - De Ferrari Sq., Conservatori del Mare Str., Orefici Str. (via Vaimm Sviluppo S.r.l.)			126		126
- MILAN - Adamello Str. (via Forum Mondadori Residenze S.r.l.)			25		25
- PESCHIERA BORROMEO (MI) - (via Vittoria Immobiliare S.p.A.)		18			18
- TURIN - Cairoli Str. (via Cadorna Real Estate S.r.l.)			5		5
- FLORENCE - Viale Michelangelo (via Immobiliare Bilancia S.r.l.)			943		943
- ROME - Meliconi Str. - (via Immobiliare Bilancia Prima S.r.l.)			72		72
- ROME - Della Vignaccia Str. - (via VRG Domus S.r.l.)		75			75
- PARMA - (via Immobiliare Bilancia I S.r.l.)		178			178
<b>Total purchase and capitalised interests paid</b>	<b>-</b>	<b>4,927</b>	<b>1,178</b>	<b>-</b>	<b>6,105</b>
<b>Sales:</b>					
- MILAN - Parco Vittoria (via Acacia 2000 S.r.l.)		(5,416)			(5,416)
- ROMA - (tramite Valsalaria S.r.l.)		(675)			(675)
- MILAN - San Donato Milanese (via Immobiliare Bilancia S.r.l.)		(1,335)			(1,335)
<b>Total sales</b>	<b>-</b>	<b>(7,426)</b>	<b>-</b>	<b>-</b>	<b>(7,426)</b>
Surplus allocation		839			839
Depreciations	(793)			(1,070)	(1,863)
Riclassifications		(326)		326	-
Recognised gains		1,629			1,629
<b>Balance as at 31/03/2014</b>	<b>88,716</b>	<b>268,673</b>	<b>115,568</b>	<b>120,144</b>	<b>593,101</b>

Investments benefiting Life policy holders who bear risk and those connected with pension fund management

E) Investments benefiting Life policyholders who bear related risk and those arising from pension fund management

As at 31 March 2014 these investments amounted to €67,488 thousand, increasing by +3.1% YoY. Of this amount, €53,140 thousand related to unit - and index - linked policies and € 14,348 thousand to the open-ended pension fund Vittoria Formula Lavoro.

The value of investments in securities amounted to €64,837 thousand (€65,450 thousand as at 31 December 2013).

Total net income amounted to €2,261 thousand (€1,582 thousand as at 31 March 2014).

As at 31 March 2014 the status of the three segments of Vittoria Assicurazioni open-ended pension fund was as follows:

	Members		Assets (€/000)	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Previdenza Garantita	241	243	3,367	3,335
Previdenza Equilibrata	290	288	4,776	4,569
Previdenza Capitalizzata	344	348	6,195	6,030

## Financial liabilities

The following table shows the breakdown of financial liabilities relating to contracts for which policyholders bear investment risk and of other financial liabilities, highlighting subordinated liabilities:

(€/000)			
FINANCIAL LIABILITIES	31/03/2014	31/12/2013	Change
<b>Financial liabilities where the investment risk is borne by policyholders and arising from pension fund management</b>	<b>67,488</b>	<b>65,487</b>	<b>3.1%</b>
- Financial liabilities where the investment risk is borne by policyholders relating to index- and unit-linked policies	53,140	51,537	
- Financial liabilities where the investment risk is borne by policyholders relating to pension funds	14,348	13,950	
<b>Other financial liabilities</b>	<b>308,978</b>	<b>313,732</b>	<b>-1.5%</b>
- Reinsurance deposits	15,707	15,707	
- Payables to banks	274,525	274,877	
- Other financial payables	2,524	6,217	
- Other financial liabilities	16,222	16,931	
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>376,466</b>	<b>379,219</b>	<b>-0.7%</b>

The following table shows the cumulative change as up to 31 March 2014 of financial liabilities relating to investments for which policyholders bear investment risk and to liabilities concerning pension fund management:

(€/000)			
	Benefits relating to unit-linked and index-linked policies	Benefits relating to pension fund management	Total
<b>Carrying amount at 31/12/2012</b>	<b>51,537</b>	<b>13,950</b>	<b>65,487</b>
Investment of net fund assets	-22	66	44
Profits attributable to policyholders	1,793	468	2,261
Amounts paid	-168	-136	-304
<b>Carrying amount at 30/09/2013</b>	<b>53,140</b>	<b>14,348</b>	<b>67,488</b>

## Gains and losses on investments

The following table shows the breakdown as at 31 March 2014 of net gains on investments, with separate disclosure of investments where the risk is borne by life policyholders:

