

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

94th year of business

2015 Annual Report & Accounts



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

General Shareholders' Meeting calling

The Shareholders of Vittoria Assicurazioni S.p.A. are called to attend the Ordinary and Extraordinary Shareholders' Meeting at the registered office in Milan, Via Ignazio Gardella No. 2, on Wednesday 27th April 2016 at 10.30 a.m. on first call and, if necessary, on Thursday 28th April 2016 at the same time and place, on second call, to discuss and resolve on the following

AGENDA

Ordinary meeting

1. Financial Statements as at 31 December 2015, report of the Board of Directors and the Board of Statutory Auditors; relative resolutions.
2. Appointment of the Board of Directors:
 - i. determination of the number of members;
 - ii. determination of the duration of their office;
 - iii. appointment of Directors using the list vote procedures;
 - iv. determination of the remuneration of the Board of Directors
3. Appointment of the Board of Statutory Auditors:
 - i. appointment of Board of Statutory Auditors using the list vote procedures;
 - ii. appointment of the Chairman of the Board of Statutory Auditors;
 - iii. determination of the remuneration of the Statutory Auditors.
4. Remuneration Report pursuant to art. 123-ter of Legislative Decree 58/1998 and ISVAP Regulation No. 39/2001; related resolutions.

Extraordinary meeting

1. Proposal to amend Article 11 (Corporate Offices) and Article 18 (Legal Representation of the Company) of the Articles of Association; related resolutions.
2. Proposal for abrogation of transitional clauses relating to gender quotas set forth in Article 10, paragraph 11 (Board of Directors) and Article 17, paragraph 7 (Board of Statutory Auditors) of the Articles of Association; related resolutions.

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

Pursuant to article 83-sexies of Legislative Decree 58 of 24 February 1998, the persons who are entitled to attend the Meeting and to exercise their right to vote are those for whom the Company has received appropriate communication from an authorised intermediary based on evidence at the end of the accounting day of **Monday 18 April 2016 (record date)**, which is the seventh open market day preceding the date set for the Shareholders' Meeting on first call.

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

Holders of Vittoria Assicurazioni S.p.A. shares that are not centralised by Monte Titoli S.p.A. are hereby reminded that they can only exercise their rights subject to such shares being deposited with an intermediary for registration into the centralised management system of dematerialised shares by the record date (18 April 2016).

REPRESENTATION AT THE MEETING

- Ordinary Proxy

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

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

- (i) by post, to the registered offices in Via Ignazio Gardella 2, 20149 Milan, addressing the communication to the attention of the Corporate Service - Shareholders' Meeting
- (ii) by e-mail to the following certified mail box: assemblea.azionisti@pec.vittoriaassicurazioni.it
- (iii) by using the application for such purpose available in the same section of the above mentioned internet website.

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

- Proxy in favour of the company designated representative

In accordance with the applicable regulation, those shareholders with voting rights may delegate, free of charge, Mrs Camilla Poggiani as the representative designated by the Company, pursuant to article 135-undecies of the Italian Consolidated Finance Act (TUF), who may be substituted by the Mrs Rossella Cardone. The proxy must be granted by signing the applicable form, available on the internet website www.vittoriaassicurazioni.com (Investor Relations - Shareholders' Meetings).

The original form must reach the company-designated representative also by registered post in Via Agnello 18, 20121 Milan, by the second open market day preceding the date set for the Shareholders' Meeting on first call or, as applicable, on the second call (more precisely: in the case of the first call the proxy must be received by Monday 25th April 2016 and however, being a Italian public holiday, will be accepted proxies sent by that date even if received up to 12.00 p.m. on the 26th April 2016; in the case of the second call the proxy must be received by 26th April 2016). Proxy is not valid for matters for which voting instructions have not been given. The proxy and voting instructions can be revoked by the same date as set out above.

RIGHT TO ASK QUESTIONS

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

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

Questions can be submitted up to five days before the Meeting. Answers to questions received within such deadline will be provided to the applicant Shareholder and published on the internet website www.vittoriaassicurazioni.com (Investor Relations - Shareholders' Meetings) two days before the Meeting. Answers made available to the Shareholders, on paper format, at the beginning of the Shareholders' Meeting, are considered as given during the Meeting itself.

ADDITIONS TO THE AGENDA OF THE SHAREHOLDERS' MEETING AND PRESENTATION OF NEW PROPOSED RESOLUTIONS

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

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

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

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

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

Any additions to the agenda or additional resolution proposals on matters that are already on the agenda will be disclosure in the same manner as set forth by Law for convening notices, within the term set forth by the applicable regulations, i.e. by 12th April 2016. At the same time the reports of the Shareholders who requested the additions will be made available to the public together with eventual comments of the Board of Directors, as the provisions of the article 125-ter of the Italian Consolidated Finance Act (TUF).

APPOINTMENT OF THE BOARD OF DIRECTORS AND FILING OF LIST OF CANDIDATES

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

Candidate lists underwritten by those shareholders presenting them must be delivered by the **17.30 hrs of the Saturday 2nd April 2016** (twenty-five days before the Meeting) at the registered offices of the company in Milan in Via Ignazio Gardella No. 2. Candidate lists can also be filed by email at the following registered email address assemblea.azionisti@pec.vittoriaassicurazioni.it, together with information that identifies the individual depositing the list.

A list of candidates must be filed together with:

- information related to the identity of the shareholder/s presenting the list, with an indication of the overall shareholding;
- declarations of each single candidate whereby they accept the nomination and attest under their own responsibility to the fact that nothing precludes them from being elected, that there are no grounds for incompatibility, and that they have the required requisites for their respective nominations;
- a curriculum vitae with the personal and professional characteristics of each candidate including a possible indication of the characteristics that qualify them as independent.
- the relevant certificate issued by an authorised intermediary proving ownership, at the time of submission of the list, of the number of shares necessary for the presentation of the same. This certification could be filed subsequent to the submission of the list, provided by 6 April 2016.

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

Candidate lists that do not conform to the above conditions shall be deemed not to have been presented. Shareholders are requested to take into account the recommendations of Consob Notice DEM/9017893 dated 26th February 2009, particularly with reference to the declaration claiming absence of any relationship, even indirect, with the shareholders that hold a controlling stake in the company.

The list of candidates presented and the relative supporting documentation will be made available to the public at the registered offices of the company and on the company internet website www.vittoriaassicurazioni.com (Investor Relations - Shareholders' meetings) by Wednesday **6th April 2016**.

For further information refer to the Explanatory Report of the Directors at item 2 of the agenda which is published together with this notice, as well as to the applicable statutory and legal provisions.

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS AND FILING OF LIST OF CANDIDATES

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

Candidate lists underwritten by those shareholders presenting the list must be delivered by **17.30 hrs of Saturday 2 April 2016** (twenty-five days before the Meeting) to the registered offices of the company in Milan in Via Ignazio Gardella No. 2. Candidate lists can also be deposited by email at the following registered email address: assemblea.azionisti@pec.vittoriaassicurazioni.it, together with information that identifies the individual depositing the list.

A list of candidates must be filed together with:

- information related to the identity of the shareholder/s presenting the list, with an indication of the overall shareholding;
- a declaration of the shareholders who do not individually or jointly hold a controlling or relative majority stake, attesting to the fact that they do not have a relationship as provided in the applicable regulations, with shareholders holding a controlling or relative majority stake.
- a detailed memorandum on the personal characteristics of the candidates, together with a declaration of the candidates where they attest to the fact that they hold the necessary requisites required by Law and that they accept the nomination, as well as a list of any administrative and auditing posts held in other companies.
- the relevant certificate issued by an authorised intermediary proving ownership, at the time of submission of the list, of the number of shares necessary for the presentation of the same. This certification could be filed subsequent to the submission of the list, provided by 6 April 2016.

In the event that at the end of the term for the presentation of lists of candidates, only one list has been presented, or there are only lists presented by shareholders with whom there exists a pro-tempore significant relationship in place for the purpose of applicable laws and regulations, then other lists may be presented up to the third day following such end of term, i.e. up to **17.30 hrs on 5th April 2016**; and in such case the aforementioned 2.5% ownership threshold for presenting a list of candidates shall be reduced to 1.25%.

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

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

Candidate lists that do not conform to the above conditions shall be deemed not to have been presented. The list of candidates submitted and the relative supporting documentation will be made available to the public at the registered offices of the company and on the company internet website www.vittoriaassicurazioni.com (Investor Relations - Shareholders' Meetings) by Wednesday **6th April 2016**.

For further information refer to the Explanatory Report of the Directors at item 3 of the agenda which is published together with this notice, as well as to the applicable statutory and legal provisions.

DOCUMENTATION

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

1. together with this notice:

- The Report of the Board of Directors in matters on the Ordinary and Extraordinary Shareholders' Meeting prepared pursuant to art. 125-ter of Legislative Decree no. 24 February 1998, n. 58,

2. by the 30th March 2016:

- The 2015 annual Financial Report including the draft annual Financial Statement, the Consolidated Financial Statements, the Report on operations and certification pursuant to Article 154-bis, paragraph 5 of the Italian Consolidated Finance Act (TUF), together with the report of the Board of Statutory Auditors and the external auditors as well as the Report on Corporate Governance and Ownership Structure;

3. by the 6th April 2016:
- The Report on remuneration policies.

The summary report of key figures from the last Financial Statements of subsidiaries and affiliates prepared pursuant to article 2429 of the Italian Civil Code will be available at the company's registered offices by the 12th April 2016.

INFORMATION ON SHARE CAPITAL

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

For and on behalf of the Board of Directors
The Managing Director
Roberto Guarena

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APPOINTMENTS AND REMUNERATION COMMITTEE

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

CONTROL AND RISK COMMITTEE

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

FINANCE COMMITTEE

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

REAL ESTATE COMMITTEE

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

RELATED PARTIES COMMITTEE

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

Directors' report

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€ /million

Main Key Performance Indicators			
	31/12/2015	31/12/2014	Δ
Non Life business			
Gross Premiums written - direct Non Life business	1,069.1	1,033.0	3.5%
(1) - Loss Ratio (retained)	63.9%	65.5%	(1.6)
(2) - Combined Ratio (retained)	89.1%	90.7%	(1.6)
(3) - Expense Ratio (retained)	24.8%	24.9%	(0.1)
Non Life business technical balance (before transferral of technical profits from investments)	119.6	98.8	21.1%
Life business			
Gross Premiums written - direct Life business	218.3	250.6	(12.9)%
(4) Annual Premium Equivalent (APE)	30.6	33.9	(9.7)%
Segregated fund performance: Rendimento Mensile	3.21%	3.57%	(0.36)
Segregated fund performance: Valore Crescente	3.84%	4.00%	(0.16)
Segregated funds assets	947.4	868.7	20.4%
Index/Unit - linked and Pension funds assets	58.6	61.8	(5.2)%
Life business technical balance	0.6	(1.2)	n.s.
Total Agencies	413	409	4
Average of employees	527	514	13
Investments with the risk borne by the Company	2,575.9	2,322.9	10.9%
Overhead costs as a % of GPW - direct business	9.0%	7.8%	1.2
Total net ordinary and extraordinary income from investments with risk borne by the Company	52.7	56.0	(5.9)%
Profit (loss) before taxation	120.1	121.6	(1.2)%
Net profit (loss)	66.3	74.9	(11.6)%
Shareholders' equity	539.2	485.8	11.0%
ROE	12.9%	16.5%	(3.6)
Dividend per share	0.2	0.19	5.3%
RATIO SOLVENCY I			
	31/12/2015	31/12/2014	Δ %
Non Life business	2.5	2.2	0.3
Life business	1.7	1.6	0.1
Solvency Ratio	2.3	2.0	0.3

Legend

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

Shareholders,

The financial statements for our 94th financial year submitted for your approval show a net profit of 66,269 thousand euro (-11.60% compared with the net profit of 74,935 thousand euro for the previous year).

The net result was negatively affected by the restatement of prepaid and deferred tax, following the recent reduction in IRES from 27.5% to 24.0%, with an impact of 8,974 thousand euro. Without the effect of this recalculation, the result would have amounted to 75,243 thousand euro, an increase of 0.4% compared to 31 December 2014.

The result is mainly due to the net contribution of the Non-Life business, presenting a growth of 21.1% in the technical result, which rose from 98,784 thousand euro at 31 December 2014 to 119,626 thousand euro at 31 December 2015, broken down as follows according to line of business:

<u>Thousand euro</u>	<u>2015</u>	<u>2014</u>	<u>Var%</u>
Motor lines	68,731	74,052	-7.2
Non - Marine lines	76,788	48,008	59.9
Specialty line	-25,893	-23,276	11.2

The Motor and Non-Marine lines continue to generate a very positive result. The slight decrease of the Motor lines is offset by a significant improvement in Non-Marine lines who benefited from a reduction in the loss ratio due to the increase in premiums (+ 3.8%) and lower incidence of damage from serious claims.

The situation of economic crisis persists in adversely affect the result of the credit and specialty lines , for which the company is starting a progressive rebalancing of the technical result.

The company during the year started important projects to overhaul the application system of Direction "New Age", either aimed at supporting new sales methods of insurance services through mobile devices, either to exploit the opportunities offered by the regulatory changes regarding dematerialization and electronic signature. In light of these projects, which will lead to the gradual overcoming of existing systems, it was considered necessary to review the residual life of the "New Age" system, recording higher depreciation totalling 10,880 thousand euro. Following this operation, overhead costs as a percentage of total direct insurance premiums rose from 7.8% last year to 9.0%.

The loss ratio and the combined ratio for retained business, without considering the higher amortisation described above, are respectively, 63.9% and 89.1% (65.5% and 90.7% in the previous year), which is the result of a prudent underwriting policy and a particular and constant focus on the rationalisation of administrative and commercial costs.

Thanks to the consolidation and development of the existing portfolio, premium income showed a slight increase compared to the previous year: total premiums written on 31 December 2015 amounted to 1,287,543 thousand euro (1,283,786 thousand euro at 31 December 2014) with an increase of 3.5% in the Non-Life and a decrease of 12.9% in Life business due to the revised growth strategies aimed at decreasing single premium products of segregated funds.

The period of generalised crisis had also an impact on investment that the company owns in real estate, leading to impairment of stocks and shares for a total of 12,829 thousand euro.

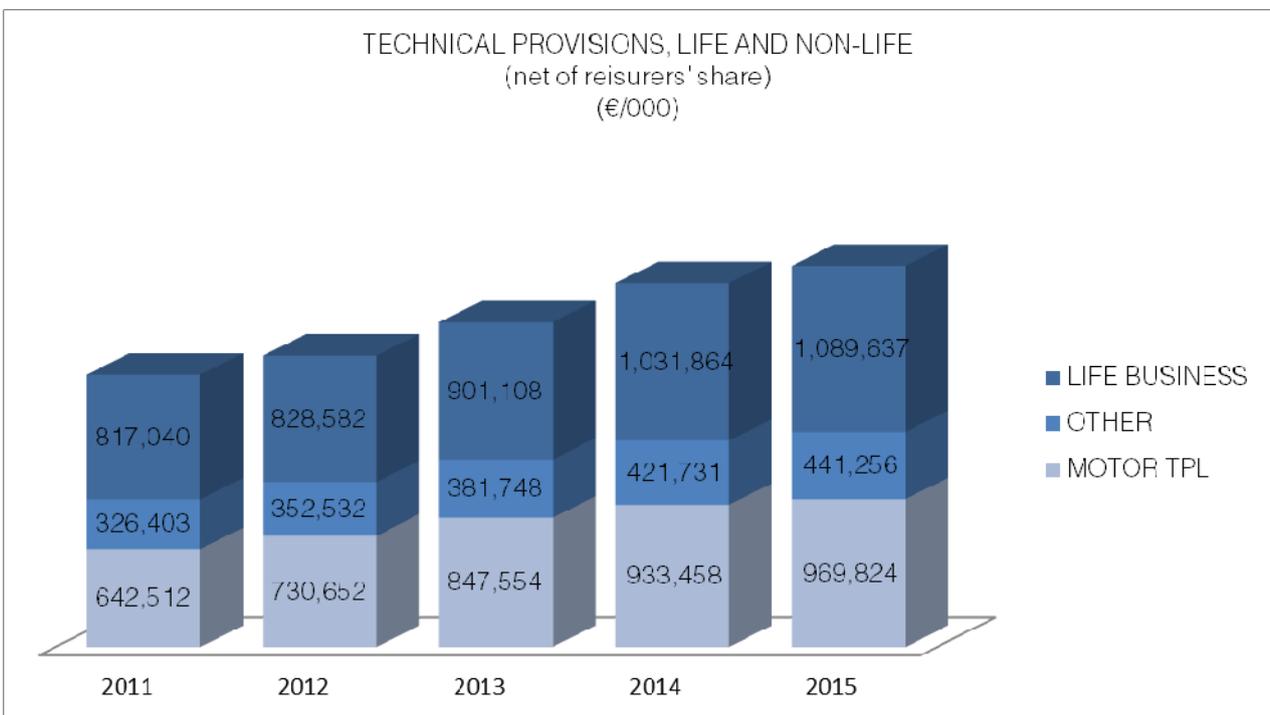
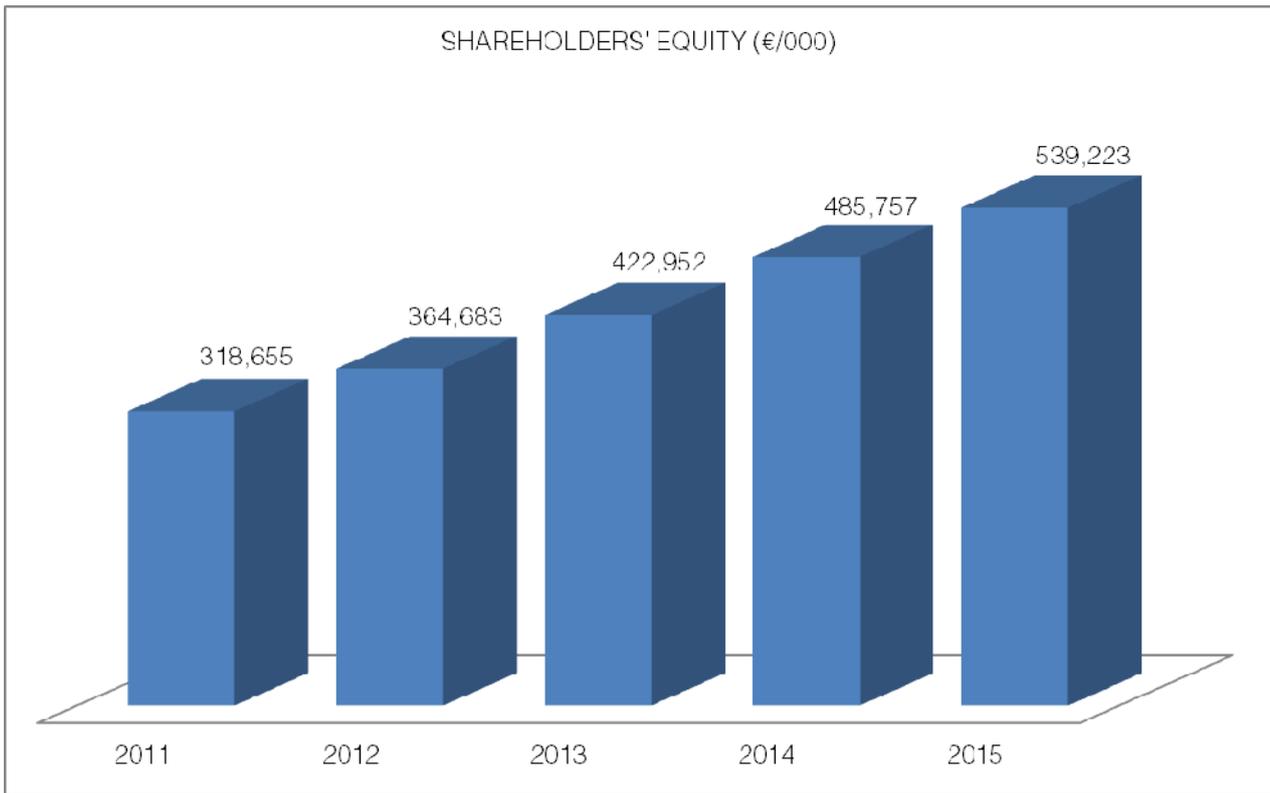
The result of the year takes advantage of extraordinary capital gains of 9,376 thousand euro following the sale of government bonds classified as long-term portfolio for 44,995 thousand euro . This operation was made in order to limit the risk associated with interest rates, steps were taken to a realignment of the portfolio's duration in Life and Non-Life business.

Investments, in more detail exhibited in the chapter "Investment assets", totalled 2,634,578 thousand euro (+10.5% compared with 31 December 2014). Ordinary and extraordinary income from investments with risk borne by the company totalled 52,653 thousand euro, down by 5.9% compared with 31 December 2014, following the impairments described above.

Group shareholders' equity (IAS/IFRS accounting standards) totalled 691,244 thousand euro, up 12.5% on the 614,528 thousand euro recorded at 31 December 2014.

Group's net profit totalled 70,620 thousand euro (-2,4% compared with the net profit of 72,329 thousand euro for the previous year).

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



The Strategy

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

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

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

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

At year-end 2015, the Company had 413 agencies and 966 sub-agencies (compared with 409 and 922, respectively, in the previous year) throughout Italy.

Objectives

Vittoria Assicurazioni operates in all lines of insurance, and founds its activities on a long experience in the insurance field, gained since 1921, for the protection of individuals, families and companies.

The main objective of the company is to honour in proper time contractual commitments to policyholders, realizing a reasonable profit margin.

This goal is supported by the achievement of technical profitability, a policy of consolidation of the portfolio acquired, the loyalty of existing customers, but also by the increase in market share in non-life (core business of Vittoria Assicurazioni) and the acquisition of new production in the Life business.

In carrying out its insurance activities, the company pays attention to the management of its risk profile, principally through:

- an accurate risk pricing;
- a careful diversification of risks based on customer segmentation. In particular, although preferring the risks of personal lines and small / medium businesses, it is not neglected segment of large companies, on which are provided adequate reinsurance covers;
- diversification of sales channels achieved through careful geographical segmentation of markets;
- the continuous training of the agency network that determines a careful portfolio selection and a constant search for common objectives.

Next to the insurance business, the company implements low-risk investment policies that ensure an adequate return without departing from its risk appetite goals. Investment management, led by the profile of the insurance liabilities, pays particular attention to the protection of the financial strength of the company (most of the profits are reinvested in the company), without disregarding the search for adequate returns with a positive contribution to development of assets, favouring investments in the Eurozone, in government securities with fixed yield and in the real estate segment.

The company also pursues other strategic objectives, such as:

- the comprehensive development of the Company;
- the stabilization of the real estate segment;
- the optimization of costs in the medium term;
- the realization of profit for shareholders.

Risk management

The system of risk management of the company is regularly adjusted on the basis of the changing macroeconomic and regulatory scenarios; the latter are represented, in particular, by the entry into force of Solvency II regulations.

The company determines the significance of the risks on the basis of the possible impact that these may have on:

- A. the total Solvency Capital Requirement evaluated through Solvency II Standard Formula metrics;
- B. achieving the strategic and business goals;
- C. the continuity of business operations.

A. Standard Formula Risks (Solvency II)

Both quantitative and qualitative analysis led until 2015 and the forecasts for next years, pointed out that the main risks modules are:

Underwriting Risk (underwriting and pricing) Non-Life: it reflects the possibility that premiums are not sufficient to cover claims plus expenses and it depends on the selection of risks and events covered (including catastrophe) as well as by results in the actual loss experience compared to the estimated one.
Reserving Risk Non-Life: it is derived from quantification and development of technical reserves and considers the possibility that the provisions will not be appropriate in respect of commitments to policyholders and injured parties. The claims reserve represents the ultimate cost of the company to pay off all obligations derived from claims notifications already received or estimated (IBNR claims) and is determined according to documentation and actuarial valuations available at the time of financial statement closing. Reserving risk is constantly monitored through actuarial analysis similar to those used for the determination of reserves, observing the development of the ultimate cost and varying coherently the reserves.

Equity Risk: It reflects possible adverse changes in the level and volatility of the market value of financial instruments and equities. The company is exposed to equity risk related to equities and investments in listed and unlisted companies and units in investment funds and mutual funds.

Operational Risk: possible losses resulting from inefficiencies of people, processes and systems, including those used for distance selling, or from external events, such as fraud or the activities of service providers. The operational risks of the company and of the group are linked to internal factors (e.g. inefficiency of people, inadequacy of processes, systems or internal fraud) and external events (e.g. external fraud and activities of outsourcers).

Real Estate Risk: it reflects possible adverse changes in level and volatility of market prices of real estate. The company is exposed to real estate risk with reference to lands, buildings, rights on properties and to direct and indirect investments in real estate companies. The estate properties for own use of the company are included in this type of risk.

Other minor risks

Disaster Risk Non-Life

Reinsurance cover in place to reduce the earthquake risk exposure have been calculated using the main tools available on the market, depending on the evidence of the maximum probable loss on the portfolio of the Fire and other Damage to Property (technological risks segment) calculated for a return period of 250 years, which is the one most widely used in the Italian market. The protection purchased is higher than the requirement shown for the worst-case scenario.

For exposures to hail risk is a cover was purchased for exposure to the risks present in the land vehicle hulls line, far higher than the worst claim that occurred in this line.

Exposure to catastrophic flood risk was calculated based on an assessment model used by other market operators and the capacity purchased, as in the case of the earthquake risk, far exceeds the worst hypothesis of the model.

Life Business Risks

Insurance risks related to mortality, longevity, disability and long-term care, in addition to those arising from changes in contractual and business expenses and redemption related to the abnormal exit of the contracts are valued conservatively in the product pricing phase, culminating in the adoption of assumptions (the first order technical bases) that are considered the best to cover the risks taken, taking into account both the financial component for both the demographic, regulatory restrictions (eg, maximum limits financial guarantee) and the latest information on demographic trends (eg, mortality and / or survivorship) and portfolio trends (eg cancellations and surrenders, etc.).

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

These assumptions are integrated with macro-economic assumptions like trends in market interest rates, inflation, cash flow discount rates and assets' rate of return, mortality and expected portfolio trends and industrial hypothesis on levels of commercial and administrative costs and expenses.

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

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

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

Moreover, periodic monitoring is carried out on portfolio movement by ministerial category, through an analysis of cash inflows and outflows that determine a variation of the technical reserves from the beginning of the accounting term until the date of the new provisioning.

B. Potential threat to the strategic goals and business

The risks that could hinder the achievement of strategic objectives and business are mainly the following categories:

Risk of Non Compliance with Standards, defined as the risk of incurring legal or administrative sanctions, significant financial losses or reputational damage as a result of infringements of obligatory rules (laws, regulations), of self-regulatory standards (e.g. statutes, codes of conduct, self-regulatory codes, etc.) or the risk arising from adverse changes in the law or legal guidelines.

Reputational risk related to Risk of Non-Conformity to Standards; is the risk of impact on earnings or capital arising from a part of its main stakeholders negative perception of the Company or the Group (customers, shareholders, investors, lenders, regulatory authorities, employees, partners, distribution network, suppliers, general public, etc.). The appreciation judgment is usually tied to the organization's quality, the characteristics and behaviours that derive from experience, from hearsay or from the observation of past actions of the organization.

Risk of Asset Liability Management (A.L.M.): derived by the inadequate alignment of the characteristics of the assets with that of liabilities from which it can derive a financial and/or income unbalance.

Credit risk: reflects the possible losses generated by an unexpected default or deterioration in the credit standing of the counterparties and debtors of the company and the group. The company exposures to which the risk of default is applicable mainly regard: reinsurance agreements, receivables from other companies, cash at bank or the post office, receivables from intermediaries (e.g. receivables from agents) and customers (e.g.: for premiums, deductibles for) and loans (residential mortgage).

Liquidity risk: reflects the possible losses arising from the difficulty of honouring the cash commitments, expected or unexpected, to counterparties. The risk arises mainly from the "Liquidity Mismatch Risk", that is the lack of alignment between the cash inflows and cash outflows, or poor management of the treasury and the "Market Liquidity Risk", or the sale of assets (such as for example, less liquid assets) in economic and unfair timing conditions, accordingly impacting the Net Asset Value of the parent company.

Government risk: the risk arising from the possibility that States issuers of Government securities are not able to fulfil efficiently the commitments made through the issuance of the same, as well as the risk resulting from a change in the implied spread. The company for the management of this specific risk uses specific methodologies and monitoring activities.

Insurance Risk Retention: derives from the definition and implementation of an inadequate reinsurance policy that can lead to a sub-optimal level of retention and an inefficient mitigate exposure to risks.

Risks related to the Group or the risk of "contagion", i.e. the risk that, as a result of the relationship between the company and other group entities, difficult situations that arise in an entity of the same group can propagate with negative effects on the solvency of the company itself. In the present case it is included the risk of conflict of interest, which is managed by the Related Parties Procedure adopted by the company which defines the rules, the procedures and principles necessary to ensure the transparency and substantial and procedural fairness of transactions carried out with related parties of the parent company.

C. Business continuity Risks

The risks that might impede the business operations continuity are mainly due to these types, belonging to the category of operational risk:

- IT Risk;
- Business continuity;
- Risk of inefficiency or inadequacy of processes and people;
- Fraud risk;
- Risk of activities of outsourcers.

Capital Management

The company quantifies the capital required by supervisory regulations and its own funds eligible until 31 December 2015 with Solvency I criteria and, from 1st January 2016, based on the Solvency II regulations.

It has been prepared a specific policy and a medium-term capital management plan, which provides for the continuous monitoring of the levels of capitalization.

Review of operating performance

The following table compares, for each line, premiums written in FYs 2015 and 2014 and their contribution to the total portfolio mix:

COMPARISON BETWEEN GROSS PREMIUMS WRITTEN IN 2015 AND 2014 DIRECT AND INDIRECT BUSINESS

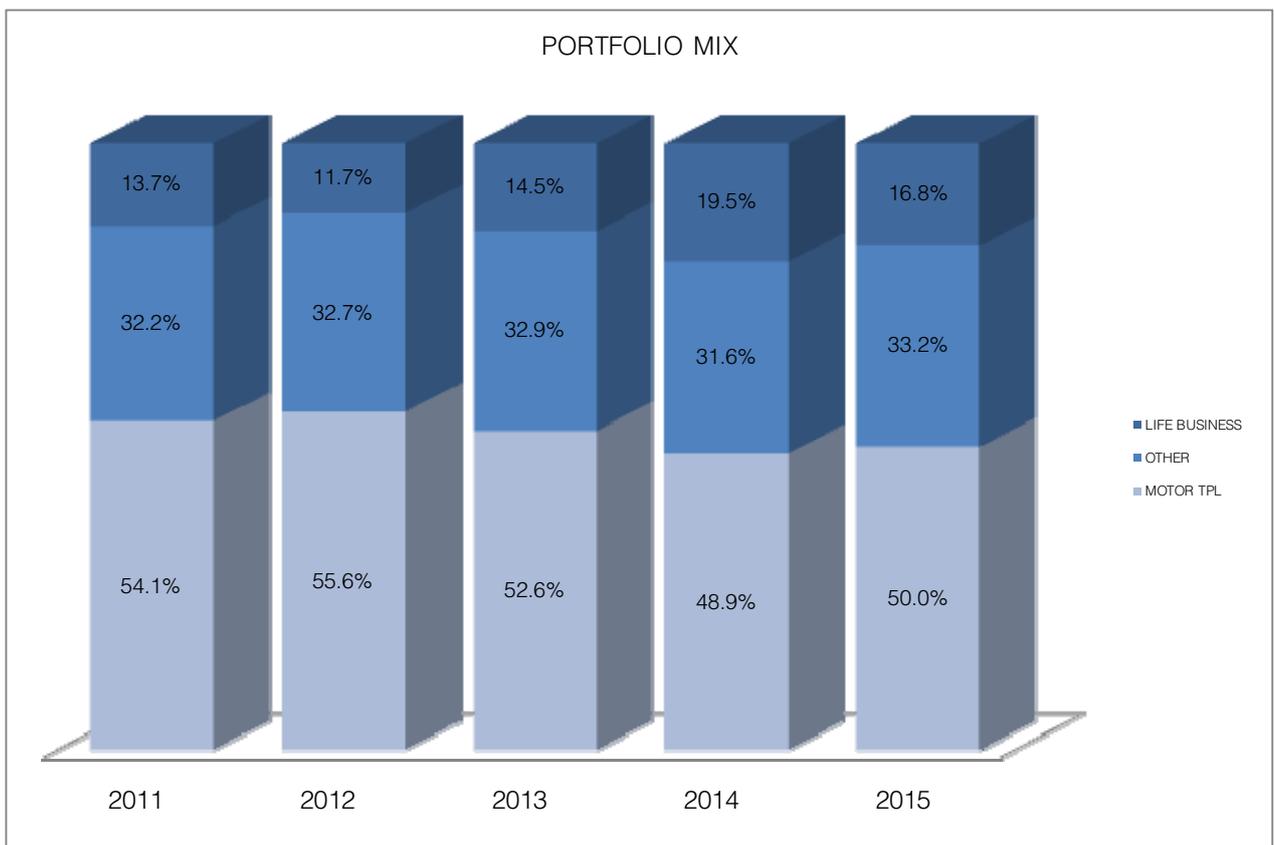
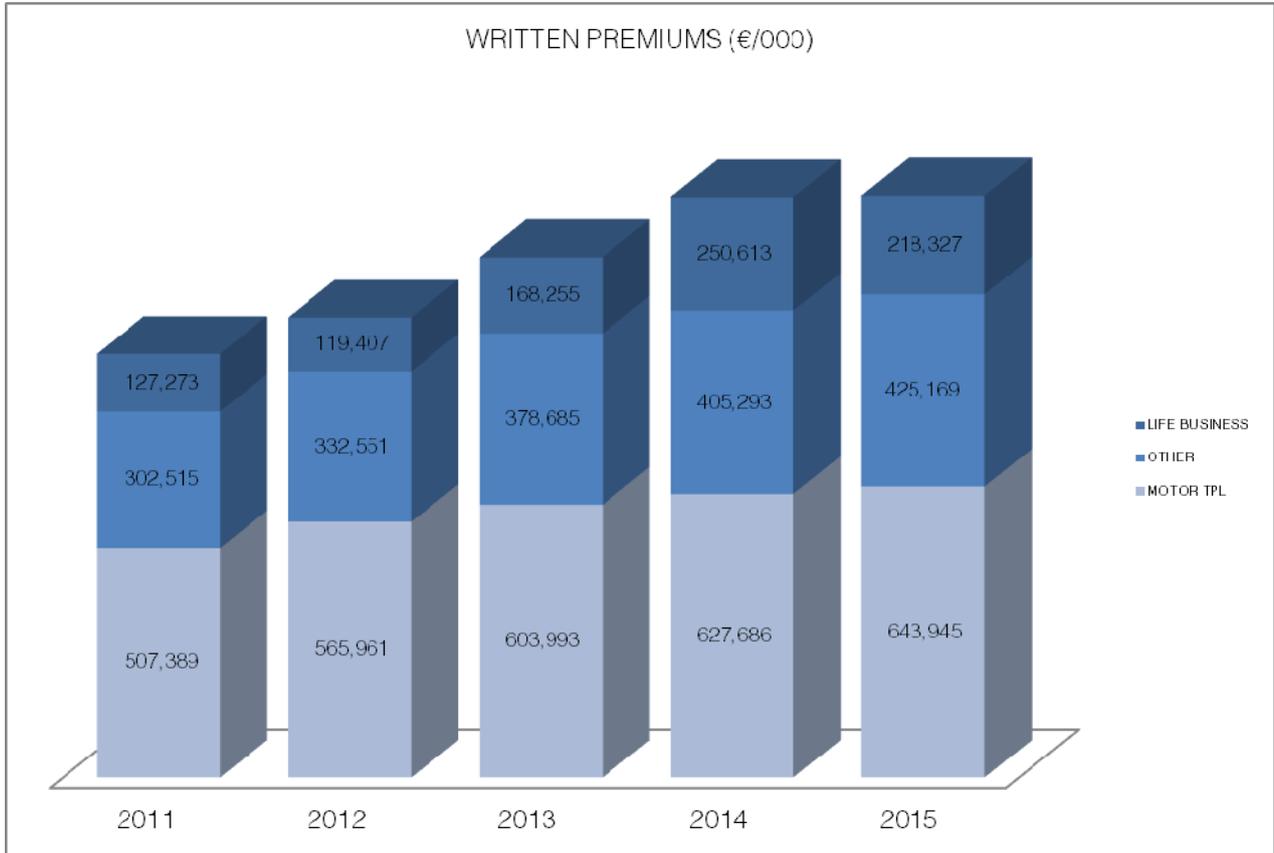
	(€/000)				
	Year 2015	Year 2014	YoY change %	% of total book	
				2015	2014
Domestic direct business					
Life business					
I Whole- and term life	192,404	228,784	-15.9	14.9	17.8
III Unit-linked policies	4,337	174	n.s.	0.3	0.0
IV Health (long-term care)	642	581	10.5	0.0	0.0
V Capitalisation	19,370	19,958	-3.0	1.5	1.6
VI Unit trust management	1,574	1,116	41.0	0.1	0.1
Total Life business	218,327	250,613	-12.9	16.8	19.5
Non-Life business					
Accident	80,099	76,094	5.3	6.2	5.9
Health	12,357	11,903	3.8	1.0	0.9
Fire and natural events	49,109	47,039	4.4	3.8	3.7
Miscellaneous damage	42,299	43,683	-3.2	3.3	3.4
General TPL (third-party liability)	50,277	48,287	4.1	3.9	3.8
Pecuniary losses	48,459	45,334	6.9	3.8	3.5
Legal protection	4,626	4,303	7.5	0.4	0.3
Total non-marine lines (exc. specialty and motor)	287,226	276,643	3.8	22.4	21.5
Railway rolling stock	-	2	n.v.	0.0	0.0
Aircraft hulls	1	1	0.0	0.0	0.0
Marine hulls	1,185	1,227	-3.4	0.1	0.1
Cargo insurance	1,286	1,275	0.9	0.1	0.1
Aviation TPL	2	2	0.0	0.0	0.0
Credit insurance	54	859	-93.7	0.0	0.1
Bond insurance	7,492	11,152	-32.8	0.6	0.9
Total specialty lines	10,020	14,518	-31.0	0.8	1.2
Third-party motor liability	643,945	627,686	2.6	50.0	48.9
Third-party marine liability	914	831	10.0	0.1	0.1
Motor vehicle hulls	106,489	96,350	10.5	8.3	7.5
Support and assistance	20,520	16,951	21.1	1.6	1.3
Total motor lines	771,868	741,818	4.1	60.0	57.8
Total Non-Life business	1,069,114	1,032,979	3.5	83.2	80.5
Total direct business	1,287,441	1,283,592	0.3	100.0	100.0
Domestic indirect business					
Life business	-	82	n.v.	0.0	0.0
Non-Life business	102	112	-8.9	0.0	0.0
Total indirect business	102	194	-47.4	0.0	0.0
Grand Total	1,287,543	1,283,786	0.3	100.0	100.0

The Company operates in France on the basis of the free-provision-of-services regime; during the year there has been no significant premium collection.

With regard to the Italian insurance market, it is noted that the premiums as at 30 September 2015 (latest data IVASS) show, compared to the same period of last year, an increase of the life business of +4.5% and a decrease of the Non-Life business of the -2.3% (of which Motor Third Party Liability -6.5%).

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

Italian Direct Business



Life business

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

The key features of FY2015 are summarised in the following table, where they are compared with data for the previous FY:

LIFE Business - 2015 Results - Net of reinsurance							(€/000)	
	2015 Results			2014 Results			Change	%
	Non - linked	Linked	Total	Non - linked	Linked	Total		
Premium Income	211,207	5,911	217,118	248,170	1,290	249,460	-32,342	-13.0
Other technical Income/(Costs)	-249	445	197	589	481	1,070	-873	-81.6
Change in Technical Provisions	-56,620	3,017	-53,603	-126,959	3,129	-123,830	-70,227	-56.7
Claims paid	-165,055	-13,140	-178,195	-131,530	-8,114	-139,644	-38,551	27.6
Overheads	-15,260	-403	-15,663	-16,122	-339	-16,461	798	-4.8
Ordinary and Extraordinary Investment net income	27,384	4,073	31,456	28,325	3,672	31,997	-540	-1.7
Operating Profit before Tax	1,407	-97	1,310	2,473	119	2,592	-1,283	-49.5

In FY2015 the funds relating to segregated funds achieved the following returns. The rate of return allocated to policyholders complies with the specific contractual terms stipulated.

	(€/000)			
	Rate of return	Total Assets	Rate of return	Total Assets
	2015	2015	2014	2014
Vittoria Rendimento Mensile	3.21%	759,774	3.57%	644,162
Vittoria Valore Crescente	3.84%	134,916	4.00%	188,080
Vittoria Liquinvest*	4.30%	1,993	3.98%	2,393
Vittoria Previdenza*	3.90%	51,936	4.58%	34,023

* Observation period: 01/10/2014 - 30/09/2015

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

Premiums

The Premiums for direct Life business amounted to 218.327 thousand euro, against 250.613 thousand euro in the previous year (-12.9%) and are broken down as follows:

	(€/000)				
	Year 2015	Year 2014	YoY change %	% of total book	
				2015	2014
Annual premiums	57,898	54,812	5.6	26.5	21.9
Single premiums	160,429	195,801	-18.1	73.5	78.1
Total Life business	218,327	250,613	-12.9	100.0	100.0

Claims, accrued capital sums & annuities, and surrenders

The following table summarises, for direct business, claims, accrued capital sums & annuities, plus surrenders as at 31 December 2015, compared with the previous FY's figures, for Classes I (whole/term life), IV (long-term care), and V (capital redemption).

	(€/000)		
	31/12/2015	31/12/2014	YoY change %
Claims	23,123	26,256	(11.9)
Accrued capital sums & annuities	99,129	63,054	57.2
Surrenders	42,835	42,428	1.0
Total	165,087	131,738	25.3

Surrenders and claims relating to investments for which policyholders bear the risk (Classes III unit- and index-linked policies) and VI (open-ended pension fund) totalled 13,056 thousand euro vs. 8,102 thousand euro in FY2014.

Reinsurance

Outward reinsurance

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

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

Ceded premiums in the FY2015 amounted to 1,209 thousand euro vs. 1,234 thousand euro in FY2014.

Inward reinsurance

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

Non-Life business

Technical result

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

Non Life Business - 2015 Results		(€/000)		
Line of business				
Code	Description	2015 Technical result	2014 Technical result	YoY Change %
01	Accident	27,020	18,282	47.8
02	Health	471	294	60.0
03	Land motor vehicle hulls	13,829	4,750	n.s.
04	Railway rolling stock	0	3	-100.0
05	Aircraft hulls	0	27	-100.0
06	Marine hulls	-526	-85	n.s.
07	Cargo insurance	25	222	-88.7
08	Fire and natural events	10,997	6,084	80.8
09	Miscellaneous damage	-5,045	-5,734	-12.0
10	Motor TPL	48,942	63,440	-22.9
11	Aviation TPL	-16	4	n.s.
12	Marine TPL	-272	170	n.s.
13	General TPL	7,493	-791	n.s.
14	Credit insurance	-4,840	-12,063	-59.9
15	Bond insurance	-20,536	-11,384	80.4
16	Pecuniary losses	34,033	28,319	20.2
17	Legal protection	1,819	1,553	17.1
18	Support and assistance	6,232	5,692	9.5
Total Non-Life businesses		119,626	98,784	21.1

The technical performance shows a positive result, an improvement compared to the previous year, thanks to a continuous review of the risks in the portfolio, a careful policy of new risks underwriting and a steady rate review.

The analysis for the different lines of business is set out below:

NON-MARINE BUSINESSES

Overall Non Marine business recorded an increase in premiums, thanks to the acquisition of new customers and to a policy of consolidation and development of monoline motor customers portfolio in Non Marine business.

The overall technical result, despite a higher incidence of claims due to atmospheric hazards, significantly improved compared to the previous year, thanks to a lower incidence of serious claims .

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

Accident: the business shows 5.3% growth in terms of premium compared to the previous year, thanks to the development of the sale of the collateral injuries of the driver in combination with the motor policies. The technical result shows a further improvement compared to the previous year (+47.8%), despite higher incidence of serious claims.

Health: the line registered a 3.8% increase in premiums, with a technical result improved compared to last year (+60%) despite higher incidence of serious claims.

Fire and natural events: This line of business shows an increase in premiums by 4.4% and a significant improvement in the technical result compared to the previous year (+80.8%).

Miscellaneous damages: premiums, including the risk of theft, hail and damage to electronic and technological equipment, recorded a slight decrease compared to previous year by 3.2%. The technical result, still negative, improved compared to the previous year (+12.0%), thanks to the first effects of actions previously undertaken in order to revise tariffs and risks in the portfolio.

General TPL: premiums increased by 4.1%. The technical result is positive, a marked improvement on the previous year (69.3%), thanks to the effects of reform actions in progress and to the lower incidence of major claims, mostly related to the segment of the TP of professional.

Various pecuniary losses: premiums increased by 6.9%, with a positive technical result, a significant improvement compared to the previous year (+20.2%), thanks to an increase in premiums related to new ancillary Motor products with low loss ratio.

Legal protection: Premiums in this business line registered an increase by 7.5% with a positive technical result in further improvement on the previous year (+17.1%).

SPECIALTY BUSINESSES

The businesses showed a decrease in premiums of 31.0% with a negative technical balance, worse than that recorded in the previous year (-11.2%), mainly related to deposit business. In particular:

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

Even in 2015 there is a decrease in premiums written, due to the continuing process of run-off of the line. This reduced activity resulted in a negative technical balance, also for 2015.

Bond insurance: premiums written showed a significant decrease of 32.8% compared to the previous year, the result of a thorough review of the underwriting policy that led to the acquisition of smaller risks in terms of exposure and the consequent lower average pricing. The risks taken are only marginally related to the realization of works of urbanization.

The increase in the number of claims compared to 2014, resulting in negative performance of the result of the line of business, is mainly due to risks taken in previous years for which it was not possible an early exit and related to real estate seriously depressed.

Watercraft (sea, lake and river) hulls and railway rolling stock: there was a slight decrease in the premiums recorded (3.4%), due to drop in sales in the watercraft segment. The technical result was negative due to a major fire claim occurred to one of our insured shipyards.

Goods in transit: premiums advanced by 0.9%, with a positive technical result.

MOTOR BUSINESSES

The business saw a 4.1% rise in the premiums recorded, with an overall positive technical result.

The portfolio consolidation policy continued.

In particular:

Third-party liability for land motor vehicles and for watercraft (sea, lake, and river): Constant portfolio selection, tariff policies and careful claims management enabled the business to maintain a positive technical result. The decline in the result compared to the previous year is mainly attributable to the reduction in the average premium paid by policyholders (despite an overall increase in premiums written) with constant claims frequency; both phenomena are recorded in the entire Motor market.

Land motor vehicle hulls: premiums reported a growth by 10.5% on the previous year. The technical result was positive, a marked improvement over the previous year.

Assistance: premiums grew by 21.1% with a positive technical result increase compared to the previous year (+9.5%).

Claims

Reported claims

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

	(€/000)					
	31/12/2015		31/12/2014		Change %	
	number	total cost	number	total cost	number	total cost
Accident insurance	9,517	32,011	9,772	33,276	-2.6	-3.8
Health insurance	3,729	6,969	4,285	7,382	-13.0	-5.6
Fire and natural events	7,239	34,648	6,920	28,837	4.6	20.2
Miscellaneous damages	17,579	35,076	18,302	34,655	-4.0	1.2
Third-party general liability	7,806	32,010	7,871	37,702	-0.8	-15.1
Pecuniary losses	1,078	4,623	1,470	7,091	-26.7	-34.8
Legal protection	368	269	342	254	7.6	5.9
Total non-marine businesses	47,316	145,606	48,962	149,197	-3.4	-2.4
Third-party marine liability	87	3,098	82	590	6.1	n.s.
Cargo insurance	153	665	225	393	-32.0	69.2
Credit insurance	847	3,739	1,186	5,619	-28.6	-33.5
Bond insurance	192	20,124	144	9,192	33.3	n.s.
Total Special businesses	1,279	27,626	1,637	15,794	-21.9	74.9
Third-party motor liability	134,469	480,364	119,181	455,061	12.8	5.6
Third-party marine liability	69	756	70	523	-1.4	44.6
Motor vehicle hulls	43,751	68,031	43,811	67,995	-0.1	0.1
Support and assistance	38,007	6,943	29,343	5,447	29.5	27.5
Total motor businesses	216,296	556,094	192,405	529,026	12.4	5.1
Total Non-Life businesses	264,891	729,326	243,004	694,017	9.0	5.1

Claims settlement speed

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

	(percentages)			
	current generation		previous generations	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Accident insurance	54.62	55.06	69.82	72.35
Health insurance	83.39	80.88	70.44	84.13
Motor vehicle hulls	85.68	84.61	81.72	86.27
Fire and natural events	85.20	78.45	78.81	79.23
Miscellaneous damages - theft	87.28	86.27	87.95	89.15
Third-party motor liability	75.54	75.49	64.90	64.11
Third-party general liability	67.64	67.87	37.64	37.55

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

(€/000)

Branch	Claim handling Type	31/12/2015		31/12/2014	
		Number	Total cost	Number	Total cost
Motor TPL - land	K-for-K - liable	90,249	179,164	80,593	164,152
Motor TPL - land	K-for-K - originator	102,644	256,159	90,978	235,859
Motor TPL - land	Non K-for-K claims	44,220	226,822	38,588	221,113
Motor TPL - watercraft	Non K-for-K claims	69	756	70	523
Total Motor T.P.L. claims handled		237,182	662,901	210,229	621,647

The company received no. 139,008 reports of claim events to be managed as originator (122,464 reports of claim in 2014), against which it will complete recoveries from other insurers for a total of 181,781 thousand euro (166,063 thousand euro in 2014: +9.47%), based on the forfeitary amounts established by the Ministry Technical Committee as per Article 13 of Italian Presidential Decree no. 254/2006.

Claims paid

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

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

(€/000)

	Claims paid 31/12/2015			Claims recovered from reinsurers	Claims paid 31/12/2014			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reinsurers %
	Current year	Previous years	Total		Current year	Previous years	Total			
Accident insurance	6,088	14,975	21,063	271	6,715	15,206	21,921	823	-3.9	-67.1
Health insurance	3,906	3,115	7,021	31	3,912	3,485	7,397	33	-5.1	-5.6
Fire and natural events	13,935	8,269	22,204	2,788	10,991	10,515	21,506	4,283	3.3	-34.9
Miscellaneous damages	23,075	7,083	30,158	3,107	26,081	7,223	33,304	6,301	-9.5	-50.7
Third-party general liability	4,747	14,904	19,651	392	4,748	16,369	21,117	1,052	-6.9	-62.7
Pecuniary losses	478	3,900	4,378	120	385	5,660	6,045	83	-27.6	44.6
Legal protection	12	203	215	183	17	150	167	143	28.7	28.0
Total non-marine businesses	52,241	52,449	104,690	6,892	52,849	58,608	111,457	12,718	-6.1	-45.8
Third-party aviation liability	-	-	-	-	-	-2	-2	-2	n.s.	n.s.
Third-party marine liability	330	1,345	1,675	992	221	10,613	10,834	10,253	-84.5	-90.3
Cargo insurance	238	441	679	38	77	321	398	30	70.6	26.7
Third-party aviation liability	-	2	2	2	-	-	-	-	n.s.	n.s.
Credit insurance	364	4,466	4,830	-	377	4,804	5,181	-	-6.8	n.s.
Bond insurance	5,015	29,180	34,195	18,635	1,792	14,248	16,040	9,366	n.s.	99.0
Total Special businesses	5,947	35,434	41,382	19,667	2,467	29,984	32,451	19,647	27.5	0.1
Third-party motor liability	191,083	245,602	436,685	1,618	163,060	201,221	364,281	1,784	19.9	-9.3
Third-party marine liability	141	260	401	-	125	170	295	-	35.9	n.s.
Motor vehicle hulls	42,579	12,898	55,477	250	43,169	16,523	59,692	2,970	-7.1	-91.6
Support and assistance	4,688	2,418	7,106	6,141	3,513	1,969	5,482	4,779	29.6	28.5
Total motor businesses	238,491	261,178	499,669	8,009	209,867	219,883	429,750	9,532	16.3	-16.0
Total non-life businesses	296,679	349,061	645,740	34,568	265,183	308,475	573,658	41,898	12.6	-17.5

The additional cost borne in 2015 for the road-accident victim guarantee fund was 15.267 thousand euro vs. 14,885 thousand euro in the previous year.

Anti-fraud activities

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

Savings for the year in relation to the Motor TPL business, quantified in accordance with Law 27/2012 implemented by Regulation No IVASS. 44, amounted to 5.1 million euro. As a result of the deepening in relation to fraud risk, savings of 4.1 million euro were achieved for claims that have been defined without result and 1.0 million euro for claims settled definitively, compared to the assessed value posted to technical reserves.

Claims reserve run-off – Retained risks

The claims reserve existing at the beginning of FY2015, compared with costs borne in the year for previous years' claim events - consisting of payments made and year-end reserving for claims yet to be paid – showed, for the only direct business, a surplus of 13,426 thousand euro, i.e. 1.4% of opening reserves, as highlighted in the following table:

Retained Risks	(€/000)		
	2015	2014	YoY change %
Claims reserve brought forward	987,303	874,948	12.8
Amounts paid in the year related to claims occurred in previous years	(341,511)	(286,868)	19.0
Balance of claims recovered or to be recovered by policyholders	7,771	6,078	27.8
Claims reserve carried forward	(640,137)	(598,160)	7.0
Balance of portfolio transfers	0	88	(100.0)
Aggregate profit (loss) development table	13,426	(3,914)	n.s.
% of incidence on claims reserve brought forward	1.4	(0.4)	1.8

Reinsurance

Outward reinsurance

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

The main existing treaties relate to:

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

Premiums ceded in the FY2015 totalled 28,586 thousand euro (36,018 thousand euro as at 31 December 2014).