(€/000)				
Gains and losses on investments	Realised gains/ (losses)	Unrealised gains/ (losses)	31/03/2014 total net gains/(losses)	31/03/2013 total net gains/(losses)
<b>Investments</b>	<b>16,421</b>	<b>1,393</b>	<b>17,814</b>	<b>16,083</b>
<b>From:</b>				
a investment property	24	-793	-769	-
b investments in subsidiaries and associates and interests in joint ventures	13	-	13	-367
c held to maturity investments	637	-	637	1,146
d loans and receivables	270	-	270	310
e financial assets available for sale	15,394	-	15,394	13,406
f financial assets held for trading	-	8	8	6
g financial assets at fair value through profit or loss	83	2,178	2,261	1,582
<b>Other receivables</b>	<b>147</b>	<b>-</b>	<b>147</b>	<b>179</b>
<b>Cash and cash equivalents</b>	<b>547</b>	<b>-</b>	<b>547</b>	<b>668</b>
<b>Financial liabilities</b>	<b>-1,733</b>	<b>-2,261</b>	<b>-3,994</b>	<b>-2,705</b>
<b>From:</b>				
b financial liabilities at fair value through profit or loss	-	-2,261	-2,261	-1,582
c other financial liabilities	-1,733	-	-1,733	-1,123
<b>Total gains and losses on financial instruments</b>	<b>15,382</b>	<b>-868</b>	<b>14,514</b>	<b>14,225</b>
<b>Real estate business</b>				
<b>From:</b>				
a Gains on property trading	1,629	-	1,629	142
b Rent income on owner-occupied property and property held for trading	144	-	144	184
<b>Total real estate business</b>	<b>1,773</b>	<b>-</b>	<b>1,773</b>	<b>326</b>
<b>Total gains and losses on investments</b>	<b>17,155</b>	<b>-868</b>	<b>16,287</b>	<b>14,551</b>

The net income with the risk borne by the Group increased by 11.9% from €14,551 thousand to €16,287 thousand.

As up to 31 March 2014 the weighted average return on "Bonds and other fixed-income securities" was 3.9% as compared with 4.0% at 31 March 2013.

## Other revenues

The following table reiterates real-estate income, as shown in the previous table, and provides the link to "Other revenues" as shown in the consolidated income statement:

(€/000)		
Other Revenues	31/03/2014	31/03/2013
Total income from real estate business	1,773	326
Brokerage and management revenues	279	205
Other technical captions - insurance business	1,123	1,960
Other revenues - real estate business	16	-
Other revenues - insurance business	165	229
Other revenues - service business	61	9
<b>Total</b>	<b>3,417</b>	<b>2,729</b>

## Equity

The breakdown of equity as at 31 March 2014 is shown in the following table:

	(€/000)	
BREAKDOWN OF EQUITY	31/03/2014	31/12/2013
<b>Total equity attributable to the shareholders of the parent</b>	<b>573,686</b>	<b>506,449</b>
Share capital	67,379	67,379
Equity-related reserves	33,874	33,874
Income-related and other reserves	351,463	297,933
Fair value reserve	101,677	53,383
Other gains or losses recognised directly in equity	350	350
Group profit for the year	18,943	53,530
<b>Total equity attributable to minority interests</b>	<b>23,802</b>	<b>22,079</b>
Share capital and reserves attributable to minority interests	23,722	21,625
Minority interests' profit for the year	80	454
<b>Total consolidated equity</b>	<b>597,488</b>	<b>528,528</b>

## Significant events occurring after quarter-end

On 9 April 2014, the parent company subscribed 5% of the shares of the subsidiary Acacia 2000 S.p.A.; subsequently, on 22 April 2014, purchased a 10% stake held by UnipolSai at the price of €11,500 thousand, bringing to 85% the proportion of the Group's interest in Acacia 2000 S.p.A..

The parent company, purchased a 6.45% stake in Porta Romana 4 S.r.l., a vehicle for private equity investments, paying €6 thousand, which was followed by a payment of €1,483 thousand on account share capital increase.