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

Development activity took the concrete form of the inauguration of 6 new Agencies and reorganisation of another 26, while 2 Agencies have been closed. As at 31 December 2015 the Company was nationally present with 413 General Agencies (409 as at 31 December 2014) and 966 professional Sub-Agencies (922 as at 31 December 2014).

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

In addition to courses provided directly by the Parent Company's internal trainers, in 2015 it was granted a series of professional training courses using external providers, selected on the basis of the requirements of Reg. 6/2014 Art. 14. The courses have had the following content: Non-Life - Motor, Non-Life - Accident and Health, Life - Protection and Saving, in the insurance and reinsurance technical areas and in the administrative and managerial area.

In 2015, was launched the second edition (the first three-year period ended in 2013) of the Project "Accademia Vittoria", which offers courses in managerial growth for agents, sub-agents and administrative workers.

Products – Research and development

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

As part of Non-Marine Businesses was introduced the new product "manufactured".

In the Life business, began the sale of new product at mixed tariff, called "Vittoria InvestiMeglio DoppiaEvoluzione".

Also, began the sale of new products at mixed tariff Line I, called "Vittoria InvestiMeglio Evoluz10ne continua", "Vittoria InvestiMeglio Evoluz10ne Reinvestimento" and "Vittoria InvestiMeglio Evolu7ione Coupon".

As part of the distribution channel differentiation they were included in the range and commercialized two new products for the banking channel: "Vittoria InvestiMeglio Evoluz10ne Coupon Banks" and "Vittoria InvestiMeglio Evoluz10ne Banks."

Overhead costs – direct business

The total amount of personnel costs, other costs, and depreciation & amortisation charges, before allocation to specific functions, i.e. claims handling, business production organisation, and asset administration, amounted to 115,884 thousand euro vs. 100,523 thousand euro in 2014, with an increase of 15.3% YoY.

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

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

	(€/000)		
	31/12/2015	31/12/2014	Change %
Personnel expenses	51,442	51,405	0.1
Other costs	42,223	37,962	11.2
Depreciations	22,219	11,156	99.2
Gross Operating Costs	115,884	100,523	15.3
Percentage of Premiums Written	9.0%	7.8%	1.2

Overheads as a percentage of direct business premiums recorded was 9.0% (7.8% as at 31 December 2014). This increase is due to higher amortization totaling 10,880 thousand euro, charged entirely to the profit and loss, arising from the review of the residual life of the "New Age" system.

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

Operating costs – direct business

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

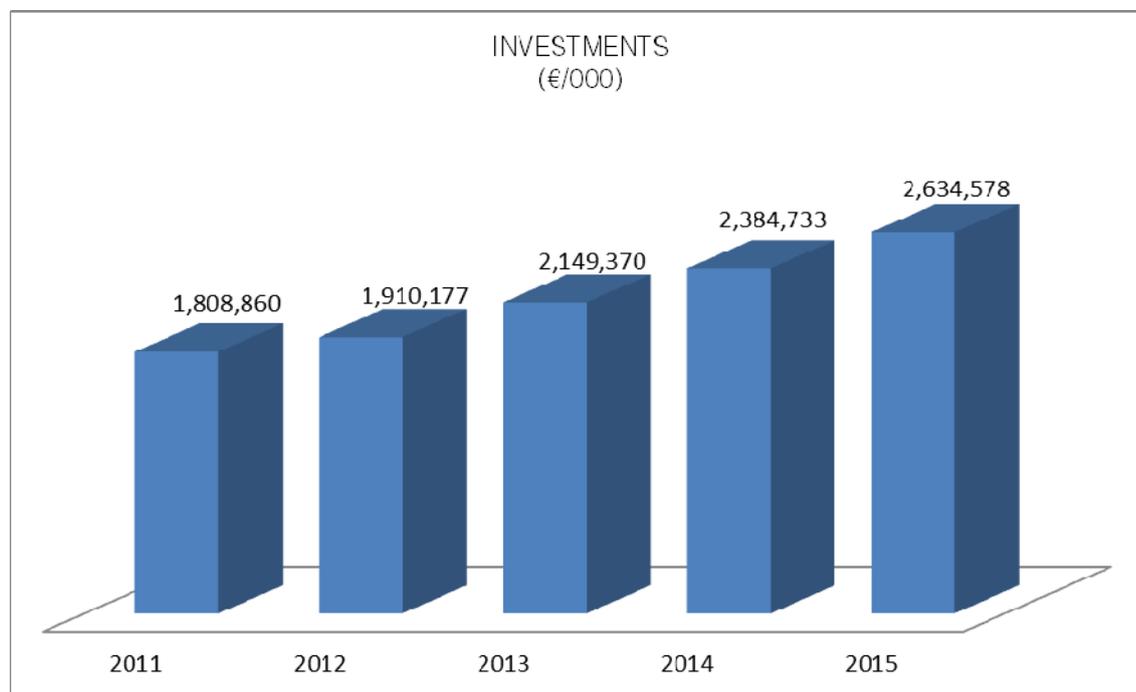
	(€/000)		
	31/12/2015	31/12/2014	Change %
Operating Costs, net of expenses transferred to acquisition, claims handling and investment management expenses (A)	68,331	66,493	2.8
- Acquisition and collection costs	174,463	165,433	5.5
- Other acquisition costs	19,926	19,641	1.4
Total Acquisition Costs (B)	194,388	185,074	5.0
Total Overheads (A+B)	262,719	251,567	4.4
Percentage of Premiums Written	20.4%	19.6%	0.8

Investments Assets

Investments reached a value of 2,634,578 thousand euro with an increase of 10.5% YoY.

Their breakdown is shown in the table below:

	(€/000)		
Investments	31/12/2015	31/12/2014	Change %
Land and buildings	189,281	196,510	-3.7
Investments in group and other companies			
- Equity investments	468,162	321,127	45.8
- Loans	15,783	6,000	n.s.
Other financial investments:			
- Unit trust units	48,408	28,404	70.4
- Bonds and other fixed-interest securities	1,845,030	1,763,827	4.6
- Loans	7,093	6,867	3.3
- Deposits with banks	2,010	-	n.a.
Deposits with ceding companies	175	175	0.0
Total investments where the company bears the risk	2,575,942	2,322,910	10.9
Investments benefiting life policyholders bearing the risk	58,636	61,823	-5.2
Total investments	2,634,578	2,384,733	10.5
Bank accounts and cash-in-hand	138,206	174,593	-20.8



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

	(€/000)		
	31/12/2015	31/12/2014	
Ordinary and extraordinary Income on investments (net of related costs)	Amount	Amount	Change %
Income on equity investments	180	(172)	n.s.
Income (cost) on other investments:			
- land and buildings	1,795	282	n.s.
- bonds and other fixed-interest securities	63,192	64,051	(1.3)
- income on unit trust units	399	25	n.s.
- interest on loans	425	498	(14.7)
- interest on deposits with ceding companies	(372)	(238)	56.3
Total net income	65,619	64,446	1.8
Adjustments to investment values:			
- land and buildings	(7,788)	(9,752)	(20.1)
- equity investments	(13,623)	(11,605)	17.4
- bonds and other fixed-interest securities	(1,042)	(461)	n.s.
Total net adjustments to investment values:	(22,453)	(21,818)	2.9
Ordinary profit (loss) on sale of investments:			
- bonds and other fixed-interest securities	62	(380)	n.s.
Total net profit on sale of investments	62	(380)	n.s.
Total net ordinary income on investments where the company bears the risk	43,228	42,248	2.3
Extraordinary profit (loss) on sale of investments:			
- equity investments	49	423	(88.4)
- unit trust units	(16)	0	n.a.
- bonds and other fixed-interest securities	9,392	13,298	(29.4)
Total net extraordinary profit on sale of investments	9,425	13,721	(31.3)
Total net ordinary and extraordinary income on investments where the company bears the risk	52,653	55,969	(5.9)
Net income on investments benefiting life policyholders bearing the risk	4,238	3,763	12.6
Grand Total	56,891	59,732	(4.8)

The weight average ordinary return of bonds and other fixed-income securities was 4.2% (4.7% in FY2014).

The result includes extraordinary income mainly due to gains of 9,376 thousand euro, following the sale of securities assigned to the non-current segment. This transaction took place in order to mitigate the risk of interest rate, by performing a realignment of the non-life portfolio duration, resulting in the sale of Italian government investment bonds assigned to the non-current segment for 44,995 thousand euro.

Value adjustments on equity investments relate mainly to investments in subsidiaries operating in the real estate sector, which suffers from a moment of general crisis.

Real estate

As at 31 December 2015 real estate assets totalled 189,281 thousand euro (-3.7% compared to 196,510 thousand euro as at 31 December 2014).

The largest items which make up the balance are:

- 90,800 thousand euro relating to the company's registered office building;
- 85,648 thousand euro relating to the buildings in the Portello area of Milan, rented to third parties;
- 6,934 thousand euro relating to the buildings loaned free of charge to agencies;
- 5,026 thousand euro used by third parties.

The change from 31 December 2014 is chiefly due to the annual amortization for a total amount of 7,449 thousand euro, of which 3,728 thousand euro related to owner occupied properties and 3,721 thousand euro related owner not occupied properties; at December 31, 2015, they were operated write-downs on owner not occupied properties for 339 thousand euro.

Further details are provided in the explanatory notes.

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

Bond Portfolio

Regarding the bond portfolio, new investments were concentrated in Italian Government Bonds for an amount of 495,352 thousand euro, of which 118,405 thousand euro in the non-current sector.

The redemption of bonds generated a cash flow for an amount of 364,230 thousand euro generating a net capital gains of 1,366 thousand euro.

In order to limit the risk associated with interest rates, steps were taken to a realignment of the non-life portfolio duration, that resulted in the sale of Italian government investment bonds assigned to the non-current segment for 44,995 thousand euro, generating a capital gain of 9,376 thousand euro.

As provided in the Company's investment policy, during the accounting term fixed interest securities for an amount of 113,515 thousand euro with a residual maturity of less than two years were transferred from the non-current to the current sector.

Have been cashed 16 thousand euro as partial payment of the liquidation process of Bond Swissair in default accounted as capital gains.

Mutual investment funds

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

- 9,051 thousand euro were paid for fund recall and credits for the amount of 11,091 thousand euro were received as partial refund of units, with respect to Italian closed-end investment funds managed by Yarpa Investimenti SGR S.p.A., a 100% subsidiary of associate Yarpa S.p.A.;
- 13,000 thousand euro were paid for the subscription quotas of three Funds Alternative Investment open (Private Debt/Loans/High Yield fund);
- 12,423 thousand euro were paid for the subscription of closed-end investment funds and received reimbursements for 3,378 thousand euro with detection of 33 thousand euro of net capital gains.

Equity Portfolio

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

- Downall s.r.l. in liquidation: payment of 9 thousand euro for extinction of obligations for payment of share capital;
- Sofigea s.r.l. in liquidation: extinguishment of participation for 705 thousand euro for approval of the liquidation balance sheet.

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

- Acacia 2000 S.r.l.: subscribed share capital increase of the Subsidiarie. In this transaction Vittoria Assicurazioni S.p.A. subscribed the stake of share capital increase, not taken up by other shareholders, thus becoming owner of a holding of 65.51% of the capital at a cost of 150,000 thousand euro. It was subsequently purchased, by a third party, an additional stake of 2.03% at a price of 4,650 thousand euro;
- Vittoria Immobiliare S.p.A.: recorded a write-down of the investment by 6,000 thousand euro for impairment;
- VP Sviluppo 2015 S.r.l.: payment to the future capital increase account for 3,000 thousand euro and recorded a write-down of the investment by 3,329 thousand euro for impairment;
- VAIMM Sviluppo S.r.l.: payment of capital for 3,000 thousand euro and recorded a write-down of the investment by 3,500 thousand euro for impairment;
- Touring Vacanze S.r.l.: purchase of a further 9.0% of the share capital to bring the investment up to 46%, for 1,800 thousand euro;
- Yarpa S.p.A.: reduction of the share capital through the release of members from the obligation of capital contributions and recognition of credits for 1,133 thousand euro;
- Movincom Servizi S.p.a.: recorded a write-down of the investment by 756 thousand euro to cover losses;
- Consorzio Movincom S.c.r.l.: payment of 38 thousand euro to cover past losses, with relative write-down of the investment;
- joined the Consorzio Servizi Assicurativi at a cost of 0.4 thousand euro.

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

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

As at 31 December 2015 these investments amounted to 58,636 thousand euro (61,823 thousand euro as 31 December 2014).

Of the total 8,247 thousand euro related to unit-linked policies linked to funds outside the company, 33,249 thousand euro to unit-linked policies linked to the company's internal funds, and 17,140 thousand euro to the Vittoria Formula Lavoro open-ended pension fund. The index-linked policies were fully reimbursed.

Overall net return was positive and totalled 4,238 thousand euro thanks to the positive trend in financial markets (3,763 thousand euro in 2014).

Investment and financial risk management & analysis policies

Financial risk management

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

Investment policies: objectives

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

Investments are managed according to the following objectives:

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

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

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

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

B) Life investments with risks borne by policyholders

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

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

Procedures

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

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

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

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

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

Financial risk analysis

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

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

Securities portfolio breakdown

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

	(€/000)			
Investment nature	Amount 31/12/2015	% of breakdown	Amount 31/12/2014	% of breakdown
DEBT SECURITIES	1,845,030	96.0%	1,763,827	96.8%
Listed treasury bonds:	1,826,914	95.1%	1,736,295	95.3%
Fixed-interest rate	1,787,456	93.0%	1,665,433	91.4%
Variable interest rate	39,458	2.1%	70,862	3.9%
Unlisted treasury bonds:	1,173	0.1%	1,374	0.1%
Variable interest rate	1,173	0.1%	1,374	0.1%
Listed corporate bonds:	16,883	0.9%	21,074	1.2%
Fixed-interest rate	13,884	0.7%	13,076	0.7%
Variable interest rate	2,999	0.2%	7,998	0.4%
Unlisted corporate bonds:	60	0.0%	85	0.0%
Fixed-interest rate	60	0.0%	85	0.0%
Bonds of supranational issuers:	-	0.0%	4,999	0.3%
Fixed-interest rate	-	0.0%	4,999	0.3%
of which				
Total fixed-interest securities	1,801,400	97.6%	1,683,593	95.5%
Total variable-interest securities	43,630	2.4%	80,234	4.5%
Total debt securities	1,845,030	100.0%	1,763,827	100.0%
of which				
Total listed securities	1,843,797	99.9%	1,762,368	99.9%
Total unlisted securities	1,233	0.1%	1,459	0.1%
Total debt securities	1,845,030	100.0%	1,763,827	100.0%
EQUITY INSTRUMENTS (*)	28,918	1.5%	29,615	1.5%
listed shares	10,354	0.5%	10,354	0.6%
unlisted equity instruments	18,564	1.0%	19,261	1.1%
OEIC UNITS	48,408	2.5%	28,404	1.7%
TOTAL	1,922,356	100.0%	1,821,846	100.0%

(*) excluding investments in participating interests

The fixed-income securities portfolio has a duration of 4.4 years.

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

(€/000)

Investment nature	Amount 31/12/2015	% of breakdown	Amount 31/12/2014	% of breakdown
DEBT SECURITIES	1,845,030	96.0%	1,763,827	96.8%
FIXED INTEREST RATE SECURITIES	1,801,400		1,683,593	
of which Investment portfolio	1,258,002		1,353,775	
of which Trading portfolio	543,398		329,818	
VARIABLE INTEREST RATE SECURITIES	43,630		80,234	
of which Investment portfolio	43,630		48,528	
of which Trading portfolio	0		31,706	
EQUITY INSTRUMENTS (*)	28,918	1.5%	29,615	1.6%
OEIC UNITS	48,408	2.5%	28,404	1.6%
of which Investment portfolio	48,408		28,404	
TOTAL	1,922,356	100.0%	1,821,846	100.0%

(*) excluding investments in participating interests

Market risk

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

Debt securities are exposed to interest-rate risk.

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

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

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

The carrying value of fixed-interest debt securities exposed to interest-rate risk on fair value totalled 1,801,400 thousand euro (97.6% of the bond portfolio with investment risk borne by the company), of which 1,258,002 thousand euro classified among investment securities (i.e. for long-lasting utilisation) and 543,398 thousand euro among trading securities (for temporary utilisation).

The carrying value of floating-rate debt securities exposed to interest-rate risk on cash flows totalled 43,630 thousand euro (2.4% of the bond portfolio with investment risk borne by the company), all classified to the non-current segment.

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

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

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

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

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

Fixed - interest securities			(€/000)
Maturity	Amount	% of breakdown	
< 1 year	325,950	18.1%	
1<X<2	310,040	17.2%	
2<X<3	98,154	5.4%	
3<X<4	147,254	8.2%	
4<X<5	145,616	8.1%	
5<X<10	580,185	32.2%	
more	194,201	10.8%	
Total	1,801,400	100.0%	

Variable - interest securities				(€/000)
Type of rate	Indexation	Amount	% of breakdown	
Constant mat. Swap	Euroswap 10Y	24,998	57.3%	
Constant mat. Swap	Euroswap 30Y	7,998	18.3%	
variable	3 months treasury bonds	1,173	2.7%	
Variable	6 months treasury bonds	9,461	21.7%	
Total		43,630	100.0%	

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

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

As at 31 December 2015, investments in equity securities (excluding equity interests in subsidiaries, affiliates, and associates) amounted to 28,918 thousand euro, of which 10,354 thousand euro relating to listed stocks and 18,564 thousand euro to unlisted stocks.

The company is not exposed to foreign exchange risk since, as at 31/12/2015, all investments for which it bears the risk are expressed in euro, observing the principle of consistency with technical reserves.

Liquidity risk

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

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

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

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

As at 31 December 2015, as shown in the previous section "Securities portfolio breakdown", financial assets listed in a regulated market accounted for over 96% of financial assets owned.

Credit risk

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

As can be seen in the table below, as at 31/12/2015 nearly all corporate bonds held by the group were rated as investment grade.

(€/000)

Rating (Standard & Poor's)	Amounts	% of breakdown
AA+ / AA-	6,038	0.3%
BBB+ / BBB-	1,838,991	99.7%
Total investment grade	1,845,029	100.0%
Non investment grade	1	0.0%
Totale	1,845,030	100.0%

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

(€/000)

S&P/ A.M. Best / Moody's Rating	Current and Deposit accounts	Reinsurers' share of technical reserves	Total net balance sheet items	% of breakdown
AA+	167	-	167	0.4
AA	226	665	891	1.9
AA-	-15,599	41,188	25,589	54.8
A+	-237	2,964	2,727	5.8
A	885	2,547	3,432	7.3
A3*	-2,614	9,866	7,252	15.5
A-	-124	1,971	1,847	4.0
BBB+	192	-186	6	0.0
Not rated	907	3,903	4,810	10.3
Total	-16,197	62,918	46,721	100.0

* provided by Moody's

Human resources

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

We pursue this objective via:

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

Management and coordination

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

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

Real estate companies

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

Service companies

Interbilancia Srl - Milan
Aspevi Milano Srl - Milan
Assiorviato Servizi S.r.l. - Orvieto
Plurico Srl - Milan

Infragroup and related-party transactions

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

There were no financial or commercial transactions with the direct controlling company - Vittoria Capital S.p.A., or the indirect controlling shareholders, Yafa Holding S.p.A. and Yafa S.p.A..

The table below shows the balances resulting from the transactions carried out during the year with Group companies, involving mainly administration and management of the property portfolio, administrative and IT services, loans, and adjustments on equity investments.

	(€/000)			
	Subsidiaries	Associated	Total as at 31/12/2015	Total as at 31/12/14
<i>Assets</i>				
Investments	419,362	19,883	439,245	291,512
Loans	13,500	2,283	15,783	6,000
Receivables and other assets	3,957	3	3,960	15,836
Total Assets	436,819	22,168	458,987	313,348
<i>Liabilities</i>				
Payables and other liabilities	5,782	745	6,527	5,034
Total Liabilities	5,782	745	6,527	5,034
<i>Commitments</i>				
Commitments	-	-	-	20,500
Dividends	-	34	34	-
Adjustments values	12,829	794	13,623	11,181
Revenues for service business	725	124	849	665
Costs for service business	805	5,618	6,423	4,204
Commissions	3,938	-	3,938	7,377
Net income on investments	114	10	124	170

Loans receivable from subsidiaries refer to Immobiliare Bilancia Prima S.r.l., Vaimm Sviluppo S.r.l and VP Sviluppo 2015 S.r.l. while those from associated companies refer to SINT S.p.A. and Spefin Finanziaria S.p.A..

Receivables and other assets refer mainly to remittances to be issued from Aspevi Roma S.r.l..

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

Adjustments values on equity investments for a total of 13,623 thousand euro (11,605 thousand euro in 2014) refer to the above information in the comment on the equity portfolio.

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

Costs for services provided by subsidiaries refer to the management of property provided by the companies of the Vittoria Immobiliare Group and mainly from Gestimmobili S.r.l.. Costs for services provided by associated companies include 4,593 thousand euro for services rendered by Sint S.p.A..

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

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

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

Report on remuneration

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

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

Report on corporate governance and ownership structures

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

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

Relations with the Supervisory Authority

From 18 May to 2 October 2015, IVASS has carried out inspections at the Company involving the government, the management and control of investments and financial risks. On 3 December 2015 IVASS officials explained to the Company's Board of Directors the outcome of the investigation by asking for further information on the above subject. On 2 February 2016, the Company sent to IVASS its considerations, the overall action plan and the actions already undertaken.

Solvency II - implementation process

The main activities performed during 2015 and in progress in 2016 with reference to Pillar I (Quantitative requirements) and Pillar III (Information to supervisory stakeholders and supervisory reporting) are as follows:

- o a specific system is in use to produce calculation and reporting data required by the supervisory authority on quarter and annual basis;
- o relating to data quality, the definition of the aspects of governance and the formalization of its policy will be completed in the course of 2016. These high level assumptions will be matched by the definition of the Guidelines on Data Quality, describing in great detail the operational activities of all the departments involved in the supply phases and / or use of business data. The definition of such guidelines have already been completed for what concerns the calculation process of Undertaking Specific Parameters (U.S.P.);
- o the process of calculating the U.S.P. is expected to be consolidated during 2016, starting from the preliminary sharing of assumptions and the scope of application. The instance for authorization by Ivass is expected to be prepared by the first half of the year.

With regard to Pillar II (Governance), in 2015 it was created the Actuarial Function and is currently in progress the update process for the guidance policies already working, as well as the finalization of the remaining policies required by law.

Also as part of the Pillar II, the Parent Company, since 2014, adopted the framework ORSA (Own Risk and Solvency Assessment), made up of all processes of analysis, decision-making and strategic implemented, as well as the methods used to assess continuously and prospectively capital requirements and the availability of capital resources. This framework is connected to the specific risk profile and appetite of the parent company.

Performance in early months of FY2016 and business outlook

Business trend of first months of 2016 is in line with the targets

In January 2016, the Company participated in the establishment of a new company called Digital Touring srl active in the development of digital services. Partners in the initiative is Touring Club Italiano that, through its subsidiary Touring Servizi Srl, will hold the newly-formed company's control. The share capital of Digital Touring srl of 2,400 thousand euro was signed for 45% by Vittoria Assicurazioni spa and for 55% by Touring Servizi srl.

Allocation of earnings

Shareholders,

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

Net profit of Non-Life Business	66,079,315
Net profit of Life Business	189,278
Total (equal to 0.9835 per share)	66,268,593
Allocation to Life Business Legal Reserve	9,464
Total available net profit	66,259,129
of which:	
Available net profit of Non-Life Business	66,079,315
Available net profit of Life Business	179,814

Shareholders,

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

to each of the 67,378,924 shares comprising the entire share capital, 0.20 for a total of 13,475,785. Remaining, 52,783,344 which we propose to allocate the amount of 52,603,530 to increase the Available Reserve for Non-Life Business and the amount of 179,814 to increase the Available Reserve for Life Business.

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

If you agree with and approve our proposal, the dividend will be paid as from 6 May 2015 c/o custodian intermediaries with detachment of coupon no. 34 on 2 May 2016. Those who hold shares at the end of the record date of 3 May 2016, selected by the company in accordance with the Italian Stock Exchange's calendar, will be entitled to collect the dividend.