The Board of Directors

Milan, 12 May 2014

# Consolidated interim financial statements

(€/000)

Income Statement	31/03/2014	31/03/2013	31/12/13
Net premiums	290,096	252,398	1,094,745
<i>Gross premiums</i>	297,699	259,061	1,131,284
<i>Ceded premiums</i>	7,603	6,663	36,539
Commission income	322	231	546
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	8	6	20
Gains on investments in subsidiaries and associates and interests in joint ventures	544	14	326
Gains on other financial instruments and investment property	17,853	15,709	75,588
<i>Interest income</i>	16,501	15,681	66,441
<i>Other income</i>	858	0	448
<i>Realised gains</i>	494	28	8,699
<i>Unrealised gains</i>	0	0	0
Other income	3,417	2,729	10,932
<b>TOTAL REVENUE</b>	<b>312,240</b>	<b>271,087</b>	<b>1,182,157</b>
Net charges relating to claims	207,521	175,429	779,312
<i>Amounts paid and change in technical reserves</i>	211,486	180,894	808,368
<i>Reinsurers' share</i>	-3,965	-5,465	-29,056
Commission expense	8	9	32
Losses on investments in subsidiaries and associates and interests in joint ventures	531	381	2,742
Losses on other financial instruments and investment property	3,360	1,123	10,642
<i>Interest expense</i>	1,733	1,123	4,655
<i>Other expense</i>	834	0	472
<i>Realised losses</i>	0	0	1
<i>Unrealised losses</i>	793	0	5,514
Operating costs	58,181	53,372	229,241
<i>Commissions and other acquisition costs</i>	49,026	43,607	188,804
<i>Investment management costs</i>	501	358	1,721
<i>Other administrative costs</i>	8,654	9,407	38,716
Other costs	12,961	15,562	52,826
<b>TOTAL COSTS</b>	<b>282,562</b>	<b>245,876</b>	<b>1,074,795</b>
<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>	<b>29,678</b>	<b>25,211</b>	<b>107,362</b>
Income taxes	10,655	9,773	53,378
<b>PROFIT FOR THE YEAR</b>	<b>19,023</b>	<b>15,438</b>	<b>53,984</b>
<b>GAIN (LOSS) ON DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>19,023</b>	<b>15,438</b>	<b>53,984</b>
of which attributable to the shareholders of the parent	18,943	15,786	53,530
of which attributable to minority interests	80	-348	454

Basic EARNINGS per share	0.28	0.23	0.79
Diluted EARNINGS per share	0.28	0.23	0.79

Vittoria Assicurazioni S.p.A.

Consolidated financial statements as at 31 March 2014

(€/000)

<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/12/2013</b>
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>19,023</b>	<b>15,438</b>	<b>53,984</b>
<b>Other comprehensive income, net of taxes without reclassification to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
Changes in the equity of investees			
Changes in intangible asset revaluation reserve			
Changes in tangible asset revaluation reserve			
Gains or losses on non-current assets or assets of a disposal group classified as held for sale			
Actuarial gains and losses and adjustments related to defined benefit plans			197
Other items			
<b>Other comprehensive income, net of taxes with reclassification to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in translation reserve			
Gains or losses on available for sale investments	48,294	- 1,685	22,117
Gains or losses on hedging instruments			
Gains or losses on hedging instruments of net investment in foreign operations			
Changes in the equity of investees			
Gains or losses on non-current assets or assets of a disposal group classified as held for sale			
Other items			
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>48,294</b>	<b>- 1,685</b>	<b>22,314</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME (LOSS)</b>	<b>67,317</b>	<b>13,753</b>	<b>76,298</b>
<b>of which attributable to the shareholders of the parent</b>	<b>67,237</b>	<b>14,101</b>	<b>75,844</b>
<b>of which attributable to minority interests</b>	<b>80</b>	<b>- 348</b>	<b>454</b>

Vittoria Assicurazioni S.p.A.  
Consolidated financial statements as at 31 March 2014

**Income statement by business and business line**

(€'000)