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

The Board of Directors

Milan, 10th March 2016

Financial statements
as at and for the year ended
31 December 2015

BALANCE SHEET

ASSETS

Current year

A. SHARE CAPITAL PROCEEDS TO BE RECEIVED					1	0
of which: called-up		2	0			
B. INTANGIBLE ASSETS						
1. Acquisition commissions to be amortised						
a) life businesses	3	5,790,536				
b) non-life businesses	4	0	5	5,790,536		
2. Other acquisition costs			6	0		
3. Start-up and capital costs			7	0		
4. Goodwill			8	0		
5. Other deferred costs			9	10,503,875		
					10	16,294,411
C. INVESTMENTS						
I - Land and buildings						
1. Operating buildings			11	91,671,379		
2. Buildings used by third parties			12	97,609,367		
3. Other buildings			13	0		
4. Other property rights			14	0		
5. Assets under construction and payments on account			15	0	16	189,280,746
II - Investments in group and other companies:						
1. Equity investments in:						
a) parent companies	17	0				
b) subsidiaries	18	419,361,967				
c) related companies	19	0				
d) associated companies	20	19,882,600				
e) other companies	21	28,917,881	22	468,162,448		
2. Bonds issued by:						
a) parent companies	23	0				
b) subsidiaries	24	0				
c) related companies	25	0				
d) associated companies	26	0				
e) other companies	27	0	28	0		
3. Loans to:						
a) parent companies	29	0				
b) subsidiaries	30	13,500,000				
c) related companies	31	0				
d) associated companies	32	2,282,791				
e) other companies	33	0	34	15,782,791	35	483,945,239
				to carry forward		16,294,411

Previous year

				181	0
		182	0		
183	5,675,012				
184	1,812,332	185	7,487,344		
		186	0		
		187	0		
		188	625,411		
		189	28,132,028	190	36,244,783
		191	95,399,515		
		192	101,110,533		
		193	0		
		194	0		
		195	0	196	196,510,049
197	0				
198	271,540,895				
199	0				
200	19,970,845				
201	29,615,004	202	321,126,743		
203	0				
204	0				
205	0				
206	0				
207	0	208	0		
209	0				
210	0				
211	0				
212	6,000,000				
213	0	214	6,000,000	215	327,126,743
		to carry forward			36,244,783

BALANCE SHEET

ASSETS

Current year

			brought forward		16,294,411
C. INVESTMENTS (continues)					
III - Other financial investments:					
1. Equity investments					
a) Listed shares	36	0			
b) Unlisted shares	37	0			
c) Quotas	38	0	39	0	
2. Unit trust units			40	48,408,491	
3. Bonds and other fixed-interest securities					
a) listed	41	1,843,795,697			
b) unlisted	42	1,233,855			
c) convertible bonds	43	0	44	1,845,029,552	
4. Loans					
a) secured loans	45	2,313,063			
b) loans on policies	46	1,650,739			
c) other loans	47	3,129,531	48	7,093,335	
5. Shares in investment pools			49	0	
6. Deposits with banks			50	2,010,186	
7. Other financial investments			51	0	52
IV - Deposits with ceding companies				53	174,519
					54
					2,575,942,069
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT					
I - Investments relating to index-linked policies				55	41,495,894
II - Investments relating to pension fund management				56	17,140,405
					57
					58,636,299
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES					
I - NON-LIFE BUSINESSES					
1. Premium reserve			58	17,438,845	
2. Claims reserve			59	39,581,007	
3. Profit participation and reimbursement reserve			60	0	
4. Other technical reserves			61	0	62
					57,019,852
II - LIFE BUSINESSES					
1. Mathematical reserves			63	6,965,872	
2. Complementary insurance premium reserve			64	0	
3. Reserve for payable amounts			65	0	
4. Profit participation and reimbursement reserve			66	0	
5. Other technical reserves			67	31,488	
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management			68	0	69
					6,997,359
					70
					64,017,211
			to carry forward		2,714,889,990

Previous year

	brought forward		36,244,783
216	0		
217	0		
218	0	219	0
		220	28,403,850
221	1,762,367,868		
222	1,459,120		
223	0	224	1,763,826,988
225	2,800,110		
226	2,444,710		
227	1,622,315	228	6,867,134
		229	0
		230	0
		231	0
		232	1,799,097,972
		233	174,519
		234	2,322,909,283
		235	46,250,976
		236	15,572,379
		237	61,823,355
		238	16,007,357
		239	37,846,041
		240	0
		241	0
		242	53,853,398
		243	6,609,272
		244	0
		245	0
		246	0
		247	38,500
		248	0
		249	6,647,772
		250	60,501,170
	to carry forward		2,481,478,592

BALANCE SHEET

ASSETS

Current year

	brought forward			2,714,889,990
E. RECEIVABLES				
I - Receivables relating to direct insurance due from:				
1. Policyholders				
a) premiums for the year	71	52,627,136		
b) premiums for previous years	72	2,983,142	73	55,610,278
2. Insurance brokers and agents		74	98,192,431	
3. Current account companies		75	7,394,118	
4. Amounts to be recovered from policyholders and third parties	76	27,064,334	77	188,261,160
II - Receivables relating to reinsurance due from:				
1. Insurance and reinsurance companies		78	6,333,123	
2. Reinsurance brokers and agents	79	0	80	6,333,123
III. - Other receivables			81	64,839,022
			82	259,433,306
F. OTHER ASSETS				
I - Tangible assets and inventory:				
1. Office furniture and machines and internal transport systems	83	7,026,781		
2. Registered chattel property	84	89,778		
3. Plant and machinery	85	1,000,624		
4. Inventory and other assets	86	0	87	8,117,183
II - Liquid funds				
1. Bank and postal accounts	88	138,187,395		
2. Cheques on hand and cash-in-hand	89	18,453	90	138,205,848
III - Own shares or quotas			91	0
IV - Other assets				
1. Suspense reinsurance accounts	92	0		
2. Sundry assets	93	83,930,667	94	83,930,667
			95	230,253,696
G. PREPAYMENTS AND ACCRUED INCOME				
1. Interest			96	22,224,770
2. Rent instalments			97	725,279
3. Other prepayments and accrued income			98	3,082,238
			99	26,032,288
TOTAL ASSETS			100	3,230,609,280

Previous year

	brought forward		2,481,478,592
251	54,073,160		
252	1,891,116	253	55,964,277
		254	103,886,334
		255	6,541,238
		256	35,545,479
		257	201,937,328
		258	4,250,958
		259	0
		260	4,250,958
		261	51,859,719
		262	258,048,005
		263	7,626,828
		264	128,198
		265	411,585
		266	0
		267	8,166,610
		268	174,580,310
		269	12,891
		270	174,593,201
		271	0
		272	0
		273	114,390,408
		274	114,390,408
		275	297,150,220
		276	21,798,360
		277	795,763
		278	2,593,399
		279	25,187,522
		280	3,061,864,338

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

A. SHAREHOLDERS' EQUITY			
I - Subscribed share capital or equivalent fund	101	67,378,924	
II - Share premium reserve	102	33,355,418	
III - Revaluation reserves	103	18,192,709	
IV - Legal reserve	104	12,619,027	
V - Statutory reserves	105	0	
VI - Reserves for purchase of own shares and shares of parent company	106	0	
VII - Other reserves	107	341,408,592	
VIII - Retained earnings or losses carried forward	108	0	
IX - Net profit (loss) for the year	109	66,268,593	110 539,223,262
B. SUBORDINATED LIABILITIES			111 0
C. TECHNICAL RESERVES			
I - NON-LIFE BUSINESSES			
1. Premium reserve	112	393,874,571	
2. Claims reserve	113	1,068,076,486	
3. Profit participation and reimbursement reserve	114	0	
4. Other technical reserves	115	408,603	
5. Equalisation reserves	116	5,741,069	117 1,468,100,729
II - LIFE BUSINESSES			
1. Mathematical reserves	118	1,002,404,497	
2. Complementary insurance premium reserve	119	90,706	
3. Reserve for payable amounts	120	28,315,595	
4. Profit participation and reimbursement reserve	121	26,957	
5. Other technical reserves	122	7,160,976	123 1,037,998,730 124 2,506,099,459
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	41,495,894	
II - Reserves arising from pension fund management	126	17,140,405	127 58,636,299
to carry forward			3,103,959,020

Previous year

		281	67,378,924	
		282	33,355,418	
		283	18,192,709	
		284	12,565,438	
		285	0	
		286	0	
		287	279,328,843	
		288	0	
		289	74,935,333	290 485,756,667
				291 0
292	378,278,461			
293	1,025,148,253			
294	0			
295	408,603			
296	5,207,098	297	1,409,042,415	
298	939,383,200			
299	111,398			
300	28,764,030			
301	1,631			
302	8,429,197	303	976,689,457	304 2,385,731,872
		305	46,250,976	
		306	15,572,379	307 61,823,355
	to carry forward			2,933,311,894

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
	brought forward		3,103,959,020
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1	Pension and similar provisions	128	0
2	Provision for taxation	129	998,331
3	Other provisions	130	5,092,307
		131	6,090,638
F. DEPOSITS FROM REINSURERS			
		132	14,424,896
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1.	Insurance brokers and agents	133	3,951,696
2.	Current account companies	134	2,499,120
3.	Guarantee deposits and premiums paid by policyholders	135	705,250
4.	Guarantee funds in favour of policyholders	136	996,784
		137	8,152,850
II - Payables arising from reinsurance business due to:			
1.	Insurance and reinsurance companies	138	8,280,095
2.	Reinsurance brokers and agents	139	0
		140	8,280,095
III. - Bond issues			
		141	0
IV - Due to banks and other financial institutions			
		142	0
V - Secured debts			
		143	0
VI - Sundry loans and other financial payables			
		144	0
VII - Employees' leaving entitlement			
		145	3,228,043
VIII - Other sums payable			
1.	Policyholders' tax due	146	22,790,018
2.	Other sums payable to taxation authorities	147	2,246,823
3.	Social security charges payable	148	2,573,790
4.	Sundry payables	149	34,053,043
		150	61,663,674
IX - Other liabilities			
1.	Suspense reinsurance accounts	151	0
2.	Commissions on premiums under collection	152	12,372,044
3.	Other liabilities	153	12,438,018
		154	24,810,062
		155	106,134,724
	to carry forward		3,230,609,280

Previous year

	brought forward			2,933,311,894
		308	0	
		309	753,663	
		310	4,015,878	311 4,769,541
				312 15,855,832
	313	6,982,767		
	314	2,760,407		
	315	68,451		
	316	1,632,307	317 11,443,932	
	318	7,253,793		
	319	0	320 7,253,793	
		321	0	
		322	0	
		323	0	
		324	0	
		325	3,237,457	
	326	22,940,699		
	327	2,998,158		
	328	2,407,355		
	329	33,137,361	330 61,483,573	
	331	0		
	332	14,088,469		
	333	10,414,635	334 24,503,103	335 107,921,858
	to carry forward			3,061,859,123

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year
brought forward		3,230,609,280
H. ACCRUED EXPENSES AND DEFERRED INCOME		
1. Interest	156	0
2. Rent instalments	157	0
3. Other accrued expenses and deferred income	158	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		159 0
		160 3,230,609,280

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 0
4. Collateral		164 0
II - Guarantees received		
1. Sureties		165 15,341,293
2. Endorsements		166 0
3. Other personal guarantees		167 0
4. Collateral		168 2,330,000
III - Guarantees given by third parties in the interest of the company		169 0
IV - Commitments		170 61,091,980
V - Third party assets		171 534,000
VI - Assets pertaining to pension funds managed in favour and on behalf of third parties		172 17,140,405
VII - Securities held by third parties		173 1,962,767,462
VIII - Other memorandum and contingency accounts		174 0

Previous year

brought forward		3,061,859,123
	336	0
	337	0
	338	5,216
	339	5,216
	340	3,061,864,338

Previous year

		0
	341	0
	342	0
	343	20,500,000
	344	0
	345	13,286,575
	346	0
	347	0
	348	2,330,000
	349	0
	350	35,251,145
	351	1,397,991
	352	15,572,379
	353	1,879,150,331
	354	0

PROFIT AND LOSS ACCOUNT

Current year

				Current year	
I. NON-LIFE BUSINESS TECHNICAL ACCOUNT					
1	PREMIUMS, NET OF OUTWARDS REINSURANCE				
	a) gross premiums accounted for	1	1,069,216,102		
	b) (-) outwards reinsurance premiums	2	28,585,543		
	c) Change in gross premium reserve	3	15,596,098		
	d) Change in reinsurer premium reserve	4	1,431,488	5	1,026,465,949
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)			6	10,893,909
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			7	3,736,117
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE				
	a) Amounts paid				
	aa) Gross amount paid	8	661,988,943		
	bb) (-) reinsurers' share	9	34,567,998	10	627,420,945
	b) Change in recoveries, net of reinsurers' share				
	aa) Gross amount recovered	11	7,708,211		
	bb) (-) reinsurers' share	12	-4,582,062	13	12,290,273
	c) Change in claims reserve				
	aa) Gross amount	14	42,891,088		
	bb) (-) reinsurers' share	15	1,699,101	16	41,191,986
5	CHANGE IN OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE			17	656,322,658
6	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE			18	
7	OPERATING COSTS:			19	
	a) Acquisition commissions	20	156,478,100		
	b) Other acquisition costs	21	50,435,242		
	c) Change in commissions and other acquisition costs to be amortised	22	-1,812,332		
	d) Premium collection commissions	23	10,352,282		
	e) Other administrative costs	24	27,848,036		
	f) (-) Profit participation and other commissions received by reinsurers	25	4,746,721	26	242,179,271
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			27	11,540,110
9	CHANGE IN EQUALISATION RESERVES			28	533,971
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)			29	130,519,965

Previous year

		111	1,033,091,476			
		112	36,017,974			
		113	13,141,802			
		114	105,529	115	984,037,229	
				116	13,936,511	
				117	4,310,878	
	118	585,052,080				
	119	41,897,895	120	543,154,185		
	121	7,116,548				
	122	-3,292,257	123	10,408,805		
	124	99,066,091				
	125	-13,200,564	126	112,266,655	127	645,012,035
				128		
				129		
		130	148,509,970			
		131	50,214,708			
		132	-1,258,639			
		133	10,610,315			
		134	24,408,412			
		135	6,178,434	136	228,823,610	
				137	15,234,087	
				138	493,902	
				139	112,720,985	

PROFIT AND LOSS ACCOUNT

Current year

				Current year	
II. LIFE BUSINESS TECHNICAL ACCOUNT					
1	PREMIUMS, NET OF OUTWARDS REINSURANCE:				
	a) Gross premiums accounted for	30	218,326,625		
	b) (-) outwards reinsurance premiums	31	1,208,927	32	217,117,698
2	INCOME ON INVESTMENTS:				
	a) Income on equity investments	33			
	(of which: from group companies	34			
	b) Income on other investments:				
	aa) land and buildings	35	2,769,678		
	bb) other investments	36	38,503,147	37	41,272,826
	(of which: from group companies	38			
	c) Adjustments to investment values	39			
	d) Profit on sale of investments	40	307,412		
	(of which: from group companies	41		42	41,580,237
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT			43	6,305,064
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			44	609,875
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:				
	a) Amounts paid				
	aa) Gross amount paid	45	179,407,074		
	bb) (-) reinsurers' share	46	763,697	47	178,643,377
	b) Change in reserve for amounts payable				
	aa) Gross amount	48	-448,435		
	bb) (-) reinsurers' share	49		50	-448,435
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE				
	a) Mathematical reserves:				
	aa) Gross amount	52	58,403,987		
	bb) (-) reinsurers' share	53	356,599	54	58,047,388
	b) Complementary insurance premium reserve:				
	aa) Gross amount	55	-20,692		
	bb) (-) reinsurers' share	56		57	-20,692
	c) Other technical reserves				
	aa) Gross amount	58	-1,268,221		
	bb) (-) reinsurers' share	59	-7,012	60	-1,261,209
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management				
	aa) Gross amount	61	-3,187,056		
	bb) (-) reinsurers' share	62		63	-3,187,056
				64	53,578,430

Previous year

		140	250,694,447		
		141	1,234,283	142	249,460,165
		143			
(of which: from group companies		144)	
	145		1,834,023		
	146	34,857,664	147	36,691,687	
(of which: from group companies		148)	
	149		4,875		
	150		238,781		
(of which: from group companies		151)	152
					36,935,343
				153	9,017,119
				154	1,433,012
	155		133,622,912		
	156	373,310	157	133,249,602	
	158		6,394,303		
	159		6,394,303	160	6,394,303
				161	139,643,905
	162		129,161,685		
	163	473,138	164	128,688,548	
	165		-22,235		
	166		-22,235	167	-22,235
	168		-1,494,810		
	169	10,763	170	-1,505,573	
	171		-3,303,793		
	172		-3,303,793	173	-3,303,793
				174	123,856,947

PROFIT AND LOSS ACCOUNT

Current year

7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE			65	25,326
8	OPERATING COSTS:				
	a) Acquisition commissions	66	5,082,773		
	b) Other acquisition costs	67	7,323,498		
	c) Change in commissions and other acquisition costs to be amortised	68	115,524		
	d) Premium collection commissions	69	860,671		
	e) Other administrative costs	70	2,649,681		
	f) (-) Profit participation and other commissions received by reinsurers	71	138,640	72	15,662,459
9	CAPITAL AND FINANCIAL CHARGES:				
	a) Investment management charges and interest payable	73	8,077,604		
	b) Adjustments to investment values	74	4,119,803		
	c) Loss on sale of investments	75	313,408	76	12,510,815
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	2,067,043
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			78	413,203
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)			79	2,593,574
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)			80	567,080
III. NON-TECHNICAL ACCOUNT					
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I.10)			81	130,519,965
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II.13)			82	567,080
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:				
	a) Income on equity investments	83	506,816		
	(of which: from group companies	84	506,816)		
	b) Income on other investments:				
	aa) land and buildings	85	3,073,012		
	bb) other investments	86	35,338,681	87	38,411,693
	(of which: from group companies	88	124,442)		
	c) Adjustments to investment values	89			
	d) Profit on sale of investments	90	1,290,271		
	(of which: from group companies	91		92	40,208,780

Previous year

		175	-27,491

	176	4,207,560	
	177	7,264,469	

	178	436,228	
	179	1,303,753	
	180	4,247,118	
	181	125,651	182
	-----		16,461,020

	183	5,705,073	
	184	6,662,796	
	185	106,923	186
	-----		12,474,792

		187	5,254,095

		188	363,052

		189	

		190	-1,180,681

		191	112,720,985

		192	-1,180,681

	193	336,071	
(of which: from group companies	194	336,071)

	195	1,969,818	

	196	38,849,131	197
	-----		40,818,949
(of which: from group companies	198	170,830)

	199		

	200	238,094	

(of which: from group companies	201)
	-----		202
			41,393,115

PROFIT AND LOSS ACCOUNT

		Current year
4	(+) INCOME ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (caption II) 12)	93 2,593,574
5	CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:	
	a) Investment management charges and interest payable	94 6,495,695
	b) Adjustments to investment values	95 18,333,383
	c) Loss on sale of investments	96 1,221,286
6	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)	98 10,893,909
7	OTHER INCOME	99 2,916,277
8	OTHER CHARGES	100 29,374,790
9	RESULT OF ORDINARY BUSINESS	101 110,486,612
10	EXTRAORDINARY INCOME	102 10,166,306
11	EXTRAORDINARY EXPENSE	103 550,142
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS	104 9,616,164
13	PROFIT (LOSS) BEFORE TAXATION	105 120,102,776
14	TAXATION ON PROFIT FOR THE YEAR	106 53,834,183
15	NET PROFIT (LOSS) FOR THE YEAR	107 66,268,593

Previous year

		203	

204	7,695,635		

205	15,161,172		

206	749,937	207	23,606,744
	-----		-----
		208	13,936,511

		209	4,953,413

		210	13,847,264

		211	106,496,313

		212	15,457,695

		213	391,895

		214	15,065,800

		215	121,562,114

		216	46,626,780

		217	74,935,333

EXPLANATORY NOTES TO ACCOUNTS

To Our Shareholders

Together with the Balance Sheet and Income Statement for the financial year ending on 31 December 2015, we also submit for your approval these Explanatory Notes, which, pursuant to Article 2423 of the Italian Civil Code, are an integral part of the year-end financial statements.

Format and content of year-end financial statements

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

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

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

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

Part A – Accounting policies

Part B – Information on the balance sheet and income statement

Part C – Other information and cash flow statement.

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

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

Restated balance sheet captions are shown net of reinsurance effects.

Other disclosures

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

Reclassified balance sheet

(€/000)

ASSETS	31/12/2015	31/12/2014
Investments		
Land and buildings	189,281	196,510
Investments in group and other companies		
- Equity investments	468,162	321,127
- Loans	15,783	6,000
Other financial investments:		
- Unit trust units	48,408	28,404
- Bonds and other fixed-interest securities	1,845,030	1,763,827
- Loans	7,093	6,867
- Other financial investments	2,010	-
Deposits with ceding companies	175	175
Investments benefiting life policyholders	58,636	61,823
Total investments	2,634,578	2,384,733
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	55,610	55,964
- Insurance brokers and agents	98,192	103,886
- Current account companies	7,394	6,541
- Amounts to be recovered from policyholders and third parties	27,065	35,545
Receivables relating to reinsurance business	6,333	4,251
Other receivables	64,839	51,860
Total receivables	259,433	258,047
Intangible assets	16,294	36,245
Tangible assets and inventory	8,117	8,167
Liquid funds	138,206	174,593
Other assets	83,931	114,389
Prepayments and accrued income	26,032	25,188
TOTAL ASSETS	3,166,591	3,001,362

(€/000)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2015	31/12/2014
Shareholders' equity		
- Share capital	67,379	67,379
- Share premium reserve	33,355	33,355
- Revaluation reserves	18,193	18,193
- Legal reserve	12,619	12,565
- Other reserves	341,408	279,330
- Net profit (loss) for the year	66,269	74,935
Total shareholders' equity	539,223	485,757
Technical reserves, net of reinsurance		
- Premium reserve	376,436	362,271
- Claims reserve	1,028,494	987,302
- Mathematical reserves	995,438	932,774
- Reserve for amounts payable	28,316	28,764
- Other technical reserves	13,397	14,119
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	58,636	61,823
Total technical reserves	2,500,717	2,387,053
Payables		
Deposits from reinsurers	14,425	15,856
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	3,952	6,983
- Current account companies	2,499	2,760
- Guarantee deposits and premiums paid by policyholders	705	68
- Guarantee funds in favour of policyholders	997	1,632
Payables arising from reinsurance business	8,280	7,254
Other sums payable	61,664	61,484
Total payables	92,522	96,037
Provisions for contingencies and other charges	6,091	4,770
Employees' leaving entitlement	3,228	3,237
Other liabilities	24,810	24,503
Accrued expenses and deferred income	-	5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,166,591	3,001,362

Reclassified individual profit and loss account

	(€/000)	
	31/12/2015	31/12/2014
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	218,327	250,613
(-) Charges relating to claims	178,959	140,041
(-) Change in mathematical and other technical reserves	53,928	124,172
(+) Other technical captions, net	171	1,097
(-) Operating costs	15,801	16,573
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	26,476	24,461
(+) income on investments where policyholders bear the risk - Class D	4,238	3,763
Direct insurance result	524	-852
Outwards reinsurance result	43	-251
Retained direct insurance result	567	-1,103
Indirect and retroceded insurance result	-	-78
Result of life business technical account	567	-1,181
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	1,069,114	1,032,980
(-) Change in premium reserve	15,596	13,143
(-) Charges relating to claims	697,122	676,954
(+) Other technical captions, net	-7,806	-10,924
(-) Operating costs	246,918	234,994
Direct insurance result	101,672	96,965
Outwards reinsurance result	18,442	2,256
Retained direct insurance result	120,114	99,221
Indirect and retroceded insurance result	46	57
Total retained direct insurance result	120,160	99,278
(-) Change in equalisation reserves	534	494
(+) Income on investments transferred from the non-technical account	10,894	13,937
Result of non-life business technical account	130,520	112,721
Result of technical account	131,087	111,540
(+) Income on non-life business investments net of the portion transferred to the technical account	3,265	3,850
(+) Income on investments transferred from the life business technical account	2,594	-
(+) Other income	2,914	4,953
(-) Other charges	29,373	13,847
Result of ordinary business	110,487	106,496
(+) Extraordinary income	10,166	15,458
(-) Extraordinary expense	550	392
Profit (loss) before taxation	120,103	121,562
(-) Taxation on profit for the year	53,834	46,627
Net profit (loss)	66,269	74,935

Part A

Accounting policies

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

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

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

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

Technical insurance captions

Classification of risks by business line

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

NON-LIFE

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

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

LIFE

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

Gross premiums

LIFE/ NON-LIFE

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

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

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

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

Operating costs

NON-LIFE/
LIFE

Operating costs include:

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

Premium reserve

NON-LIFE

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

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

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

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

The premium reserve is supplemented by:

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

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

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

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

Other technical reserves

NON-LIFE

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

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

The estimate is based on a comparison between estimated cash inflows (all premiums expected to be collected in future years on the contracts held in portfolio at December 2015) and estimated cash outflows (all losses expected to be paid for the contracts held in portfolio at December 2015).

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

Equalisation reserves

NON-LIFE

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

The item includes:

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

Equalisation reserving for FY2015, by business line, is shown in Appendix 25 to the Explanatory Notes.

Costs relating to claims paid

NON-LIFE

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

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

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

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

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

Recoverables

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

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

Claims reserve

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

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

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

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

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

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

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

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

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

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

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

Mathematical reserves and other technical reserves

LIFE

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

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

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

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

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

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

Reversals and profit participation

NON-LIFE/LIFE

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

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

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

Other technical costs

LIFE/
NON-LIFE

Other technical costs include:

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

Other technical income

LIFE/
NON-LIFE

Other technical income includes:

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

Transfer of investment income

LIFE/
NON-LIFE

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

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

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

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

NON-LIFE/
LIFE

Inward reinsurance

Inward life insurance is recorded on an accruals basis.

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

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

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

Retrocession

NON-LIFE/
LIFE

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

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

NON-LIFE/
LIFE

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

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

Other acquisition costs (including commission)

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

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

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

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

Other administrative expenses (personnel costs and miscellaneous administrative expenses)

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

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

Investment captions

C I – Land and buildings

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

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

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

Market value

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

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

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

Furthermore, the following conditions are taken into account:

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

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

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

C II – Investments in Group companies and other investees

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

Group companies

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

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

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

Other investee companies

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

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

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

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

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

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

C III – Other financial investments

Equity investments

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

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

Foreign currency investments are converted into euro as follows:

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

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

Units in mutual investment funds

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

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

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

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

Bonds and other fixed-income debt securities

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

Investment securities

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

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

Trading securities

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

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

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

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

Fair value of financial instruments

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

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

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

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

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

Investments benefiting policyholders bearing risk

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

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

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

D I - unit-linked and index-linked investments

D II - investments arising from pension fund management

Mortgages and loans

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

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

Other captions

Tangible assets

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

Intangible assets

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

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

This caption includes deferred acquisition costs to be amortised, only refer to the Life business, as from the year 2015 the acquisition costs for long-term contracts of Non-Life are charged entirely to the profit and loss account in the year in which those costs are incurred.

LIFE

Acquisition costs for new contracts, for the part not outwardly reinsured, are capitalised, within the limits of their respective loading, and are amortised on a

straight-line basis over the duration of the underlying contract, with the maximum limit of 10 years. The amortisation period is considered to be economically consistent. Residual commissions of policies cancelled during the amortisation period are expensed in the financial year when the policies are eliminated from the portfolio.

Receivables

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

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

Accrued, prepaid and deferred items

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

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

Payables

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

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

Reserve for employee severance indemnities

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

Income taxes

Income taxes for the period are recognized in accordance with the laws in force. Deferred taxes are calculated on the basis of the tax rates applicable when the temporary differences will reverse, making the necessary adjustments in case of changes in tax rates for the previous years, provided that the law that changed the tax rate has already been enacted at the balance sheet date.

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

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

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

Conversion into euro

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

Part B

Information on Balance Sheet and Income Statement

BALANCE SHEET

ASSETS

CLASS B – INTANGIBLE ASSETS

31/12/2015	31/12/2014	Change
16,295	36,245	-19,950

Intangible assets are stated net of amortisation of 16,299 thousand euro (2014: 13,299 thousand euro). Amortisation is calculated as stated in "Part A - Accounting policies" of these Explanatory Notes.

The Appendix 4 to these Explanatory Notes detailed changes over the year.

B.1 – Deferred Acquisition costs

31/12/2015	31/12/2014	Change
5,791	7,488	-1,697

As more fully described in "Part A - Accounting Policies" of the Explanatory Notes, the deferred acquisition commissions refer only to the Life business, as from the year 2015 the acquisition costs for long-term contracts of Non-Life are charged entirely to the profit and loss account in the year in which those costs are incurred, pursuant of the regulation of the sector, which allows the policyholder to withdraw annually from the contract.

The income statement impact of this change in accounting policy amounted to 921 thousand euro.

If all policies have reached their full maturity, the different duration used for amortisation vs. actual policy duration would have led to an increase in shareholders' equity, before the related tax effect, in shareholders' equity of 420 thousand euro (2014: 347 thousand euro) for the Life business.

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

31/12/2015	31/12/2014	Change
5,791	5,675	+115

Life business deferred acquisition commissions changed due to:

commissions on policies acquired in the year	+1,591
commissions for policies cancelled in the year	-436
annual amortization	-1,040

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

31/12/2015	31/12/2014	Change
0	1,812	-1,812

Non-Life business deferred acquisition commissions changed due to:

annual amortization	-1,812
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B.4 – Goodwill

	31/12/2015	31/12/2014	Change
	0	625	-625

During the year it has been fully amortized the remaining portion of VIF arising from the SACE BT SpA's Life business.

B.5 – Other deferred costs

	31/12/2015	31/12/2014	Change
	10,504	28,132	-17,628

Deferred expenses, stated in year-end accounts at cost, are directly amortised. The decreasing over the year of 17,628 thousand euro is due to acquisitions for 2,803 thousand euro, disposals for 5 thousand euro, reclassifications for EDP under completion for 862 thousand euro and amortisation for 19,564 thousand euro.

Changes over the year are shown in the following table:

	31/12/2015	31/12/2014	Change
Software applications	10,504	25,742	-15,238
Software applications under completion	-	861	-861
Refurbishment of HQ and agency premises	-	1,529	-1,529
Total	10,504	28,132	-17,628

The item "Software applications" refers to long-term costs borne mainly for the development of IT procedures. During the year it has been considered necessary to review the remaining useful life of the NewAge System and other minor applications. This revision resulted in higher amortisation for 10,880 thousand euro.

During the year the software developed for Solvency II purposes has been completed and has started to be used.

CLASS C - INVESTMENTS

31/12/2015	31/12/2014	Change
2,575,942	2,322,909	+253,033

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

Below are shown the main investments:

C.I Land and buildings

	31/12/2015	31/12/2014	Change
	189,281	196,510	-7,229
<i>Of which:</i>			
C.I 1. Operating buildings	91,671	95,400	-3,729
C.I 2. Buildings used by third parties	97,610	101,111	-3,500

Changes over the year are mainly due to the annual amortization for a total amount of 7,450 thousand euro, of which 3,728 thousand euro relating to owner occupied properties and 3,721 thousand euro relating to non-owner occupied properties, to capitalization of maintenance expenses for 559 thousand euro and to impairment on properties rented to agencies for an amount of 339 thousand euro.

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

C.II Investments in group and in other companies

	31/12/2015	31/12/2014	Change
	483,945	327,126	+156.819

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

Any differences between acquisition value and Associated shareholder's equity are attributable to surplus values not recognised to equity, due to unrealised capital gains on properties, current and future.

Changes in Investments in group and in other companies are shown in Appendix 5 to these Explanatory Notes.

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

C.II 1. Equity investments

	31/12/2015	31/12/2014	Change
	468,162	321,126	+147,036

C.II 1.b Subsidiaries

	31/12/2015	31/12/2014	Change
	419,362	271,541	+147,821

The investments in subsidiaries totalled 419,362 thousand euro and are allocated as follows: 51,751 thousand euro to the life business, including 48,256 thousand euro to the life segregated accounts, and 367,611 thousand euro to the non-life business.

Changes over the year are referred to:

- Acacia 2000 S.r.l.: paid 150,000 thousand euro for share capital increase and purchase of a further share capital for 4,650 thousand euro;
- Vittoria Immobiliare S.p.A.: recorded a write-down of the investment by 6,000 thousand euro for impairment;
- VP Sviluppo 2015 S.r.l.: payment to the future capital increase account for 3,000 thousand euro and recorded a write-down of the investment by 3,329 thousand euro for impairment;
- VAIMM Sviluppo S.r.l.: payment of capital for 3,000 thousand euro and recorded a write-down of the investment by 3,500 thousand euro for impairment.

The impairment losses are attributable to the persistence of the real estate sector crisis.

C.II 1.d Associated companies

	31/12/2015	31/12/2014	Change
	19,882	19,971	-89

The investments in associated companies totalled 19,882 thousand euro and are entirely allocated to the non-life business.

Changes over the year are mainly due to:

- Yarpa S.p.A.: reduction of the share capital through the release of members from the obligation of capital contributions and recognition of credits for 1,133 thousand euro;
- Touring Vacanze S.r.l.: purchase of a further 9% of the share capital for 1,800 thousand euro;
- Movincom Servizi S.p.a.: recorded a write-down of the investment by 756 thousand euro to cover losses;
- Consorzio Movincom S.c.r.l.: payment of 38 thousand euro to cover past losses, with relative write-down of the investment;
- joined the Consorzio Servizi Assicurativi at a cost of 0.4 thousand euro.

C.II 1.e Other investee companies

	31/12/2015	31/12/2014	Change
	28,918	29,614	-696

The investments in other investee companies totalled 28,918 thousand euro entirely allocated to the non-life business.

Change over the year is mainly due to extinguishment of participation for 705 thousand euro in Sofigea s.r.l. in liquidation for approval of the liquidation balance sheet.

C.II 3. Loans to group companies

	31/12/2015	31/12/2014	Change
	15,783	6,000	+9,783

Of which:

C.II 3.b Subsidiaries

	31/12/2015	31/12/2014	Change
	13,500	-	+13,500

The amount as at 31 December 2015 referred to:

- Vaimm Sviluppo S.r.l. for an amount of 5,000 thousand euro;
- V.P. Sviluppo 2015 S.r.l. for an amount of 4,500 thousand euro;
- Immobiliare Bilancia Prima S.r.l. for an amount of 4,000 thousand euro.

C.II 3.d Associated companies

	31/12/2015	31/12/2014	Change
	2,283	6,000	-3,717

The amount as at 31 December 2015 referred to the interest bearing loan toward the associate Spefin Finanziaria SpA., for an amount of 1,783 thousand euro and for the remaining 500 thousand euro to the interest bearing loan granted to the associate S.IN.T. S.p.A..

The loan duration is more than 1 year and the current interest rate applied is equal to three-month euribor for that granted to the associate Spefin Finanziaria SpA. and 1.00% for the one with the associate S.IN.T. S.p.A..

C.III Other financial investments

	31/12/2015	31/12/2014	Change
	1,902,541	1,799,098	+103,443

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

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

The account refers to the following items:

C.III 2 Units in mutual investment funds

	31/12/2015	31/12/2014	Change
	48,408	28,404	+20,004

Investments in units in mutual funds are long-term investments. These totalled 48,408 thousand euro and are allocated as follows: 31,746 thousand euro to the life business, including 27,988 thousand euro to the life segregated accounts, and 16,662 thousand euro to the non-life business.

The change is mainly due to the following transactions:

- purchasing units of private equity fund Ardian ASF VII Feeder L.P. for 1,220 thousand euro;
- purchasing units of fund Ardian Infrastructure Fund IV Cl.A1 for 3,856 thousand euro and rebates for 309 thousand euro;
- purchasing units of fund Axa Private Debt III SICAR Cl.A S.1 for 6,148 thousand euro and rebates for 2,469 thousand euro;

- purchasing units of private debt fund BNP Par FLXI3-GL SRC-IP2015 for 5,000 thousand euro;
- rebates of principal of closed-end investment fund Alfa for 2,375 thousand euro;
- rebates of principal of closed-end investment fund Beta for 8,245 thousand euro;
- purchasing units of closed-end investment fund Delta for 6,452 thousand euro;
- purchasing units of closed-end investment fund Gamma for 2,598 thousand euro and rebates for 472 thousand euro;
- purchasing units of fund Idinvest Private Debt III Sh.A for 1,200 thousand euro and rebates for 600 thousand euro;
- purchasing units of private debt fund Lyxor European Sen Deb-Beur for 5,000 thousand euro;
- purchasing units of private debt fund Oddo Haut Rendem 2021-Di Eur for 3,000 thousand euro.

C.III 3 Bonds and other fixed-income securities

	31/12/2015	31/12/2014	Change
	1,845,030	1,763,827	+81,203
<i>Of which:</i>			
C.III 3.a Listed	1,843,796	1,762,368	+81,428
C.III 3.b Not listed	1,234	1,459	-225

The investments in bonds and other fixed-income include short-term securities of 543,398 thousand euro and long-term securities of 1,301,632 thousand euro. These totalled 1,845,030 thousand euro and are allocated as follows: 935,954 thousand euro to the non-life business, and 909,076 thousand euro to the life business, including 858,748 thousand euro to the life segregated accounts.

The following table provides a breakdown of the bond portfolio as at 31 December 2015:

- Italian government securities	98.7%
- Foreign government securities	0.3%
- Italian corporate bonds	0.7%
- Foreign corporate bonds	0.3%

As indicated in Appendix 9 to these Notes, during the year 133,515 thousand euro was transferred from the long-term portfolio to the short-term portfolio, in compliance with the minimum limits established for securities to be allocated to the short-term portfolio by the company's framework resolution on investments.

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

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

- increase depending on normal portfolio management and trading for 495,352 thousand euro and decrease depending on reimbursements and sales for 409,001 thousand euro;
- adjustment of zero coupon for 809 thousand euro;
- adjustment for positive issue differentials for 1,626 thousand euro;
- adjustment for positive and negative trading margins respectively for 936 thousand euro and 7,262 thousand euro;
- appreciation of BTP I/L and BTP ITALIA inflation-indexed for 9 thousand euro;
- downward alignment at fair value of trading securities for 1,042 thousand euro.

Financial instruments allocated to Life segregated funds amounted to 858,640 thousand euro (783,428 thousand euro in the previous year).

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

The change over the year is due to the decrease depending on reimbursements for 225 thousand euro.

Financial instruments allocated to Life segregated funds amounted to 108 thousand euro (108 thousand euro in the previous year).

The following table provides a comparison of the financial instruments required by Article 2427/2 of the Italian Civil Code, as at 31 December 2015, of the book value with the relative «fair value» from the market trend at year end.

		(€/000)	
	Account class	Carrying value FY 2015	Fair value
Investments - Other investee companies		483,945	561,926
- Equity investments in other investee companies	C.II.1	468,162	546,143
<i>of which carried at a value higher than fair value</i>		-	-
- Bonds issued by other investee companies	C.II.3.b)	13,500	13,500
- Loans to affiliate companies	C.II.3.d)	2,283	2,283
Other financial investments		1,902,541	2,112,429
- Units in mutual investment funds	C.III.2	48,408	57,825
<i>of which carried at a value higher than fair value</i>		25,219	24,448
- Bonds and other fixed-income securities	C.III.3	1,845,030	2,045,501
<i>of which carried at a value higher than fair value</i>		-	-
- Loans	C.III.4	7,093	7,093
- Bank deposits	C.III.6	2,010	2,010

Units in mutual investment funds registered for a value higher than fair value, concern seven private equity funds: Algebris Financial Coco Fund cl ID, Ardian Infrastructure Fund IV Cl.A1, BNP Par FLX13-GL SRC-IP2015, Lyxor European Sen Deb-Beur, Oddo Haut Rendem 2021-Di Eur, Ardian ASF VII Feeder L.P., closed-end investment fund Delta.

Operations involving repurchase agreements

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

C.III 4 Loans

	31/12/2015	31/12/2014	Change
	7,093	6,867	+226
<i>Of which:</i>			
C.III 4.a Secured loans	2,313	2,800	-487
C.III 4.b Loans against insurance policies	1,650	2,445	-795
C.III 4.c Other loans	3,130	1,622	+1,508

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

C.III 4.a Secured loans

	31/12/2015	31/12/2014	Change
	2,313	2,800	-487

The item consists solely of mortgage loans granted by the company. The minimum interest rate applied to mortgages is 1.83%.

The amount of mortgage with a residual duration of more than 1 year and 5 years is, respectively 2,296 thousand euro and 2,127 thousand euro.

C.III 4.b Loans against insurance policies

	31/12/2015	31/12/2014	Change
	1,651	2,445	-794

These are loans granted to company Life policyholders.

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

C.III 4.c Other loans

	31/12/2015	31/12/2014	Change
	3,130	1,622	+1,508

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

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

The amount of loans with a residual duration of more than 1 year and 5 years is, respectively 2,999 thousand euro and 773 thousand euro.

C.IV Deposits with ceding companies

	31/12/2015	31/12/2014	Change
	175	175	0

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

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

31/12/2015	31/12/2014	Change
58,636	61,823	-3,187

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

31/12/2015	31/12/2014	Change
41,496	46,251	-4,755

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

Unit - Linked portfolio	-4,755
- increase due to purchase and subscription of securities	+4,902
- decreases following sales of securities, redemptions and switch	-13,055
- profit/loss on internal fund management	+3,063
- alignment at fair value - write-ups	+358
- alignment at fair value - write-downs	-23

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

D.II Investments relating to pension fund management

31/12/2015	31/12/2014	Change
17,140	15,572	+1,568

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

- balance of social security management (net collection)	+768
- financial management result	+1,228
- management expenses	-236
- substitute tax receivable	-192

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

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

CLASS D bis – REINSURERS' SHARE OF TECHNICAL RESERVES

31/12/2015	31/12/2014	Change
64,017	60,501	+3,516

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

Their breakdown by insurance segment is as follows:

	31/12/2015	31/12/2014	Change
D Bis. I Non - Life business	57,020	53,853	+ 3,167
<i>Of which:</i>			
Premium reserve	17,439	16,007	+ 1,432
Claims reserve	39,581	37,846	+ 1,735
D Bis. II Life business	6,997	6,648	+ 350
<i>of which:</i>			
Mathematical reserves	6,966	6,609	+ 357
Other technical reserves	31	39	- 8

The item Other financial reserves for Life business refers to operating expense reserves for Class 1 - Whole and term life totalled 2 thousand euro and Class IV - Health insurance totalled 29 thousand euro.

CLASS E - RECEIVABLES

	31/12/2015	31/12/2014	Change
	259,433	258,048	+1,385

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

E.I Receivables relating to direct insurance transaction

	31/12/2015	31/12/2014	Change
	188,261	201,936	-13,675
<i>Towards:</i>			
E.I.1 Policyholders	55,610	55,964	-354
E.I.2 Insurance agents and brokers	98,193	103,886	-5,693
E.I.3 Insurance companies – current accounts	7,394	6,541	+853
E.I.4 Policyholders and third parties for recoverables	27,064	35,545	-8,481

In particular:

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

	31/12/2015	31/12/2014	Change
	55,610	55,964	-354
<i>Of which:</i>			
E.I 1.a For current years' premiums	52,627	54,073	-1,446
E.I 1.b For previous years' premiums	2,983	1,891	+1,092

This item is shown net of related adjustment provisions, which, as at 31 December 2015, totalled 10,991 thousand euro (13,111 thousand euro as at 31 December 2014), related entirely to the non-life business, due to write-downs of estimated bad debts based on previous years' experience.

The provision made in the previous year has been in line with the subsequent evidence.

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

	31/12/2015	31/12/2014	Change
	98,192	103,886	-5,694

Amounts receivable from insurance agents and brokers are stated net of the related provision which, as at 31 December 2015, amounted to 16,012 thousand euro (12,617 thousand euro in the previous year), determined based on an analytical assessment of the recoverability and seniority and the implicit risk of the portfolio.

The item was adjusted by 8,174 thousand euro for the non-life business and 8,138 thousand euro for the life business.

The item includes 22,036 thousand euro for the recovery of the portfolio against leaving indemnities paid in the past to intermediaries who have ceased their activities. Of the remaining loans, totaling 76,156 thousand euro, as of 28 February 2016, 3,020 thousand euro are still to be collected.

In addition, the total amount includes receivables toward subsidiary companies, in particular, Aspevi Roma Srl for 1,624 thousand euro.

The amount of receivables with a residual duration of more than 1 years and 5 year, are respectively 19,457 thousand euro and 10,874 thousand euro.

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

	31/12/2015	31/12/2014	Change
	7,394	6,541	+853

This item primarily consists of receivables stemming from current accounts reflecting the results of technical management of co-insurance transactions, net of the related provision which, as at 31 December 2015, amounted to 650 thousand euro (743 thousand euro in the previous year).

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

	31/12/2015	31/12/2014	Change
	27,064	35,545	-8,481

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

The decrease compared to the previous year is mainly attributable to the Deposit business, where sums have been recovered during the year and for which a revision of the amounts to recover was carried out, eliminating the positions that, based on current market conditions, it is believed to be no longer recoverable.

E.II - Receivables relating to reinsurance business

	31/12/2015	31/12/2014	Change
1. Insurance and reinsurance companies	6,333	4,251	+2,082

This item comprises receivables stemming from current accounts reflecting the results of technical management of reinsurance treaties net of related provision of 2,021 thousand euro (2,050 thousand euro as at 31 December 2014), based on expected losses for uncollectible accounts.

E.III – Other receivables

	31/12/2015	31/12/2014	Change
	64,839	51,860	+12,979

This item is shown net of related adjustment provisions of 5,491 thousand euro (3,100 thousand euro as at 31 December 2014), related entirely to the non-life business.

The most significant items forming “Other receivables” are:

- receivables from Tax Authorities for 57,891 thousand euro for tax credits on mathematical reserves in accordance with D.L. 209/2002, advance payment on Non – Life business (ex D.L. 282/2004), Group’s VAT receivable and receivables on local tax (IRPEG and IRES) for which reimbursement has been requested including related interests (41,726 thousand euro as at 31 December 2014); these receivables are considered collectable essentially by next year. These receivables include also receivables stemming from tax consolidation;
- receivables for insurance agreements for 870 thousand euro (867 thousand euro as at 31 December 2014);
- advance payments for claims for 571 thousand euro (326 thousand euro as at 31 December 2014);
- receivables from subsidiary companies for 2,310 thousand euro for tax consolidation (4,186 thousand euro as at 31 December 2014).

The amount of receivables with a residual duration of more than 1 and 5 years are, respectively, 3,009 thousand euro and 71 thousand euro.

CLASS F – OTHER ASSETS

	31/12/2015	31/12/2014	Change
	230,254	297,150	-66,896

Of which:

F. I Tangible assets and inventory

	31/12/2015	31/12/2014	Change
	8,117	8,167	-50
F. I.1 Office, furniture & machinery, and internal transport systems	7,027	7,627	-600
F. I.2 Registered chattels	90	128	-38
F. I.3 Plant and equipment	1,000	412	+588

Assets related to the item F.I Tangible assets and inventory are stated at cost less cumulative depreciation. The change is due to the purchases during the year for 1,985 thousand euro and amortisation for 2,028 thousand euro and net disposals for 7 thousand euro.

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

	31/12/2015	31/12/2014	Change
Furniture	5,355	5,773	-418
Fittings	988	1,022	-34
Ordinary office machinery	587	682	-95
Electronic office machinery	96	150	-54
Total	7,027	7,627	-601

Operations of financial lease

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

F. II Cash & cash equivalents

	31/12/2015	31/12/2014	Change
	138,206	174,593	-36,387

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

The total amount is composed for 138,188 thousand euro by bank deposits and post office current accounts and for 18 thousand euro by cheques and cash in hand.

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

F. IV Other assets

	31/12/2015	31/12/2014	Change
	83,931	114,390	-30,459

The main items forming this caption are shown below:

- deferred tax assets relating to previous years' taxable items for 81,511 thousand euro (94,167 thousand euro as at 31 December 2014). For details, reference should be made to the schedule shown later on in the chapter "Information on the balance sheet and income statement";
- sums unavailable on current accounts as a result of foreclosures exercised by third parties to pending cases, amounted to 1,356 thousand euro;
- invoices to be issued and credit notes to be received for 216 thousand euro (461 thousand euro as at 31 December 2014).

CLASS G – ACCRUED INCOME & PREPAID EXPENSES

	31/12/2015	31/12/2014	Change
	26,032	25,188	+844
G.1 Interest	22,225	21,798	+427
G.2 Rent instalments	725	796	-71
G.3 Other accrued income & prepaid expenses	3,082	2,593	+489

G.1 Interest

This refers mainly to interest totalling 22,137 thousand euro on fixed-income securities (21,765 thousand euro as at 31 December 2014).

G.2 Rent instalments

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

G.3 Other accrued income & prepaid expenses

The item refers to prepaid expenses calculated on miscellaneous invoices.

BALANCE SHEET

LIABILITIES

CLASS A – SHAREHOLDERS' EQUITY

	31/12/2015	31/12/2014	Change
	539,223	485,757	+53,466

The outline of changes in shareholders' equity as at 31 December 2015 is shown below, as required by Article 2427 Civil Code:

	(€/000)						
	Share capital	Legal reserve	Share premium	Revaluation reserve	Available reserve	Net profit for the year	Total
Balance as at 31/12/2010	67,379	9,645	33,355	10,939	144,207	29,256	294,781
Dividend distribution	-	-	-	-	-	11,455	11,455
Allocation to earnings reserve 2010	-	1,462	-	-	16,339	17,801	-
2011 net profit	-	-	-	-	-	35,329	35,329
Balance as at 31/12/2011	67,379	11,107	33,355	10,939	160,546	35,329	318,655
Dividend distribution	-	-	-	-	-	11,454	11,454
Allocation to earnings reserve 2011	-	797	-	-	23,078	23,875	-
2012 net profit	-	-	-	-	-	57,482	57,482
Balance as at 31/12/2012	67,379	11,904	33,355	10,939	183,624	57,482	364,683
Dividend distribution	-	-	-	-	-	11,454	11,454
Allocation to earnings reserve 2012	-	419	-	-	45,609	46,028	-
Revaluation real estate reserve	-	-	-	7,256	-	-	7,256
2013 net profit	-	-	-	-	-	62,467	62,467
Balance as at 31/12/2013	67,379	12,323	33,355	18,195	229,233	62,467	422,952
Dividend distribution	-	-	-	-	-	12,128	12,128
Allocation to earnings reserve 2013	-	242	-	-	50,097	50,339	-
Revaluation real estate reserve	-	-	-	2	-	-	2
2014 net profit	-	-	-	-	-	74,935	74,935
Balance as at 31/12/2014	67,379	12,565	33,355	18,193	279,330	74,935	485,757
Dividend distribution	-	-	-	-	-	12,802	12,802
Allocation to earnings reserve 2014	-	54	-	-	62,079	62,133	-
2015 net profit	-	-	-	-	-	66,269	66,269
Balance as at 31/12/2015	67,379	12,619	33,355	18,193	341,408	66,269	539,223

As at 31 December 2015 share capital, fully paid in, consisted of no. 67,378,924 ordinary shares of a par value of 1,00 euro each, authorised, issued and fully released.

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

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

(€/000)

Nature/Description	Amount as at 31/12/2015	Possibility of utilization (*)	Available amount	Summary of utilisation in the previous 3 financial years	
				to cover losses	for other reasons
Share capital	67,379				
Equity reserves					
Share premium reserves	33,355	A, B, C	31,782		
Revaluation reserves (2)					
Revaluation reserve - Law 147/2013	7,254	A, B, C	7,254		
Revaluation reserve - Law 185/2008	10,939	A, B, C	10,939		
Earnings reserves					
Legal reserve	12,619	B	-		
Other available reserves	341,408	A, B, C	341,408		
Net profit for the year	66,269	A, B, C	66,269		
Total shareholders' equity	539,223		457,652		
Non-distributable portion of share premium reserve (1)			857		
Residual distributable portion			458,368		

(*) A: for capital increases

B: to cover losses

C: for distribution to shareholders

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

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

(3) This represents the share premium reserve and the non-distributable quota earmarked for coverage of deferred costs that have not yet been amortised ex Article 2426 of the Italian Civil Code.

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

(€ '000)

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

CLASS C – TECHNICAL RESERVES

	31/12/2015	31/12/2014	Change
	2,506,099	2,385,732	+120,367

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

C.I – Non-Life business

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

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

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

C.I.1 – Premium reserve

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

	31/12/2015	31/12/2014	Change
For directly insured risks	393,833	378,236	+ 15,597
For inwardly insured risks	42	42	-
Gross reserves	393,875	378,278	+ 15,597
Reinsurers' share	17,439	16,007	+ 1,432
Net reserves	376,436	362,271	+ 14,165

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

Reserve for unearned premiums and additions to reserve

(€/000)

Line of business	Direct insurance		Indirect insurance	TOTAL
	Reserve for unearned premiums	Unexpired risks reserve	Reserve for unearned premiums	
01 - Accident	24,537		0	24,537
02 - Health	4,658		0	4,658
03 - Land motor vehicle hulls	37,425			37,425
05 - Aircraft hulls	0			0
06 - Marine hulls	299		0	299
07 - Cargo insurance	426			426
08 - Fire and natural events	31,114		0	31,115
09 - Miscellaneous damage	15,591	1,352	0	16,943
10 - Motor TPL	202,910		0	202,910
11 - Aviation TPL	1			1
12 - Marine TPL	367	38		405
13 - General TPL	18,787		28	18,814
14 - Credit insurance	6,786	5,471		12,257
15 - Bond insurance	12,872	5,857	7	18,736
16 - Pecuniary losses	16,951			16,951
17 - Legal protection	1,476			1,476
18 - Support and assistance	6,915		6	6,921
Total premium reserve	381,114	12,719	42	393,875

Pro-rata temporis reserve integrations of FY2015, which totalled 12,719 thousand euro, are concerned to Bond (5,857 thousand euro), Marine TPL (38 thousand euro), Credit insurance (5,471 thousand euro) and Miscellaneous damage (1,352 thousand euro) in relation to earthquake risk.

In accordance with the IVASS clarification regarding an Additional reserve for Hail line of business, the Company did not set up this reserve considered the lack of risks existing as at 31 December 2015.

Unexpired risk reserve

Unexpired risk reserve as at 31 December 2015 is referred to Miscellaneous damage line and Marine TPL has been evaluated in accordance with the IVASS Regulation n. 16 article 11, set out in "Part A - Accounting policies" to this financial report.

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

For the assessment of Unexpired risk reserve of the 15 line of business – Bond insurance has been evaluated using the empirical method (Art.11 Sec. II IVASS regulation No.16) removing by the current losses ratio the large-value claims (over 1,000 thousand euro) which believes are not recoverable. This choice is validated by an analysis of the time series of current event claims in the past four years.

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

(€/000)				
Line of business	Loss Ratio adjusted	Current year claims	Current year adjusted earned premiums	Unexpired risks reserve
01 - Accident	45.9	27,325	59,527	-
02 - Health	80.7	7,995	9,905	-
03 - Land motor vehicle hulls	75.6	61,316	81,059	-
04 - Railway rolling stock	-	-	-	-
05 - Aircraft hulls	-	-	1	-
06 - Marine hulls	78.9	787	998	-
07 - Cargo insurance	55.2	535	968	-
08 - Fire and natural events	66.6	25,967	38,993	-
09 - Miscellaneous damage	94.4	31,343	33,209	1,352
10 - Motor TPL	83.2	473,583	569,728	-
11 - Aviation TPL	-	-	2	-
12 - Marine TPL	110.5	862	781	38
13 - General TPL	66.5	25,831	38,860	-
14 - Credit insurance	168.9	4,011	2,375	5,471
15 - Bond insurance	112.7	9,988	8,859	5,857
16 - Pecuniary losses	9.7	3,877	39,909	-
17 - Legal protection	8.2	296	3,630	-
18 - Support and assistance	50.3	7,782	15,485	-
Total	75.4	681,499	904,288	12,719

C.1.2 – Claims reserve

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

	31/12/2015	31/12/2014	Change
For directly insured risks	1,067,205	1,024,304	+ 42,901
For inwardly insured risks	871	844	+ 27
Gross reserves	1,068,076	1,025,148	+ 42,928
Reinsurers' share	39,239	37,540	+ 1,699
Retrocessionaries' share	342	306	+ 36
Net reserves	1,028,495	987,302	+ 41,193

Non-Life Business:

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

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

Different methods were identified, of a different nature in order to have a more precise monitoring of the evolving dynamics of claims::

- Main method: Paid Chain Ladder: this method estimates the amount of future payments, until run-off of generations, constructing – using the historical series available – the triangles of cumulative amounts paid (organised by event) and calculating on the latter the observable development factors. These factors are then applied to cumulative data up to the current balance-sheet year to calculate estimated future payments. In order to verify the sensitivity of the results, this methodology was subjected to a range of hypotheses and scenarios, in order to verify the sensitivity of the results.