	Non-life business		Life business		Real estate business		Service business		Intersegment eliminations		Net gains and costs/losses	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Net premiums	232,899	220,955	57,147	31,443	0	0	0	0	50	0	290,096	252,398
<i>Gross premiums</i>	240,243	226,972	57,456	32,089	0	0	0	0	0	0	297,699	259,061
<i>Ceded premiums</i>	7,344	6,017	309	646	0	0	0	0	-50	0	7,603	6,663
Commission income	0	0	322	231	0	0	0	0	0	0	322	231
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	0	0	8	6	0	0	0	0	0	0	8	6
Gains on investments in subsidiaries and associates and interests in joint ventures	201	3	0	0	322	15	0	0	21	-4	544	14
Gains on other financial instruments and investment property	9,189	8,064	8,473	7,332	174	299	17	14	0	0	17,853	15,709
Other income	1,427	2,336	85	36	2,260	466	1,840	1,984	-2,195	-2,093	3,417	2,729
<b>TOTAL REVENUE</b>	<b>243,716</b>	<b>231,358</b>	<b>66,035</b>	<b>39,048</b>	<b>2,756</b>	<b>780</b>	<b>1,857</b>	<b>1,998</b>	<b>-2,124</b>	<b>-2,097</b>	<b>312,240</b>	<b>271,087</b>
Net charges relating to claims	148,766	144,488	59,305	31,800	0	0	0	0	-550	-859	207,521	175,429
<i>Amounts paid and change in technical reserves</i>	152,842	149,683	59,194	32,070	0	0	0	0	-550	-859	211,486	180,894
<i>Reinsurers' share</i>	-4,076	-5,195	111	-270	0	0	0	0	0	0	-3,965	-5,465
Commission expense	0	0	8	9	0	0	0	0	0	0	8	9
Losses on investments in subsidiaries and associates and interests in joint ventures	66	370	0	0	465	11	0	0	0	0	531	381
Losses on other financial instruments and investment property	1,268	40	458	134	1,628	940	1	9	5	0	3,360	1,123
Operating costs	53,621	48,726	3,560	3,437	2,473	2,657	722	646	-2,195	-2,094	58,181	53,372
Other costs	10,987	13,468	634	609	188	199	1,152	1,286	0	0	12,961	15,562
<b>TOTAL COSTS</b>	<b>214,708</b>	<b>207,092</b>	<b>63,965</b>	<b>35,989</b>	<b>4,754</b>	<b>3,807</b>	<b>1,875</b>	<b>1,941</b>	<b>-2,740</b>	<b>-2,953</b>	<b>282,562</b>	<b>245,876</b>
<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>	<b>29,008</b>	<b>24,266</b>	<b>2,070</b>	<b>3,059</b>	<b>-1,998</b>	<b>-3,027</b>	<b>-18</b>	<b>57</b>	<b>616</b>	<b>856</b>	<b>29,678</b>	<b>25,211</b>

Vittoria Assicurazioni S.p.A.  
 Consolidated financial statements as at 31 March 2014  
**Detail of insurance technical items**

(€'000)

	31/03/2014			31/03/2013		
	Gross amount	Reinsurer's share of amount	Net amount	Gross amount	Reinsurers' share of amount	Net amount
<b>Non-life business</b>						
<b>NET PREMIUMS</b>	<b>240,243</b>	<b>7,344</b>	<b>232,899</b>	<b>226,972</b>	<b>6,017</b>	<b>220,955</b>
a Premiums written	242,890	7,001	235,889	229,365	6,682	222,683
b Change in premiums reserve	2,647	-343	2,990	2,393	665	1,728
<b>NET CLAIMS COSTS</b>	<b>152,842</b>	<b>4,076</b>	<b>148,766</b>	<b>149,683</b>	<b>5,195</b>	<b>144,488</b>
a Amounts paid	131,452	7,273	124,179	120,696	3,684	117,012
b Change in claims reserves	23,268	-3,472	26,740	31,647	1,237	30,410
c Change in recoveries	1,878	-275	2,153	2,660	-274	2,934
d Change in other technical reserves	0	0	0	0	0	0
<b>Life business</b>						
<b>NET PREMIUMS</b>	<b>57,456</b>	<b>309</b>	<b>57,147</b>	<b>32,089</b>	<b>646</b>	<b>31,443</b>
<b>NET CLAIMS COSTS</b>	<b>59,194</b>	<b>-111</b>	<b>59,305</b>	<b>32,070</b>	<b>270</b>	<b>31,800</b>
a Amounts paid	28,781	18	28,763	30,249	173	30,076
b Change in reserve for amounts to be paid	-403	0	-403	-4,785	0	-4,785
c Change in mathematical reserves	31,230	-130	31,360	7,154	95	7,059
d Change in technical reserves when investment risk is borne by policyholders and in reserves arising from pension fund management	0	0	0	0	0	0
e Change in other technical reserves	-414	1	-415	-548	2	-550

## Declaration of Corporate Financial Reporting Manager

The Corporate Financial Reporting Manager, Mario Ravasio, herewith declares, pursuant to paragraph 2, Article 154/2 of the Italian Legislative Decree February 24<sup>th</sup> 1998 n.58, that the accounting disclosure contained in this Consolidated quarterly report at 31 March 2014 matches documentary evidence, corporate books and accounting records.

Milan, 12 May 2014

Mario Ravasio  
*The Corporate Financial  
Reporting Manager*