- Alternative methods:
 - o Incurred Chain Ladder: this method is similar to the previous one, except that the coefficients of development for each year of the event are calculated on the total amount of claims (payments already observed + reserves) in the various financial years. The rates are applied to the data accumulated up to the end of the current financial year, in order to estimate the total amount of future claims.
 - o Fisher Lange: the method is based on the projection of the number of outstanding claims and the average cost estimate. This method consists to estimate for claim duration the vectors of claims settlement speed, rate of claims with follow-up, average cost of claims and future inflation trends. These performance measures are evaluated by the analysis of the triangles of run-off in the number of claims paid, reserved, without follow-up and reopened, and the average costs recorded for each generation / policy year.
 - o Bornhuetter Ferguson – Paid/Incurred: which method makes it possible to average the results obtained from the Chain Ladder methods described above and those of the Expected method Claims Technique. The latter provides an estimate of the total cost of claims starting from the identification of a Loss Ratio priori determined by the Expert judgment of the Company, possibly by reference to market data.

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

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

Other risks:

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

IBNR claims:

Calculation of the reserve for IBNR (incurred but not reported) claims requires estimation for each business of both the number and average cost of late claims. The estimate was made using as its source the balance-sheet input forms for the years 2004-2015 taking in consideration possible gaps between prior year allocation and the final amount.

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

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

C.I.4 - Other technical reserves

	31/12/2015	31/12/2014	Change
	409	409	-

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

C.I.5 - Equalisation reserve

	31/12/2015	31/12/2014	Change
	5,741	5,207	+534

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

<i>Line of business</i>	<i>31/12/2015</i>	<i>31/12/2014</i>	<i>Change</i>
03 Land vehicle hulls	3,364	3,044	+ 319
05 Aircraft hulls	138	138	+ 0
07 Cargo (goods in transit)	114	110	+ 4
08 Fire and natural elements	1,587	1,439	+ 147
09 Other property damage	539	476	+ 63
Total equalisation reserve	5,741	5,207	+ 534

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

C.II - Life business

	31/12/2015	31/12/2014	Change
	1,037,999	976,689	+61,309
C.II.1 - Mathematical reserves	1,002,404	939,383	+63,021
C.II.2 - Complementary insurance premium reserve	91	111	-20
C.II.3 - Reserve for payable amounts	28,316	28,764	-448
C.II.4 - Profit participation and reversal reserve	27	2	+25
C.II.5 - Other technical reserves	7,161	8,429	-1,268

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

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

C.II.1 - Mathematical reserves

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

	31/12/2015	31/12/2014	Change
For directly insured risks	1,002,231	939,210	+ 63,021
For inwardly insured risks	173	173	-
Gross reserves	1,002,404	939,383	- 63,021
Reinsurers' share	6,966	6,609	+ 357
Net reserves	995,438	932,774	+ 62,664

The mathematical reserves comprise an additional reserve for longevity risk relating to annuity agreements and capital agreements with a contractually guaranteed coefficient of conversion to an annuity (art. 50 of ISVAP Regulation no. 21 of 28 March 2008) amounting to 1,827 thousand euro (740 thousand euro in the previous year); in the case of capital agreements, account is taken of the propensity to convert to an annuity when it is calculated.

The mathematical reserves also include additional reserves for the guaranteed interest rate risk (art. 47 of ISVAP Regulation no. 21 of 28 March 2008) amounting to 413 thousand euro (777 thousand euro in the previous year), obtained by joint analysis of the asset and liability portfolios of the segregated internal funds "Vittoria Rendimento Mensile", "Vittoria Valore Crescente" and "Vittoria Previdenza", the average rates of return on which were used to value the "Liquinvest" funds.

C.II.4 - Profit participation and reversal reserve

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

	31/12/2015	31/12/2014	Change
For directly insured risks	25	-	+ 25
For inwardly insured risks	2	2	-
Net reserves	27	2	+ 25

C.II.5 - Other technical reserves

The amount of this item as at 31 December 2015 is 8,429 thousand euro and refers solely to operating expenses which is expected to incur, based on conservative valuation as required by IVASS regulation No. 21/2008.

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

	31/12/2015	31/12/2014	Change
For directly insured risks	7,161	8,429	- 1,268
Gross reserves	7,161	8,429	- 1,268
Reinsurers' share	31	39	- 8
Net reserves	7,130	8,390	- 1,260

The following table shows the split by line of business:

	31/12/2015	31/12/2014	Change
Line of Business I	6,550	7,755	- 1,205
Line of Business IV	211	189	+ 22
Line of Business V	400	485	- 85
Total	7,161	8,429	- 1,268

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

	31/12/2015	31/12/2014	Change
	58,636	61,823	-3,187
D.I – Reserves for unit- and index-linked policies	41,496	46,251	-4,755
D.II - Reserves relating to pension fund management	17,140	15,572	+1,568

The following table shows the breakdown and changes by product type relating the class D.I:

	31/12/2015	31/12/2014	Change
	41,496	46,251	-4,755
Reserves for index-linked policies	-	-	-
Reserves for unit-linked policies	41,496	46,251	-4,755

Below are detailed the key actuarial assumptions concerning technical reserves for direct business as at 31 December 2015:

Risk category	Capital sums, annuities	Technical reserves	Year of issue	Technical basis	
				financial	demographic
Temporary	5,056,128	53,522	1968 - 1977	4%	SIM 51
			1978 - 1989	4%	SIM 61
			1990 - 1997	4%	SIM 81
			1998 - 2001	3% - 4%	SIM 91
			2001 - 2007	3%	SIM 91 70%
			2008 - 2011	3%	SIM 91 50% - 70%
			from 2012	3%	SIM 2001 90% - 70%
Adjustable	8	9	1969 - 1979	3% *	SIM 51
Indexed	4	5	1980 - 1988	3% *	SIM 51
Other types	452	17			
Revaluable	1,198,688	952,945	1988 - 1989	3% *	SIM 71
			1990 - 1996	4% *	SIM 81
			1997 - 1999	3% *	SIM 91
			2000 - 2011	1.5% - 2% *	SIM 81 - 91
			from 2012	2%	SIM 2001 80%
L.T.C.	23,516	2,588	2001 - 2004	2.5%	(1)
			2004 - 2011	2.5%	(2)
			from 2012	2.5%	(3)
Pension fund	17,140	17,140	from 1999	----	----
Unit Linked	51,282	39,257	from 1998	0%	SIM 91
Total ordinary	6,347,218	1,065,483			
AIL revaluable	2,602	2,662	1986 - 1998	4% *	SIM 51
			1999 - 2004	3% *	SIM 81
Total business lines	6,349,820	1,068,145			

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

for indexed policies: 3.0% for adjustable policies: 3.0% for AIL revaluable policies: 3.78%
for revaluable policies: Vittoria Valore Crescente 3.74%; Vittoria Rendimento Mensile 2.42%; Vittoria Previdenza 2.70%.

- (1) SIM 91 reduced to 62%; SIF 91 reduced to 53%; mortality rates and LTC (long term care) rates taken from insurers' studies
- (2) SIM 91 reduced to 60%; mortality rates and LTC rates taken from insurers' studies
- (3) SIU 2001 indistinct; mortality rates and incidence rates LTC derived from reinsurers' studies

CLASS E – PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES

	31/12/2015	31/12/2014	Change
	6,090	4,770	+1,320
E.2 – Tax provision	998	754	244
E.3 – Other provisions	5,092	4,016	1,076

E.2 – Tax provision

The change mainly was due to use of deferred tax liabilities relating to capital gains made in previous financial years for use of portion pertaining to the financial year in question for 501 thousand euro, instalments pursuant to art. 86 of Italian consolidated law on income tax, as well as the provision for 749 thousand euro always against capital gains realized in 2015 and paid in instalments in accordance with art. 86 cited. The changes are due to residual sterilization of exchange differences from valuation of foreign currency at 31.12.2015.

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

E.3 – Other provisions

The caption as at 31 December 2015 is related to a provisioning for litigations in progress, attributable to normal operations of the company for 800 thousand euro, of which 50 thousand euro set aside in the current year. Were also set aside 1,829 thousand euro as expenses fund for the renewal of the national labour contract and the Company integrative contract which added to the previous accrual, bring the fund up to 2,403 thousand euro.

In the year the Sofigea company was completely liquidated and the Company has fully utilized the 741 thousand euro fund "Sofigea art. 7 Legislative Decree no. 576/78".

CLASS F – DEPOSITS RECEIVED FROM REINSURERS

	31/12/2015	31/12/2014	Change
	14,425	15,856	-1,431

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

CLASS G – PAYABLES AND OTHER LIABILITIES

	31/12/2015	31/12/2014	Change
	106,135	107,922	-1,787
G.I - Payables arising from direct insurance business	8,153	11,444	-3,291
G.II - Payables arising from reinsurance business	8,280	7,254	+1,026
G.VII - Reserve for employee severance indemnities	3,228	3,237	-9
G.VIII – Other payables	61,664	61,484	+180
G.IX – Other liabilities	24,810	24,503	+307

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

G.I - Payables arising from direct insurance business

	31/12/2015	31/12/2014	Change
	8,153	11,444	-3,291
<i>Of which:</i>			
G.I.1 – due to insurance agents and brokers	3,952	6,983	-3,031
G.I.2 – due to current accounts with other insurers	2,499	2,760	-261
G.I.3 – due to policyholders for performance deposits and premiums	705	68	+637
G.I.4 – due to guarantee funds for policyholders	997	1,632	-635

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

	31/12/2015	31/12/2014	Change
	3,952	6,983	-3,031

These amounts refer to balances not yet settled as at 31 December 2015 and to indemnities payable at the end of agency mandates.

The item is allocated as follows: 3,499 thousand euro to the Life business and 453 thousand euro to the Non-Life business.

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

	31/12/2015	31/12/2014	Change
	2,499	2,760	-261

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

The item is allocated as follows: 2,431 thousand euro to the Non-Life business, and 68 thousand euro to the Life business.

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

	31/12/2015	31/12/2014	Change
	705	68	+637

The item refers to the performance deposits paid by policyholders for insurance coverage. The item is allocated as follows: 511 thousand euro to the Non-Life business and 194 thousand euro to the Life business.

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

	31/12/2015	31/12/2014	Change
	997	1,632	-635

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

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

	31/12/2015	31/12/2014	Change
	8,280	7,254	+1,026

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

The item is allocated as follows: 8,075 to the Non-Life business and 205 thousand euro to the Life business.

G.VII Reserve for employee severance indemnities

	31/12/2015	31/12/2014	Change
	3,228	3,237	+9

The item expresses the retirement allowance provision towards personnel as at 31 December 2015, in compliance with the Italian Civil Code.

The item is allocated as follows: 2,893 to the Non-Life business, and 335 thousand euro to the Life business.

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

- decrease due to indemnities paid out for severance and to advance payouts granted for 43 thousand euro;
- increase due to provisioning for the year for 2,301 thousand euro;
- transfers to Pension Fund and Social Security fund for 1,968 thousand euro;
- recover of receivables toward INPS for 19 thousand euro.

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

G.VIII - Other payables

	31/12/2015	31/12/2014	Change
	61,663	61,483	+180
<i>Of which:</i>			
G.VIII.1 – for policyholders' taxes	22,790	22,941	-151
G.VIII.2 – for miscellaneous taxes	2,247	2,998	-751
G.VIII.3 – for social security & pension agencies	2,573	2,407	+166
G.VIII.4 – other sundry payables	34,053	33,137	+916

G.VIII.1 Other payables for policyholders' taxes

	31/12/2015	31/12/2014	Change
	22,790	22,941	-151

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

The item is allocated as follows: 22,628 thousand euro to the Non-Life business, and 162 thousand euro to the Life business.

G.VIII.2 Other payables for miscellaneous taxes

	31/12/2015	31/12/2014	Change
	2,247	2,998	-751

The item is allocated as follows: 1,821 to the non-life business, and 425 thousand euro to the life business.

The amount as at 31 December 2015 is mainly composed as follows:

- tax deduction on wages & salaries for 1,276 thousand euro (1,175 thousand euro as at 31 December 2014);
- tax deduction on fees for self-employed staff and advisors for 616 thousand euro (637 thousand euro as at 31 December 2014);
- tax deduction related to policies redemptions in life business for 292 thousand euro.

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

	31/12/2015	31/12/2014	Change
	2,573	2,407	+166

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

G.VIII.4 Other sundry payables

	31/12/2015	31/12/2014	Change
	34,053	33,137	+916

The item is allocated as follows: 30,491 to the non-life business, and 3,562 thousand euro to the life business.

The amount as at 31 December 2015 is mainly composed as follows:

- amounts payable to employees for payments settled in January 2016 and also for accruals for holidays not taken for 2,587 thousand euro (2,462 thousand euro as at 31 December 2014);

- payables arising from directors, statutory auditors and managers with strategic responsibilities for 4,134 thousand euro (4,370 thousand euro as at 31 December 2014);
- trade payables for 8,583 thousand euro (9,383 thousand euro as at 31 December 2014);
- fees payable to professionals for 7,568 thousand euro (6,967 thousand euro as at 31 December 2014);
- amounts payable to subsidiaries for tax consolidation for 5,746 thousand euro (4,561 thousand euro as at 31 December 2014).

G.IX – Other liabilities

	31/12/2015	31/12/2014	Change
	24,810	24,503	+3,701
<i>Of which:</i>			
G.IX.2 – commissions on premiums under collection	12,372	14,088	-1,716
G.IX.3 – sundry liabilities	12,438	10,415	+2,023

G.IX.2 Commissions on premiums under collection

This item is relative to the provision for agent payable commissions on premiums that were in the process of collection at year-end for 9,569 thousand euro (10,173 thousand euro as at 31 December 2014).

G.IX.3 Sundry liabilities

This item is mainly relative to the following components:

- invoices and notes to be received from suppliers for 5,849 thousand euro (5,252 thousand euro as at 31 December 2014);
- technical accounts to be settled with agencies and sundry liabilities for 219 thousand euro (439 thousand euro as at 31 December 2014);
- provision for variable compensation for employees for 5,587 thousand euro (4,663 thousand euro as at 31 December 2014);
- amounts payable to subsidiaries invoices and notes to be received from suppliers for 745 thousand euro.

CLASS H – ACCRUED LIABILITIES & DEFERRED INCOME

	31/12/2015	31/12/2014	Change
	0	5	-5
H.3 – Other accrued liabilities & deferred income	0	5	-5

GUARANTEES, COMMITMENTS, AND OTHER MEMORANDUM ACCOUNTS

	31/12/2015	31/12/2014	Change
	2,056,874	1,967,488	+89,386
I. Guarantees given	0	20,500	-20,500
II. Guarantees received	17,671	15,617	+2,054
IV. Commitments	61,092	35,251	+13,168
V. Third-party assets	534	1,398	-864
VI. Assets pertaining to pension funds managed for and on behalf of third parties	17,140	15,572	+1,568
VII. Securities lodged with third parties	1,962,767	1,879,150	+83,617

I – Guarantees given

	31/12/2015	31/12/2014	Change
I.3 – Other personal guarantees	0	20,500	-20,500

It was extinguished the debt to Banca Intesa Sanpaolo S.p.A. therefore it is no longer valid letter of patronage for concession of credit facilities to the subsidiary Vittoria Immobiliare SpA. The guarantee provided by this comfort letter did not give rise to any contingent liabilities as at 31 December.

II – Guarantees received

	31/12/2015	31/12/2014	Change
	17,671	15,617	+2,054
<i>Of which:</i>			
II.1 - Sureties	15,341	13,287	+2,054
II.4 – Collateral	2,330	2,330	-

II.1 - Sureties

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

II.4 - Collateral

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

IV - Commitments

This item is related to the commitments for private equity operations.

V – Third-party assets

This item is related to savings accounts set up in favour of eligible claimants.

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

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

VII – Securities lodged with third parties

Securities lodged with third parties include the book value of the securities owned by the company, lodged with credit institutes and other issuers, amounting to 1,962,767 thousand euro. The securities lodged with third parties relating to Group companies amounted to 37,452 thousand euro.

INCOME STATEMENT

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

	31/12/2015	31/12/2014	Change
	130,520	112,721	+17,799

Summary information concerning to Non life business technical account are shown in Appendix 19, 25 and 26 to these Explanatory Notes.

Technical costs and revenues are classified as follows:

I. 1 – Premiums, net of outwards reinsurance

	31/12/2015	31/12/2014	Change
	1,026,465	984,037	+42,428
<i>Of which:</i>			
a) Gross premiums written	1,069,216	1,033,091	+36,125
b) (-) Ceded premiums	28,586	36,018	+7,432
c) (-) Change in gross premium reserve	15,596	13,142	-2,454
d) Change in reinsurers' share of premium reserve	1,431	106	+1,325

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

The gross premiums written amounted to 1,069,216 thousand euro, of which 1,069,114 thousand euro relating to direct business and for 102 thousand euro relating to indirect business. Premiums ceded in the FY2015 totalled 28,586 thousand euro.

The breakdown of premiums by business has been indicated in the Management Report.

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

	31/12/2015	31/12/2014	Change
	10,894	13,937	-3,043

The amount to be transferred from the non-technical account to the technical account of the Non-Life business was determined in accordance with IVASS Regulation no. 22/2008, as indicated in "Part A – Valuation Criteria" of the Explanatory Notes.

As at 31 December 2015 were transferred to Non-Life technical account investment income amounting to 10,894 thousand euro (13,937 thousand euro in the previous year), accounting for 76.94% of total net investment income amounting to 14,158 thousand euro (17,786 thousand euro in the previous year).

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

	31/12/2015	31/12/2014	Change
	3,736	4,311	-575

This item is mainly referred to:

- reversal of commissions for previous years' cancelled premiums for 1,570 thousand euro (1,861 thousand euro in the previous year);
- 1,085 thousand euro for other technical items mainly relating to recoveries of settlement costs related to claims subject to knock-for-knock agreements (1,453 thousand euro in the previous year) and 115 thousand euro for recoveries on arbitrations of settlement costs related to claims subject to knock-for-knock agreements (118 thousand euro in the previous year);
- 937 thousand euro related to recoveries of receivables for premiums under litigation (803 thousand euro in the previous year);
- 115 thousand euro for recoveries on arbitrations.

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

	31/12/2015	31/12/2014	Change
	656,323	645,012	+11,311
<i>Of which:</i>			
aa) Amounts paid – gross amount	661,989	585,052	+76,937
bb) (-) Reinsurers' share	34,568	41,898	-7,330
aa) Change in recoveries net of reinsurers' share			
– gross amount	7,708	7,117	+591
bb) (-) Reinsurers' share	-4,582	-3,292	-1,290
aa) Change in claims reserve – gross amount	42,891	99,066	-56,175
bb) (-) Reinsurers' share	1,699	-13,201	+14,900

Amounts paid

They relate to indemnities for 567,685 thousand euro (499,186 thousand euro in the previous year), direct expenses for 15,003 thousand euro (13,779 thousand euro in the previous year), settlement costs for partial or definitive payments of claims reported during the year or reserved at the end of the previous year for 63,973 thousand euro (57,242 thousand euro in the previous year) and the amount payable to CONSAP for the contribution to the fund for road-accident victims for 15,266 thousand euro (14,845 thousand euro in the previous year).

Change in recoveries net of reinsurers' share

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

Change in claims reserve

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

I. 7 – Operating costs

	31/12/2015	31/12/2014	Change
	242,179	228,824	+13,355
<i>Of which:</i>			
a) Acquisition commissions	156,478	148,510	+7,968
b) Other acquisition costs	50,435	50,215	+220
c) Change in commissions and other acquisition costs to be amortised	-1,812	-1,259	+553
d) Premium collection commissions	10,353	10,610	-257
e) Other administrative expenses	27,848	24,408	+3,440
f) (-) Commissions received by reinsurers	4,747	6,178	-1,431

They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and common costs incurred for the sales network. The caption also includes overheads and depreciation of tangible assets not allocated to claims settlement and investments. The increase in other administrative expenses is related to increased incidence of non-life premiums in the total premiums.

The amount related to transactions with subsidiaries and associated companies is provided in the Directors' Report.

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

	31/12/2015	31/12/2014	Change
	11,540	15,234	-3,694

The caption includes items relating to:

- technical write-offs of premiums and of uncollectible premiums for 3,598 thousand euro (4,008 thousand euro in the previous year);
- charge to the provision for bad debt from policyholders for 5,632 thousand euro (9,424 thousand euro in the previous year);
- other technical charges mainly relating to services supporting insurance covers and costs for premiums under litigation for 1,059 thousand euro (1,491 thousand euro in the previous year).

I.9 - Change in equalisation reserves

	31/12/2015	31/12/2014	Change
	534	494	+40

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

II.13 - RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT

	31/12/2015	31/12/2014	Change
	567	-1,181	+1,748

Summary information concerning to life business technical account are shown in Appendix 20, 27 and 28 to these Explanatory Notes.

Technical costs and revenues are classified as follows:

II. 1 – Premiums, net of outwards reinsurance

	31/12/2015	31/12/2014	Change
	217,118	249,460	-32,342
<i>Of which:</i>			
a) Gross premiums written	218,327	250,694	-32,367
b) (-) Ceded premiums	1,209	1,234	-25

The gross premiums written amounted to 250,694 thousand euro, entirely attributable to direct business. Premiums ceded in the FY2015 totalled 1,209 thousand euro.

A premiums breakdown by line of business is shown in the Directors' report.

II. 2 – Investments income

	31/12/2015	31/12/2014	Change
	41,580	36,935	+4,645
<i>Of which:</i>			
a) Income from equity investments	-	-	-
b) Income from other investments	41,273	36,692	+4,581
c) Write-backs on investments	-	5	-5
d) Profits made on sale of investments	307	238	+69

b) The caption includes:

- Income on land and buildings rented and other income on property for 2,770 thousand euro (1,834 thousand euro in the previous year);
- income on fixed-income securities for interest, issue and trading differentials for 37,944 thousand euro (34,503 thousand euro in the previous year);
- income on unit trust units for 430 thousand euro (61 thousand euro in the previous year);
- interest on loans on policies for 121 thousand euro (149 thousand euro in the previous year);
- interest on reinsurance deposits for 8 thousand euro (145 thousand euro in the previous year).

d) The caption refers to capital gains arising from fixed-income securities' reimbursement and sale.

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

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

	31/12/2015	31/12/2014	Change
	6,305	9,017	-2,712

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

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

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

	31/12/2015	31/12/2014	Change
	610	1,433	-823

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

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

	31/12/2015	31/12/2014	Change
	178,195	139,644	+38,551
<i>Of which:</i>			
aa) Amounts paid – gross amount	179,407	133,623	+45,784
bb) (-) Reinsurers' share	764	373	+391
aa) Change in reserve for payable amounts – gross amount	-448	6,394	-6,842
bb) (-) Reinsurers' share	-	-	-

The amounts paid in the FY2015 totalled 179,407 thousand euro mainly due to direct business. They refer to costs relating to claims for 816 thousand euro (200 thousand euro in the previous year), claims for 24,081 thousand euro (28,050 thousand euro in the previous year), expired policies for 96,623 thousand euro (61,959 thousand euro in the previous year), surrenders for 57,449 thousand euro (42,953 thousand euro in the previous year) and annuities for 438 thousand euro (461 thousand euro in the previous year).

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

	31/12/2015	31/12/2014	Change
	53,578	123,857	+59,311
<i>Of which:</i>			
aa) Mathematical reserves – gross amount	58,404	129,162	+67,989
bb) (-) Reinsurers' share	357	473	+428
aa) Complementary insurance premium reserve – gross amount	-21	-22	+9
aa) Other technical reserves – gross amount	-1,268	-1,495	+225
bb) (-) Reinsurers' share	-7	11	+18
aa) Technical reserves when investment risk is borne by policyholders or relating to pension fund management	-3,187	-3,304	-7,997

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

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

	31/12/2015	31/12/2014	Change
	-25	-27	+2

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

II.8 – Operating costs

	31/12/2015	31/12/2014	Change
	15,662	16,461	-799
<i>Of which:</i>			
a) Acquisition commissions	5,083	4,208	+875
b) Other acquisition costs	7,323	7,264	+59
c) Change in commissions and other acquisition costs to be amortised	-116	436	+320
d) Premium collection commissions	861	1,304	-443
e) Other administrative expenses	2,650	4,247	-1,597
f) (-) Commissions received by reinsurers	139	126	+13

They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and common costs incurred for the sales network. The caption also includes overheads and depreciation of tangible assets not allocated to investment-related costs. The decrease in other administrative expenses is related to decreased incidence of life premiums over the total premiums.

II.9 - Capital and financial charges

	31/12/2015	31/12/2014	Change
	12,511	12,475	+36
<i>Of which:</i>			
a) Investment management costs and interest expense	8,078	5,705	+2,373
b) Investment write-downs	4,119	6,663	-2,544
c) Losses on sale of investments	314	107	+207

a) The caption mainly refers to:

- costs relating to municipal tax on property (IMU) charging 403 thousand euro to 2015 profit and loss (400 thousand euro in the previous year);
- housing expenses, taxes and building management costs for 936 thousand euro (894 thousand euro in the previous year);
- costs relating to fixed-income securities for issue and trading differentials, taxes, and operating and personnel expenses for 6,739 thousand euro (4,134 thousand euro in the previous year);

b) The caption refers to write-downs of financial instruments, like indicated in the Management report, and it is mainly related for 1,506 thousand euro (4,141 thousand euro in the previous year) to write-downs of equity investments, for impairment relating to the portion allocated to the life business of the investment in Subsidiary Vittoria Immobiliare SpA. Included are also, amortization on property totaling 2,500 thousand euro (2,492 thousand euro in the previous year) of which 857 thousand euro (876 thousand euro in the previous year) relating to the head office in Portello area in Milan.

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

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

	31/12/2015	31/12/2014	Change
	2,067	5,254	-3,187

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

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

	31/12/2015	31/12/2014	Change
	413	363	+50

The caption mainly refers to:

- allocations to the provision for bad debt toward policyholders for 269 thousand euro (214 thousand euro in the previous year);
- fees payable by the company, relegated to sales channels, regarding internal funds linked to unit-linked policies and to the open pension fund called “Vittoria Formula Lavoro” for 140 thousand euro (147 thousand euro in the previous year).

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

	31/12/2015	31/12/2014	Change
	2,594	-	+2,594

The amount to be transferred from the non-technical account to the technical account of the non-life business was determined in accordance with IVASS Regulation no. 22/2008, as indicated in “Part A – Valuation Criteria” of the Explanatory Notes.

RESULT OF NON-TECHNICAL ACCOUNT

31/12/2015	31/12/2014	Change
10,984	10,021	+963

Non-technical costs and revenues are classified as follows:

III. 3 – Income from Non-Life investments

	31/12/2015	31/12/2014	Change
	40,209	41,393	-1,184
<i>Of which:</i>			
a) Income from equity investments	507	336	+171
b) Income from other investments	38,412	40,819	-2,407
c) Profits made on sale of investments	1,290	238	1,052

- a) This caption includes the dividend collected by the other subsidiaries.
- b) The caption consists of the following items:
- land and buildings amounting to 3,073 thousand euro (1,970 thousand euro in the previous year), relating to rental and to expenses recover and other income;
 - other investments amounting to 35,339 thousand euro (38,849 thousand euro in the previous year), of which 35,035 thousand euro relating to income on fixed-income securities for interest, issue and trading differentials.
- c) The caption refers to capital gains arising from fixed-income securities' reimbursement and alienation.

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

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

31/12/2015	31/12/2014	Change
2,593	-	+2,593

Please refer to information reported in Life technical account chapter.

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

	31/12/2015	31/12/2014	Change
	26,050	23,607	+2,443
<i>Of which:</i>			
a) Investment management costs and interest expense	6,496	7,696	-1,200
b) Investment write-downs	18,333	15,161	+3,172
c) Loss on sale of investments	1,221	750	+471

- a) The caption mainly includes:
- operating and personnel expenses relating to the equity portfolio for 292 thousand euro (465 thousand euro in the previous year);
 - costs for fixed-income securities relating to issue and trading differentials, taxes, and operating and personnel expenses amounting to 3,342 thousand euro (5,302 thousand euro in the previous year);
 - housing expenses, taxes and building management costs for 1,869 thousand euro (1,026 thousand euro in the previous year);

- costs relating to municipal tax on property (IMU) charging 879 thousand euro to 2015 profit and loss (754 thousand euro in the previous year);
- interest on deposits from reinsurers for 142 thousand euro (148 thousand euro in the previous year).

b) The capture refers to write-downs of financial instruments, like indicated in the Management report, and it is mainly related for 12,117 thousand euro to write-downs of Equity investments that referring to the following investments:

- 4,494 thousand euro relating to the investment in subsidiary Vittoria Immobiliare SpA. for impairment;
- 3,500 thousand euro relating to the investment in subsidiary Vaimm Sviluppo S.r.l. for impairment;
- 3,329 thousand euro relating to the investment in subsidiary VP Sviluppo 2015 S.r.l. for impairment;
- 756 thousand euro relating to the investment in associated company Movincom Servizi S.p.A. to cover losses;
- 38 thousand euro relating to the investment in associated company Consorzio Movincom S.c.r.l. to cover past losses.

Included are also, the write-down of buildings loaned free of charge to agencies amounted to 339 thousand euro, and amortization on property totaling 4,949 thousand euro of which 2,852 thousand euro relating to the head office in Portello area in Milan.

c) The caption refers to the losses resulting from fixed-income securities' reimbursement and alienation.

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

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

	31/12/2015	31/12/2014	Change
	10,894	13,937	-3,043

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

III.7 - Other income

	31/12/2015	31/12/2014	Change
	2,916	4,953	-2,037

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

As at 31 December 2014, the caption is mainly includes:

- interest on bank current account for 910 thousand euro (2,123 thousand euro in the previous year);
- infra-group charges for 640 thousand euro (671 thousand euro in the previous year);
- other interest accruing mainly on tax receivables and recoveries from agents for 877 thousand euro (1,087 thousand euro in the previous year);
- foreign-exchange gains on technical and financial items for 109 thousand euro (92 thousand euro in the previous year).

III.8 - Other charges

	31/12/2015	31/12/2014	Change
	29,375	13,847	+15,528

As at 31 December 2015, the captions mainly includes:

- interest and charges on bank accounts for 441 thousand euro (467 thousand euro in the previous year);
- amortisation of residual charge of SACE goodwill for 625 thousand euro (454 thousand euro in the previous year);
- annual amortisation of intangible assets for 20,189 thousand euro of which 9,309 thousand euro relating to the ordinary amortization (8,746 thousand euro in the previous year) and 10,880 thousand euro relating to the amortization resulting from the revision of the useful life remaining of NewAge System and other minor applications;
- 1,879 thousand euro which fund expenses for the renewal of the labour contract;
- provisions for bad debts and agents for 3,776 thousand euro;
- provisions for bad debts amounting to 2,392 thousand euro mainly relating to loans granted to companies in liquidation.

III.10 - Extraordinary income

	31/12/2015	31/12/2014	Change
	10,166	15,458	-5,292

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

Their main breakdown is shown below:

- capital gains on sale of Italian Government Bonds classified as non-current amounting to 9,392 thousand euro, resulting entirely from Non-Life business;
- extraordinary income for 726 thousand euro allocated for 79 thousand euro to the life business and for 647 thousand euro to the Non-Life business.

III.11 - Extraordinary charges

	31/12/2015	31/12/2014	Change
	550	392	+158

This item refers to charges due to sale of long-term investments and other losses arising from the sale of assets classified in the general balance-sheet Class F - Other assets, and mainly refers to incidental costs and charges amounting to 523 thousand euro (319 thousand euro in the previous year).

III.14 - Taxation

	31/12/2015	31/12/2014	Change
	53,834	46,627	+7,207

Current taxes set aside relate to the IRES and IRAP estimate for the current year, which was calculated in accordance with current tax rules.

With Law no. 208/2015 ("Stability Law 2016") was established a drop of 3.5% (from 27.5% to 24%) of IRES, beginning in fiscal year 2017.

The Company has therefore recalculated the deferred and prepaid IRES already charged to 31.12.2014 and not used in the course of 2015 or usable (by law or reasonable foreseeability) in 2016. The Company has also used the rate of 24% to calculate deferred and prepaid IRES arising from temporary changes in the tax base of the year which, by law or reasonable foreseeability, will not be used in the course of the tax year 2016.

The net overall effect on the year 2015 was of 8,974 thousand euro, due to:

- recalculation (at 24%) of deferred and prepaid IRES already in place at 01.01.2015 and not used in 2015 or usable in 2016 and
- allocation (always at 24% instead of 27.5%) of deferred and prepaid IRES 2015 not usable in 2016.

Reconciliation between the tax charge recognised in the financial statements and theoretical tax charge is shown below:

(in thousands of Euros)						
	Taxable base		Tax		Tax rate	
	IRES	IRAP	actual	theoretical	actual	theoretical
IRES						
Profit before taxation	120,103			33,028		27.50%
+ Temporary differences deductible in future years	45,860					
- Temporary differences taxable in future years	3,011					
+ Use of temporary differences	-57,763					
Permanent differences:						
+ Non-deductible interest and taxes	1,225					
+ Non-deductible accruals, costs and expenses	1,517					
+ Investment Portfolio	13,623					
- Tax-exempt income and Dividends	484					
+ Other deductible items	-1,318					
Taxable base	119,752					
A. Current IRES			32,932		27.42%	
IRAP						
Profit before taxation	120,103			8,191		6.82%
- Profit & Loss items not taxable/deductible for IRAP purpose	10,984					
Life insurance business profit & loss + Non-life insurance business profit & loss	131,087					
+ Permanent taxable differences	55,326					
- Permanent deductible differences	71,553					
Theoretical taxable base	114,860					
+(Increase - Decrease) of temporary differences	2,467					
Taxable base	117,327					
B. Current IRAP			8,002		6.66%	
C=(A+B) Total current Tax relating to 2015			40,934		34.08%	34.32%
Deferred tax assets						
Taxable base for deferred tax assets of the previous year	336,606	23,461				
(Increase - Decrease) in deferred tax assets during the current year (27.5% IRES tax rate)	-272,656	3,216				
(Increase - Decrease) in deferred tax assets during the current year (24% IRES tax rate)	258,771					
Taxable base for deferred tax assets of the current year	322,721	26,677				
Deferred IRES assets on (Increase - Decrease) considering a 27.5% IRES tax rate				-74,980		
Deferred IRES assets on (Increase - Decrease) considering a 24% IRES tax rate				62,105		
Deferred IRAP assets on (Increase - Decrease)				219		
D. Total deferred tax assets relating to 2015				-12,656		-10.54%
Deferred tax liabilities						
Taxable base for provision for deferred tax liabilities of the previous year	2,741					
(Increase - Decrease) in the provision for deferred tax liabilities during the current year (27.5% IRES tax rate)	-1,177					
(Increase - Decrease) in the provision for deferred tax liabilities during the current year (24% IRES tax rate)	2,368					
Taxable base for provision for deferred tax liabilities of the current year	3,932					
Deferred IRES liabilities on (Increase - Decrease) considering a 27.5% IRS tax rate				-324		
Deferred IRES liabilities on (Increase - Decrease) considering a 24% IRS tax rate				568		
Deferred IRAP liabilities on (Increase - Decrease)				0		
E. Total deferred tax liabilities relating to 2015				244		0.20%
Total IRES relating to 2015			46,051		38.34%	
Total IRAP relating to 2015			7,783		6.48%	
F= (C-D+E) Total tax relating to 2015			53,834	41,219	44.82%	34.32%

The above schedule compares taxes related to local financial statements, apart from variances due to tax rules application in determining IRES and IRAP amounts with taxes related to tax rules compliance.

Schedules of deferred taxes pursuant to article 2427 of the civil code, are described in the tables below.

These were calculated by applying to such temporary differences the nominal rates in force at the time when they will appear, already approved at the date of these financial statements.

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
2014 deferred tax assets					
Depreciation of tangible assets	2,492		376		711
Provisions for bad debts	57,417		21,010		17,222
Directors' fees	1,792		-		493
Goodwill	2,075		2,075		712
Change in life technical reserves (as per law decr. 78/2010)	3,159		-		869
Change in non-life claims reserves (as per law decr. 209/2002)	261,427		-		71,892
Provision for risk and charges	6,958		-		1,913
Taxable earnings entering in future accounts (real estate free rent period)	1,289		-		354
	336,606	27.50%	23,461	6.82%	94,167
2015 use to deferred tax assets					
Depreciation of tangible assets	169		-		47
Provisions for bad debts	7,417		-		2,040
Directors' fees	1,129		-		311
Change in non-life claims reserves (as per law decr. 209/2002)	45,637		-		12,550
Provision for risk and charges	4,441		-		1,221
Taxable earnings entering in future accounts (real estate free rent period)	268		-		74
	59,061	27.50%	0	6.82%	16,242
2015 adjustments to deferred tax assets					
(drop to 24% of IRES tax rate from 2017)					
Depreciation of tangible assets	1,977		-		69
Provisions for bad debts	50,000		-		1,750
Directors' fees	662		-		23
Goodwill	1,850		-		65
Change in life technical reserves (as per decr. 78/2010)	3,159		-		111
Change in non-life claims reserves (as per decr. 209/2002)	170,153		-		5,955
Provision for risk and charges	2,517		-		88
Taxable earnings entering in future accounts (real estate free rent period)	752		-		26
	231,069	3.50%	0		8,087
2015 increase in deferred tax assets					
Depreciation of tangible assets (IRES tax rate of 24%)	318		-		76
Charge backs non-life (IRES tax rate of 27.5%)	1,205		-		331
Charge backs non-life (IRES tax rate of 24%)	591		-		142
Provisions for bad debts (IRES tax rate of 27.5%)	2,154		-		592
Provisions for bad debts (IRES tax rate of 24%)	5,907		2,816		1,610
Directors' fees (IRES tax rate of 27.5%)	676		-		186
Directors' fees (IRES tax rate of 24%)	317		-		76
Goodwill (IRES tax rate of 24%)	400		400		123
Depreciation of intangible assets (IRES tax rate of 27.5%)	842		-		232
Depreciation of intangible assets (IRES tax rate of 24%)	437		-		105
Change in life technical reserves (as per law decr. 78/2010 - IRES tax rate of 24%)	851		-		204
Change in non-life claims reserves (IRES tax rate of 27.5%)	6,179		-		1,699
Change in non-life claims reserves (IRES tax rate of 24%)	18,536		-		4,449
Provision for risk and charges (IRES tax rate of 27.5%)	6,764		-		1,860
Provision for risk and charges (IRES tax rate of 24%)	344		-		83
	27,702	24%	3,216	6.82%	11,768
	17,820	27.50%			
2015 deferred tax assets					
Depreciation of tangible assets (IRES tax rate of 24%)	2,295		376		576
Charge backs non-life (IRES tax rate of 27.5%)	1,205		-		331
Charge backs non-life (IRES tax rate of 24%)	591		-		142
Provisions for bad debts (IRES tax rate of 27.5%)	2,154		-		592
Provisions for bad debts (IRES tax rate of 24%)	55,906		-		13,418
Directors' fees (IRES tax rate of 27.5%)	676		-		186
Directors' fees (IRES tax rate of 24%)	980		-		235
Goodwill (IRES tax rate of 24%)	2,250		2,475		709
Goodwill (IRES tax rate of 27.5%)	225		-		62
Depreciation of intangible assets (IRES tax rate of 27.5%)	842		23,827		1,856
Depreciation of intangible assets (IRES tax rate of 24%)	437		-		105
Change in life technical reserves (as per law decr. 78/2010 - IRES tax rate of 24%)	4,010		-		962
Change in non-life claims reserves (IRES tax rate of 27.5%)	51,815		-		14,249
Change in non-life claims reserves (IRES tax rate of 24%)	188,690		-		45,286
Provision for risk and charges (IRES tax rate of 27.5%)	6,764		-		1,860
Provision for risk and charges (IRES tax rate of 24%)	2,861		-		687
Taxable earnings entering in future accounts (real estate free rent period - IRES tax rate of 27.5%)	268		-		74
Taxable earnings entering in future accounts (real estate free rent period - IRES tax rate of 24%)	752		-		180
	258,772	24%	26,677	6.82%	81,511
	63,950	27.50%			

Detail and movement of deferred tax liabilities:

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
2014 deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	2,733		-		752
Exchange rate fluctuations	7		-		2
	2,740	27.50%	-	6.82%	754
2015 use to deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	1,813		-		498
Exchange rate fluctuations	7		-		2
	1,820	27.50%	-	6.82%	501
2015 adjustments to deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio	109		0		4
	109	3.50%	0		4
2015 increase in deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio (IRES tax rate of 24%)	2,259		-		621
Division by instalments of realised gains on Investment Portfolio (IRES tax rate of 27.5%)	753		-		181
	2,259	24%			
	753	27.5%	-	6.82%	802
2015 deferred tax liabilities					
Division by instalments of realised gains on Investment Portfolio (IRES tax rate of 24%)	2,368		-		568
Division by instalments of realised gains on Investment Portfolio (IRES tax rate of 27.5%)	1,564		-		430
	2,368	24%			
	1,564	27.50%	-	6.82%	998

Part C: Other information

Solvency margin

In relation to Solvency Margin the reports issued by IVASS with Regulation 19 of 14 March 2008 and subsequent amendments and additions, highlight the following items in thousand euro:

	(€/000)		
	Non - life business	Life business	Total
Required Solvency Margin	168,288	55,383	223,671
Solvency Margin Assets	421,595	87,858	509,453
Surplus/Deficit	253,307	32,475	285,782
Ratio	2.5	1.6	2.3

If consolidated companies and Yam Invest NV had been equity-accounted using the method typical of consolidated accounts, instead of at historical cost, net capital relating to available equity (i.e. excluding the portion assigned to Life segregated accounts) would have been 29,473 thousand euro higher.

As a result of the above considerations the elements of equity rise from 509,453 thousand euro to 538,926 thousand euro, which compared to the required solvency margin amounting to 223,671 thousand euro, results in a ratio of 2.41.

	(€/000)	
Required Solvency Margin		223,671
Solvency Margin Assets	509,453	
Higher net equity of consolidated companies	<u>29,473</u>	
Solvency Margin Assets		538,926
Ratio		2.41

Assets allocated to coverage of technical reserves

Non-Life Business

	(€ million)		
	31/12/14	31/12/15	Change
Technical Reserves (A)	1,408.2	1,467.2	59
Securities issued or secured by Governments			892.7
Bonds or other similar securities			2.5
Shares traded in a regulated market			10.4
Shares not traded in a regulated market			35.9
Real Estate			342.6
Closed-end mutual fund shares are not traded on a regulated market, reserved funds and hedge funds			15.4
Receivables			128.0
Bank accounts			38.5
Othe assets			1.5
Total Assets Allocated (B)			1,467.5
% of coverage (B/A)			100.0%

Life Business

	(€ million)		
	31/12/14	31/12/15	Change
Mathematical and Other Technical Reserves	947.7	1,009.5	61.8
Reserve for payable amounts	28.8	28.3	-0.5
Technical Reserves (A)	976.5	1,037.8	61.3
Securities issued or secured by Governments			882.8
Bonds or other similar securities			11.4
Shares not traded in a regulated market			19.0
Real Estate			79.2
Closed-end mutual fund shares are not traded on a regulated market, reserved funds and hedge funds			12.7
Receivables			10.5
Bank accounts			19.4
Othe assets			3.0
Total Assets Allocated (B)			1038.0
% of coverage (B/A)			100.0%

	(€ million)		
	31/12/07	31/12/15	Change
Technical Reserves when investment risk is borne by policyholders	61.8	58.6	-3.2
Total Assets Allocated	61.8	58.6	-3.2

Finance expense allocated to balance sheet assets

Pursuant to the first paragraph, point 8, of Article 2427 of the Italian Civil Code, we declare that no finance expense was capitalised in the year in amounts posted in balance sheet assets.

Employees

The cost of salaries, related social security charges, severance indemnity provisioning, and of miscellaneous personnel-related expenses are shown in Appendix 32.

Employees on the payroll as at 31 December 2015 numbered 532 heads (522 heads to 31 December 2014). The average number of employees on the payroll during the year, by category and calculated according to in-force presence, was as follows:

	31/12/2015	31/12/2014
Managers	25	24
Officers	148	147
Administrative staff	354	344
Total	527	514

Disclosure of auditing fees

As required by Article 149/12 of CONSOB Regulation 11971 of 14 May 1999, below we report the fees relating to FY2015 for services rendered to the Company by the auditing company Deloitte & Touche SpA – and by entities forming part of its network.

Type of services rendered	(€/000)	
	Auditing company	Entities forming part of its network
Independent audit services*	217	-
Verifications for issue of attestations**	56	-
Other services	-	95

* of which 36 thousand euro related to audit services provided to Vaimm Sviluppo Srl

** related to segregated funds, unit linked and pension fund

Breakdown of direct insurance premiums by business category and geographical area

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

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

Regions	Agencies	Non-Life Business		Life Business		(€/000)
		Premiums	%	Premiums	%	
NORTH						
Emilia Romagna	34	84,206		22,104		
Friuli Venezia Giulia	4	8,341		2,431		
Liguria	15	49,422		4,848		
Lombardy	104	228,612		82,940		
Piedmont	47	84,600		10,467		
Trentino Alto Adige	8	10,835		1,798		
Valle d'Aosta	1	3,967		259		
Veneto	36	61,715		12,874		
Total	249	531,698	49.6	137,721	63.1	
CENTRE						
Abruzzo	12	51,004		8,751		
Lazio	28	108,504		19,343		
Marche	17	37,322		5,216		
Tuscany	47	112,503		12,482		
Umbria	15	48,802		6,313		
Total	119	358,135	33.5	52,105	23.9	
SOUTH AND ISLANDS						
Basilicata	3	8,994		1,063		
Calabria	2	4,289		41		
Campania	10	39,950		3,290		
Molise	2	4,436		460		
Puglia	6	28,066		20,006		
Sardinia	10	40,340		818		
Sicily	12	53,101		2,823		
Total	45	179,176	16.8	28,501	13.1	
Total ITALY	413	1,069,009	100.0	218,327	100.0	
France	0	105	0.0	0	0.0	
OVERALL TOTAL	413	1,069,114		218,327		

Real estate assets

Real estate assets are listed in the following table :

(€/000)							
AS AT 31 DECEMBER 2015							
	Historical value	Monetary revaluations	Fiscally-driven and voluntary revaluations	Law 02/2009 Revaluations	Law 147/2013 Revaluations	Accumulated depreciation and impairment losses at 31/12/2014	Total 2015
BUILDINGS HELD FOR INVESTMENT							
Operating buildings							
Milano - Via V. Colonna 2	306	0	0	477	21	-84	721
Milano - Via I. Gardella 2	97.983	0	0	0	8.301	-15.484	90.800
PERUGIA - Via Pellas 44	151	11	0	189	0	-200	151
Total operating buildings	98.440	11	0	666	8.322	(15.768)	91.671
Buildings used by third parties							
Acqui - Piazza Matteotti 25	53	10	77	63	0	-24	179
Alessandria - P.za Carducci 1	79	79	0	102	0	-65	195
Asti - C. So Allieri 130	50	57	0	264	0	-142	229
Biella - Piazza V. Veneto 16	17	43	34	274	0	-192	176
Brescia - Via Saffi 1	121	67	0	395	0	-203	380
Busto Arsizio - Via C. Tosi 8	80	31	0	197	0	-123	185
Como - V. Le Rosselli 13	116	22	77	549	0	-447	317
Cremona - P. Za Roma 7	111	24	23	271	0	-198	231
Cuneo - Piazza Europa 26	62	75	0	420	0	-249	307
Ferrara - Via Don Minzoni 17	98	10	93	287	0	-126	362
Gallarate - P. Za Risorgimento 10	34	7	44	98	0	-24	159
Livorno - Via Grande 225	128	5	0	187	0	-164	156
Lodi - C. So V. Emanuele II° 12	13	10	41	209	0	-117	156
Milano - Via Ariosto 21	2.485	0	0	609	212	-353	2.953
Milano - Via B. D'Alviano 2	22	46	62	532	0	-175	486
Milano - Via Correggio 3	145	0	0	95	86	-35	290
Milano - Palazzo A	48.845	0	0	0	0	-3.873	44.972
Milano - Palazzo C	38.029	0	0	0	0	-3.247	34.781
Milano - Area Commerciale	6.108	0	0	0	0	-213	5.895
Modena - Via Ganaceto 39	33	13	46	553	0	-303	342
Napoli - Via S. Carlo 26	63	45	155	1.197	0	-560	900
Parma - Via Longhi 1	87	42	62	439	0	-162	468
Perugia - Via Pellas 44 - AG	122	7	0	126	0	-82	173
Pisa - Piazza Toniolo 10	87	41	52	343	0	-281	241
Pistoia - Via S. Fedi 67	75	39	0	176	0	-122	168
Pontedera - C. So Matteotti 108	61	41	0	205	0	-70	237
Rovigo - C. So Del Popolo 4	63	24	0	121	0	-94	114
Sondrio - Via C. Alessi 16	54	15	0	97	0	-65	101
Terni - Via Beccaria 22	17	28	0	195	0	-100	140
Trieste - Via Torrebianca 18	15	36	21	136	0	-23	185
Udine - Via Carducci 4	39	72	0	247	0	-155	203
Varese - Via Mazzini 1	158	71	41	289	0	-183	376
Venezia Mestre - Via Verdi 4	47	65	26	330	0	-296	172
Verona - C. So Porta Nuova 53	245	257	129	1.062	0	-732	960
Vicenza - C. So Palladio 155	84	76	36	280	0	-56	420
Total buildings used by third parties	97.843	1.358	1.019	10.348	298	(13.257)	97.609
Buildings under construction							
Milano - Area Commerciale	0	0	0	0	0	0	0
Total buildings under construction	0	0	0	0	0	0	0
TOTAL BUILDINGS HELD FOR INVESTMENT	196.283	1.369	1.019	11.014	8.620	(29.024)	189.281
TOTAL BUILDINGS	196.283	1.369	1.019	11.014	8.620	(29.024)	189.281

Cash flow Statements

(€/000)

	31/12/2015	31/12/2014
Net profit for the year	66,269	74,935
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	40,744	118,751
premium reserve	14,698	13,530
life business technical reserves	58,222	124,362
Increase (-) Decrease (+) in receivables from policyholders	354	8,289
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-940	-13,785
Net increase (-) decrease (+) in intangible assets	19,951	3,882
Increase in specific provisions	1,320	1,436
Employees' leaving entitlement:		
accruals	2,301	2,176
utilisation	-2,310	-2,294
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	25,166	-39,043
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	485	-11,402
Adjustments to securities	22,415	21,819
Adjustments to class D securities	-335	-125
Cash flow from operating activities	248,340	302,531
Disposal of fixed assets	-	4,993
Sale of bonds and other fixed-interest securities	417,715	455,728
Sale of investments	1,875	175
Sale of unit trusts	14,469	14,702
Sale of class D	13,483	11,204
Repayment of loans and borrowings	11,820	28,103
Cash flow arising from disinvesting activities	459,362	514,905
Cash flow generated	707,702	817,436

Cash flow Statements

	(€/000)	
	31/12/2015	31/12/2014
Buildings	559	7,050
Fixed-interest securities	499,959	582,920
Investments	162,496	140,734
Unit trusts	34,474	11,198
Class D investments	9,961	7,775
Loans to third parties	21,829	26,729
Previous year's dividend distributed	12,802	12,128
Total application of funds	744,090	788,534
Increase/decrease in liquid funds	-36,388	28,902
Cash flows used / generated from financing activities	-	-
TOTAL	707,702	817,436
Liquid funds at the beginning of the year	174,593	145,691
Liquid funds at the end of the year	138,205	174,593

Investments in subsidiaries

Vittoria Immobiliare SpA

Registered offices in Milan - Galleria San Babila 4/B

Share Capital: euro 112,418,835 - equity interest: 100.00%.

This company is active in the real estate trading sector and is also a holding company for investments in companies operating in the real estate management, brokerage and promotion sectors.

The draft financial statements reviewed by the Board of Directors on 10 March 2016 show shareholders' equity of 96,986 thousand euro, including 4,366 thousand euro of net loss for the year. The consolidated financial statements, prepared for the purposes of parent company consolidation, show consolidated shareholders' equity of 100,114 thousand euro, including the year's net profit of 4,997 thousand euro.

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

Registered offices in Milan - Galleria San Babila 4/B

Share capital: euro 6,650,000 - equity interest: 100.00%.

A company active in real estate trading.

The draft financial statements reviewed by the Board of Directors on 2 March 2016 show shareholders' equity of 32,656 thousand euro, including the year's net loss of 417 thousand euro.

Immobiliare Bilancia Prima Srl

Registered offices in Milan - Galleria San Babila 4/B

Share capital: euro 3,000,000 - equity interest: 100.00%.

A company active in real estate trading.

The draft financial statements reviewed by the Board of Directors on 2 March 2016 show shareholders' equity of 47,054 thousand euro, including the year's net loss of 879 thousand euro.

Acacia 2000 S.r.l.

Registered offices in Milan - Via Gardella 2

Share capital: euro 369,718 – 67.54% directly owned and 28.40% via Vittoria Immobiliare SpA

A company active in real estate development trading.

The draft financial statements reviewed by the Board of Directors on 2 March 2016 show shareholders' equity of 222,352 thousand euro, including the year's net profit of 720 thousand euro.

VAIMM Sviluppo S.r.l.

Registered offices in Milan - Galleria San Babila 4/B

Share capital: euro 2.000,000 - equity interest: 100.00%.

A company active in real estate development trading.

The draft financial statements reviewed by the Board of Directors on 2 March 2016 show shareholders' equity of 15,749 thousand euro, including the year's net loss of 3,055 thousand euro.

VP Sviluppo 2015 S.r.l.

Registered offices in Milan - Via Gardella 2

Share capital: euro 1.000,000 - equity interest: 100.00%.

A company active in real estate development.

The draft financial statements reviewed by the Board of Directors on 2 March 2016 show shareholders' equity of 18,815 thousand euro, including the year's net loss of 2,850 thousand euro.

Vittoria Properties Srl

Registered offices in Milan – Via Gardella 2

Share capital: euro 8,000,000 - equity interest: 100.00%

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

The draft financial statements reviewed by the Board of Directors on 2 March 2016 show shareholders' equity of 17,480 thousand euro, including the year's net loss of 223 thousand euro.

Interbilancia Srl

Registered offices in Milan – Via Gardella 2

Share capital: euro 80,000 - equity interest: 100.00%

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

Draft financial statements reviewed by the Board of Directors on 10 March 2016 show shareholders' equity of 2,140 thousand euro including the year's net profit of 281 thousand euro.

Litigation

Litigation existing at the end of the period is related to the normal operation linked to the claims management.

Tax situation

In the year 2015, the Company confirmed or exercised the option for the National Tax Consolidation Regime (art. 117 and following of Presidential Decree 22 December 1986, n. 917) with the subsidiaries Immobiliare Bilancia Srl, Immobiliare Bilancia Prima Srl, Acacia 2000 Srl, Vaimm Sviluppo Srl, Vittoria Properties Srl, Vittoria Immobiliare SpA, Gestimmobili Srl, Interimmobili Srl, Interbilancia srl, VRG Domus Srl, Valsalaria srl, VP Sviluppo 2015 srl.

Consolidated IRES national tax with these subsidiaries will persist also in 2016.

With reference to the year 2015, the Company exercised the option for VAT payment at the group level under D.M. 12.13.1979, together with its subsidiaries Vittoria Immobiliare, Gestimmobili srl, Interimmobili srl, Acacia 2000 Srl, VRG Domus Srl, Vittoria Properties Srl, Immobiliare Bilancia Prima Srl, Immobiliare Bilancia Srl, Vaimm srl Sviluppo and Valsalaria srl. It is noted that for the year 2016, the Company exercised this option, along with the same subsidiaries listed above as well as the subsidiary VP Sviluppo 2015 srl.

In accordance with Law no. 147/2013, at the end of 2013 the company revalued the residential buildings in Milan and the building housing its registered office. The revaluation was declared in the UNICO 2014 tax return for the 2013 tax period. As a result, the parent company will pay a substitute tax on the gains recorded and the gains will be recognised for IRES and IRAP purposes. This recognition will take effect from the 2016 tax period, unless the assets are disposed of, in which case the recognition will be postponed until 2017. The substitute tax is 16% for depreciable property and 12% for non-depreciable property.

The value recognised in the balance sheet was aligned to the fair value, determined by an independent evaluation expert. Against these greater values recognised in the balance sheet, the parent company recorded in equity a reserve equal to the revaluation less the substitute tax.

In 2009, the company was subject to a tax inspection by the Italian Tax Authorities for fiscal years 2004, 2005 and 2006, from which disputes related to IRES, IRAP and VAT have ensued.

Between 2009 and 2011 higher assessments for all three years under inspection were notified with details of higher IRES and IRAP, fines and interest for an overall amount of 101 thousand euro; regarding VAT, the higher tax rate, the fines and interest amount to 387 thousand euro. The company has settled its tax obligations related to IRES and IRAP for all three years.

Regarding VAT, the parent company has appealed against the assessments for the three years (2004, 2005 and 2006), obtained a favourable judgement in the first and second instance.

Appeals of the Tax Authorities with the Supreme Court of Cassation are pending, waiting for court meeting.

With Law no. 208/2015 ("Stability Law 2016") was established a drop of 3.5% (from 27.5% to 24%) of IRES, beginning in fiscal year 2017.

The Company has therefore recalculated the deferred and prepaid IRES already charged to 31.12.2014 and not used in the course of 2015 or usable (by law or reasonable foreseeability) in 2016. The Company has also used the rate of 24% to calculate deferred and prepaid IRES arising from temporary changes in the tax base of the year which, by law or reasonable foreseeability, will not be used in the course of the tax year 2016.

The net overall effect on the year 2015 was of 8,974 thousand euro, due to:

- recalculation (at 24%) of deferred and prepaid IRES already in place at 01.01.2015 and not used in 2015 or usable in 2016 and
- allocation (always at 24% instead of 27.5%) of deferred and prepaid IRES 2015 not usable in 2016.

The Board of Directors

Milan, 10 March 2016

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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				1	
of which: called-up		2			
B. INTANGIBLE ASSETS					
1. Acquisition commissions to be amortised		4			
2. Other acquisition costs		6			
3. Start-up and capital costs		7			
4. Goodwill		8			
5. Other deferred costs		9	6,049	10	6,049
C. INVESTMENTS					
I - Land and buildings					
1. Operating buildings		11	70,697		
2. Buildings used by third parties		12	57,071		
3. Other buildings		13			
4. Other property rights		14			
5. Assets under construction and payments on account		15		16	127,768
II - Investments in group and other companies:					
1. Equity investments in:					
a) parent companies	17				
b) subsidiaries	18	367,611			
c) related companies	19				
d) associated companies	20	19,883			
e) other companies	21	28,918	22	416,412	
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	13,500			
c) related companies	31				
d) associated companies	32	2,283			
e) other companies	33		34	15,783	35
				432,195	
			to carry forward		6,049

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current year	
		brought forward			6,049
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	16,662	
	3. Bonds and other fixed-interest securities				
	a) listed	41	935,893		
	b) unlisted	42	60		
	c) convertible bonds	43	44	935,953	
	4. Loans				
	a) secured loans	45	2,313		
	b) loans on policies	46			
	c) other loans	47	3,130	48	5,443
	5. Shares in investment pools			49	
	6. Deposits with banks			50	
	7. Other financial investments			51	
				52	958,058
IV	- Deposits with ceding companies			53	54
					1,518,021
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES					
I - NON-LIFE BUSINESSES					
	1. Premium reserve		58	17,439	
	2. Claims reserve		59	39,581	
	3. Profit participation and reimbursement reserve		60		
	4. Other technical reserves		61		62
					57,020
					1,581,090
					to carry forward

Previous year

	brought forward		24,585
216			
217			
218	219		
	220	15,255	
221	905,752		
222	82		
223	224	905,834	
225	2,800		
226			
227	1,623	228	4,423
		229	
		230	
		231	
		232	925,512
		233	
		234	1,332,140
		238	16,007
		239	37,846
		240	
		241	
		242	53,853
	to carry forward		1,410,578

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

		Current year	
		brought forward	1,581,090
E. RECEIVABLES			
I - Receivables relating to direct insurance due from:			
1. Policyholders			
a) premiums for the year	71	48,120	
b) premiums for previous years	72	1,703	
		73	49,823
2. Insurance brokers and agents		74	87,126
3. Current account companies		75	7,394
4. Amounts to be recovered from policyholders and third parties		76	27,064
		77	171,407
II - Receivables relating to reinsurance due from:			
1. Insurance and reinsurance companies			
		78	5,840
2. Reinsurance brokers and agents		79	5,840
		80	5,840
III - Other receivables			
		81	52,145
		82	229,392
F. OTHER ASSETS			
I - Tangible assets and inventory:			
1. Office furniture and machines and internal transport systems			
		83	6,276
2. Registered chattel property			
		84	90
3. Plant and machinery			
		85	966
4. Inventory and other assets			
		86	7,332
		87	7,332
II - Liquid funds			
1. Bank and postal accounts			
		88	107,553
2. Cheques on hand and cash-in-hand			
		89	18
		90	107,571
III - Own shares or quotas			
		91	
IV - Other assets			
1. Suspense reinsurance accounts			
		92	
2. Sundry assets			
		93	81,351
		94	81,351
of which: giro account with life business		95	196,254
		96	196,254
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest			
		96	10,736
2. Rent instalments			
		97	725
3. Other prepayments and accrued income			
		98	2,767
		99	14,228
TOTAL ASSETS			100
			2,020,964

		Previous year			
	brought forward				1,410,578
251	48,762				
252	605	253	49,367		
		254	93,110		
		255	6,541		
		256	35,545	257	184,563
		258	4,015		
		259		260	4,015
				261	41,255
				262	229,833
		263	6,696		
		264	128		
		265	373		
		266		267	7,197
		268	139,087		
		269	13	270	139,100
				271	
		272			
		273	109,860	274	109,860
		903		275	256,157
				276	10,842
				277	796
				278	2,301
				279	13,939
				280	1,910,507

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

Current year

A. SHAREHOLDERS' EQUITY		
I - Subscribed share capital or equivalent fund	101	39,427
II - Share premium reserve	102	19,032
III - Revaluation reserves	103	16,582
IV - Legal reserve	104	7,885
V - Statutory reserves	105	
VI - Reserves for purchase of own shares and shares of parent company	106	
VII - Other reserves	107	292,115
VIII - Retained earnings or losses carried forward	108	
IX - Net profit/(loss) for the year	109	66,080
		110 441,121
B. SUBORDINATED LIABILITIES		111
C. TECHNICAL RESERVES		
I - NON-LIFE BUSINESSES		
1. Premium reserve	112	393,875
2. Claims reserve	113	1,068,076
3. Profit participation and reimbursement reserve	114	
4. Other technical reserves	115	409
5. Equalisation reserves	116	5,741
		117 1,468,101
to carry forward		1,909,222

Previous year

	281	39,427	
	282	19,032	
	283	16,582	
	284	7,885	
	285		
	286		
	287	231,052	
	288		
	289	73,863	290 387,841
			291
292	378,278		
293	1,025,149		
294			
295	409		
296	5,207		297 1,409,043
to carry forward			1,796,884

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

		Current year	
	brought forward		1,909,222
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	841
3.	Other provisions	130	5,092
			131
			5,933
F. DEPOSITS FROM REINSURERS			
			132
			7,428
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133	3,499
2.	Current account companies	134	2,431
3.	Guarantee deposits and premiums paid by policyholders	135	511
4.	Guarantee funds in favour of policyholders	136	997
		137	7,438
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138	8,075
2.	Reinsurance brokers and agents	139	140
			8,075
III	- Bond issues	141	
IV	- Due to banks and other financial institutions	142	
V	- Secured debts	143	
VI	- Sundry loans and other financial payables	144	
VII	- Employees' leaving entitlement	145	2,893
VIII	- Other sums payable		
1.	Policyholders' tax due	146	22,628
2.	Other sums payable to taxation authorities	147	1,822
3.	Social security charges payable	148	2,342
4.	Sundry payables	149	30,490
		150	57,282
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152	11,652
3.	Other liabilities	153	11,041
		154	22,693
	of which: giro account with life business	902	155
			98,381
	to carry forward		2,020,964

Previous year		
brought forward		1,796,884
	308	
	309	299
	310	4,016
		311 4,315
		312 9,208
313	6,411	
314	2,460	
315		
316	1,632	317 10,503
318	7,133	
319		320 7,133
		321
		322
		323
		324
		325 2,860
326	22,771	
327	2,480	
328	2,161	
329	29,743	330 57,155
331		
332	13,847	
333	8,597	334 22,444
904		335 100,095
to carry forward		1,910,502

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

		Current year	
brought forward			2,020,964
<hr/>			
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1. Interest	156		
2. Rent instalments	157		
3. Other accrued expenses and deferred income	158	159	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			2,020,964

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 15,341
2.	Endorsements		166
3.	Other personal guarantees		167
4.	Collateral		168 2,330
III	- Guarantees given by third parties in the interest of the Company		169
IV	- Commitments		170 36,637
V	- Third party assets		171 534
VII	- Securities held by third parties		173 982,004
VIII	- Other memorandum and contingency accounts		174

Previous year

brought forward		1,910,502
	336	
	337	
	338	5
	339	5
	340	1,910,507

Previous year

	341	
	342	
	343	7,634
	344	
	345	13,287
	346	
	347	
	348	2,330
	349	
	350	35,251
	351	1,398
	353	960,647
	354	

Company VITTORIA ASSICURAZIONI S.p.A.

BALANCE SHEET - LIFE BUSINESS

ASSETS

Current year

A. SHARE CAPITAL PROCEEDS TO BE RECEIVED				1
of which: called-up	2			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	3	5,791		
2. Other acquisition costs	6			
3. Start-up and capital costs	7			
4. Goodwill	8			
5. Other deferred costs	9	4,455		10
				10,246
C. INVESTMENTS				
I - Land and buildings				
1. Operating buildings	11	20,975		
2. Buildings used by third parties	12	40,538		
3. Other buildings	13			
4. Other property rights	14			
5. Assets under construction and payments on account	15		16	61,513
II - Investments in group and other companies:				
1. Equity investments in:				
a) parent companies	17			
b) subsidiaries	18	51,751		
c) related companies	19			
d) associated companies	20			
e) other companies	21		22	51,751
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	51,751
			35	51,751
		to carry forward		10,246

Previous year			
			181
182			
183	5,675		
186			
187			
188	625		
189	5,359		190 11,659
191	21,831		
192	41,921		
193			
194			
195		196 63,752	
197			
198	53,257		
199			
200			
201	202 53,257		
203			
204			
205			
206			
207	208		
209			
210			
211			
212			
213	214	215 53,257	
	to carry forward		11,659

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year	
		brought forward	10,246
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	31,746
	3. Bonds and other fixed-interest securities:		
	a) listed	41	907,902
	b) unlisted	42	1,174
	c) convertible bonds	43	44
	4. Loans		
	a) secured loans	45	
	b) loans on policies	46	1,651
	c) other loans	47	48
	5. Shares in investment pools		49
	6. Deposits with banks		50
	7. Other financial investments	51	52
IV	- Deposits with ceding companies		53
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I	- Investments relating to index-linked policies		55
II	- Investments relating to pension fund management		56
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	63	6,966
	2. Complementary insurance premium reserve	64	
	3. Reserve for amounts payable	65	
	4. Profit participation and reimbursement reserve	66	
	5. Other technical reserves	67	31
	6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	69
		to carry forward	1,133,801

Valori dell'esercizio precedente

	brought forward		11,659
216			
217			
218	219		
	220	13,149	
221	856,616		
222	1,377		
223	224	857,993	
225			
226	2,445		
227	228	2,445	
	229		
	230		
	231	232	873,587
		233	175
		234	990,771
		235	46,251
		236	15,572
		237	61,823
	243	6,609	
	244		
	245		
	246		
	247	39	
	248		249
			6,648
	to carry forward		1,070,901

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year			
		brought forward		1,133,801	
E. RECEIVABLES					
I - Receivables relating to direct insurance due from:					
1. Policyholders					
a) premiums for the year	71	4,507			
b) premiums for previous years	72	1,280	73	5,787	
2. Insurance brokers and agents			74	11,066	
3. Current account companies			75		
4. Amounts to be recovered from policyholders and third parties			76	16,853	
II - Receivables relating to reinsurance due from:					
- 1. Insurance and reinsurance companies					
			78	493	
- 2. Reinsurance brokers and agents					
			79	493	
III - Other receivables					
			81	12,694	82 30,040
F. OTHER ASSETS					
I - Tangible assets and inventory:					
1. Office furniture and machines and internal transport systems					
			83	751	
2. Registered chattel property					
			84		
3. Plant and machinery					
			85	35	
4. Inventory and other assets					
			86	786	
II - Liquid funds					
1. Bank and postal accounts					
			88	30,634	
2. Cheques on hand and cash-in-hand					
			89	30,634	
III - Own shares or quotas					
					91
IV - OTHER ASSETS					
1. Suspense reinsurance accounts					
			92		
2. Sundry assets					
			93	2,581	94 2,581 95 34,001
of which: giro account with non-life business					
			901		
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interest					
				96 11,489	
2. Rent instalments					
				97	
3. Other prepayments and accrued income					
				98 316	99 11,805
TOTAL ASSETS					
					100 1,209,647

Previous year		brought forward		
				1,070,901
251	5,311			
252	1,286	253	6,597	
		254	10,776	
		255		
		256	257 17,373	
		258	236	
		259	260 236	
			261 10,604	262 28,213
		263	930	
		264		
		265	39	
		266	267 969	
		268	35,494	
		269	270 35,494	
			271	
		272		
		273	4,530	274 4,530
		903		275 40,993
			276 10,957	
			277	
			278 293	279 11,250
				280 1,151,357

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	27,952
II	- Share premium reserve	102	14,323
III	- Revaluation reserves	103	1,611
IV	- Legal reserve	104	4,734
V	- Statutory reserves	105	
VI	- Reserves for purchase of own shares and shares of parent company	106	
VII	- Other reserves	107	49,295
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit (loss) for the year	109	189
		110	98,104
B. SUBORDINATED LIABILITIES			
		111	
C. TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	118	1,002,404
	2. Complementary insurance premium reserve	119	91
	3. Reserve for amounts payable	120	28,316
	4. Profit participation and reimbursement reserve	121	27
	5. Other technical reserves	122	7,161
		123	1,037,999
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	41,496
II	- Reserves arising from pension fund management	126	17,140
		127	58,636
to carry forward			1,194,739

Previous year

		281	27,952	
		282	14,323	
		283	1,611	
		284	4,680	
		285		
		286		
		287	48,277	
		288		
		289	1,072	290 97,915
				291
	298	939,383		
	299	111		
	300	28,764		
	301	2		
	302	8,429		303 976,689
		305	46,251	
		306	15,572	307 61,823
	to carry forward			1,136,427

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
		brought forward	1,194,739
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	158
3.	Other provisions	130	131 158
F. DEPOSITS FROM REINSURERS			
			132 6,997
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1.	Insurance brokers and agents	133 453	
2.	Current account companies	134 68	
3.	Guarantee deposits and premiums paid by policyholders	135 195	
4.	Guarantee funds in favour of policyholders	136	137 716
II - Payables arising from reinsurance business due to:			
1.	Insurance and reinsurance companies	138 205	
2.	Reinsurance brokers and agents	139	140 205
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			
			145 335
VIII - Other sums payable			
1.	Policyholders' tax due	146 162	
2.	Other sums payable to taxation authorities	147 425	
3.	Social security charges payable	148 232	
4.	Sundry payables	149 3,562	150 4,381
IX - Other liabilities			
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152 719	
3.	Other liabilities	153 1,397	154 2,116 155 7,753
	of which: giro account with non-life business	902	
		to carry forward	1,209,647

Previous year

brought forward		1,136,427
	308	
	309	455
	310	455
		311
		6,648
313	572	
314	300	
315	68	
316	317	940
318	120	
319	320	120
	321	
	322	
	323	
	324	
	325	378
326	169	
327	518	
328	246	
329	3,395	330
		4,328
331		
332	244	
333	1,817	334
		2,061
904		335
		7,827
to carry forward		1,151,357

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year
brought forward		1,209,647
H. ACCRUED EXPENSES AND DEFERRED INCOME		
1. Interest	156	
2. Rent instalments	157	
3. Other accrued expenses and deferred income	158	159
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,209,647

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
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
VII - Securities held by third parties		173
VIII - Other memorandum and contingency accounts		174
		24,455
		17,140
		980,763

Previous year		
	brought forward	1,151,357
	336	
	337	
	338	339
		340

		Previous year	
		341	
		342	
		343	12,866
		344	
		345	
		346	
		347	
	348		
	349		
	350		
	351		
	352	15,572	
	353	918,503	
	354		

Company VITTORIA ASSICURAZIONI S.p.A.Year 2015

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	1 130,520	21 567	41 131,087
Income on investments	+ 2 40,209		42 40,209
Capital and financial charges	- 3 26,050		43 26,050
Income on investments transferred from the life business technical account	+ 24 2,594	44 2,594	44 2,594
Income on investments transferred to the non-life business technical account	- 5 10,894		45 10,894
Operating result	6 133,785	26 3,161	46 136,946
Other income	+ 7 2,264	27 652	47 2,916
Other expense	- 8 26,797	28 2,578	48 29,375
Extraordinary income	+ 9 10,038	29 128	49 10,166
Extraordinary expense	- 10 496	30 54	50 550
Profit (loss) before taxation	11 118,794	31 1,309	51 120,103
Taxation on profit for the year	- 12 52,714	32 1,120	52 53,834
Net profit (loss) for the year	13 66,080	33 189	53 66,269

Year 2015

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	+	1 116,082	31 211,227
Increase of the year	+	2 3,531	32 559
for: acquisitions or increases		3 3,531	33 559
write-backs		4	34
revaluations		5	35
other variations		6	36
Decrease of the year	-	7 2,253	37 339
for: sales or decreases		8 2,248	38
permanent write-downs		9	39 339
other variations		10 5	40
Gross closing book value (a)		11 117,360	41 211,447
Amortisation and depreciation:			
Opening book value	+	12 79,837	42 14,717
Increase of the year	+	13 21,229	43 7,449
for: amortisation/depreciation charge of the year		14 21,229	44 7,449
other variations		15	45
Decrease of the year	-	16	46
for: disposals		17	47
other variations		18	48
Closing book value (b) (*)		19 101,066	49 22,166
Book value (a - b)		20 16,294	50 189,281
Current value			51 218,703
Total revaluations		22	52
Total write-downs		23	53 339
(*) of which resulting from fiscally-driven entries		24	54

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2015

Assets - Changes in investments in group and other companies: equity investments (caption C.II.1), bonds (caption C.II.2) and loans (caption C.II.3)

		Equity investments C.II.1	Bonds C.II.2	Loans C.II.3
Opening book value	+	1 321,127	21	41 6,000
Increase of the year	+	2 162,496	22	42 18,500
for: acquisitions, subscriptions or lending		3 6,450	23	43 18,500
write-backs		4	24	44
revaluations		5		
other variations		6 156,046	26	46
Decrease of the year:	-	7 15,460	27	47 8,717
for: sales or repayments.....		8	28	48 8,717
write-downs		9 13,623	29	49
other variations		10 1,837	30	50
Book value		11 468,163	31	51 15,783
Current value		12 546,141	32	52
Total revaluations		13		
Total write-downs.....		14 13,623	34	54

Caption C.II.2 includes:

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

Assets - Information on subsidiaries (*)

Number	Type	Listed or unlisted	Business activity	Name and registered offices	Currency
	(1)	(2)	(3)		
1	b	NQ	2	VITTORIA IMMOBILIARE S.p.A. - Galleria San Babila 4/B - 20122 Milano	242
2	b	NQ	2	VITTORIA IMMOBILIARE S.p.A. - Galleria San Babila 4/B - 20122 Milano	242
3	d	NQ	9	SINT S.p.A. - Via Bertola 34 - 10122 Torino	242
4	d	NQ	2	YARPA S.p.A. - Via Roma 3 - 16121 Genova	242
5	d	NQ	2	YARPA S.p.A. NON INT LIB - Via Roma 3 - 16121 Genova	242
6	e	NQ	2	GRUPPO G.P.A. S.p.A. in Liquidazione - Via Melchiorre Gioia 124 - 20125 Milano	242
7	e	NQ	3	BANCA PASSADORE & C. S.p.A. - Via E.Vernazza 27 - 16121 Genova	242
8	e	NQ	3	BCC VALDOSTANA Soc.Coop. - Fraz.Taxel 26 - 11020 Gressan AO	242
9	e	NQ	3	ROVIGO BANCA Cred.Coop. - Via Casalini n.10 - 45100 Rovigo	242
10	e	NQ	9	DOWNALL ITALIA S.r.l. in Liquidazione - Piazza Sicilia 6 - 20146 Milano	242
11	e	NQ	9	SOFIGEA S.r.l. in liq. - Via S.Nicola da Tolentino 72 - 00187 Roma	242
12	e	NQ	9	U.C.I. S.cons.r.l. - Corso Sempione 39 - 20145 Milano	242
13	e	NQ	2	MEDINVEST INTERNATIONAL S.C.A. - 26-28 Rives de Clausen - L-2165 Lussemburgo	242
14	b	NQ	2	INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
15	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
16	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
17	d	NQ	9	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	242
18	b	NQ	4	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
19	b	NQ	4	IMMOBILIARE BILANCIA PRIMA S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
20	e	NQ	3	BCC APUANA Sc in LIQUIDAZIONE - Viale Eugenio Chiesa n.4 - 54100 Massa	242
21	e	Q	3	MEDIOBANCA S.p.A. - P.tta E.Cuccia 1 - 20121 Milano	242
22	d	NQ	7	CONSORZIO MOVINCOM S.c.r.l. - Via Bertola 34 - 10122 Torino	242
23	e	NQ	2	YAM INVEST N.V. - Herengracht 514 - 1017 CC Amsterdam	242
24	e	NQ	3	BCC DI SIGNA Soc.Coop. - Piazza Michelacci 1-2 - 50058 Signa FI	242
25	e	NQ	3	BCC DI CARUGATE E INZAGO Soc.Coop. - Via De Gasperi 11 - 20061 Carugate	242
26	e	NQ	3	BCC DEL VOMANO Soc.Coop. - Via Pellicchia, 14 - 64100 Teramo	242
27	e	NQ	2	NUOVE PARTECIPAZIONI S.p.A. - Via Lodovico Mancini n.5 - 20129 Milano	242
28	e	NQ	3	BCC ROMAGNA in Liq.Coatta.Amm. - Via Leopoldo Lucchi, 135 - 47521 Cesena FC	242
29	d	NQ	9	MOVINCOM SERVIZI SpA - Via Bertola 34 - 10122 Torino	242
30	b	NQ	4	ACACIA 2000 S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
31	e	NQ	2	PORTA ROMANA 4 S.r.l. - Corso di Porta Romana 6 - 20122 Milano	242
32	b	NQ	4	VAIMM SVILUPPO S.r.l. - Galleria San Babila 4/B - 20122 Milano	242
33	b	NQ	4	VP SVILUPPO 2015 S.r.l. unipersonale - Via Ignazio Gardella n.2 - 20149 Milano	242
34	d	NQ	7	CONSORZIO SERVIZI ASSICURATIVI col - Via Ignazio Gardella 2 - 20149 Milano	242

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

(1) Type

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

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

(3) Business activity

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

(4) Amounts in original currency

(5) Indicate total holding percentage

Share capital		Shareholders' equity (**)	Net profit or loss for the last year (**)	Percentage held (5)		
Amount (4)	Number of shares			(4)	(4)	Direct %
112,418,835	261,818	96,988,690	-4,365,960	25.09		25.09
112,418,835	261,818	96,988,690	-4,365,960	74.91		74.91
900,000	900,000	1,160,283	215,155	48.19		48.19
30,000,000	30,000,000	29,208,453	701,604	27.31		27.31
30,000,000	30,000,000	29,208,453	701,604			
8,528,000	16,400,000			9.74		9.74
50,000,000	50,000,000			2.76		2.76
6,573,628	1,273,959			0.30		0.30
2,068,931	80,128			0.12		0.12
100,000	100,000			10.00		10.00
47,664,600	47,664,600					
510,000	1,000,000			0.79		0.79
9,962,680	7,663,600			3.91		3.91
80,000	80,000	2,139,733	281,194	100.00		100.00
6,650,000	6,650,000	32,655,948	-416,727	67.48		67.48
6,650,000	6,650,000	32,655,948	-416,727	32.52		32.52
12,900,000	12,900,000	14,691,272	97,417	46.00		46.00
8,000,000	8,000,000	17,479,817	-222,660	100.00		100.00
3,000,000	3,000,000	47,053,616	-878,676	100.00		100.00
5,723,556	28,594			0.67		0.67
435,177,547	870,355,094			0.14		0.14
103,000	103,000	96,519	-27,806	29.14		29.14
63,083,168	63,083,168			18.75		18.75
11,542,151	221,326			0.41		0.41
43,284,209	1,676,383			0.11		0.11
5,180,800	51,808			0.97		0.97
249,314,516	249,314,516			5.59		5.59
15,040,925	601,637			0.33		0.33
3,080,810	3,080,810	2,734,264	-1,115,525	49.34		49.34
369,718	369,718	222,351,999	719,681	67.54		67.54
100,000	100,000			6.45		6.45
2,000,000	2,000,000	15,748,598	3,054,648	100.00		100.00
1,000,000	1,000,000	18,814,571	-2,849,568	100.00		100.00
103,000	103,000	385,428	6,654	0.39		0.39

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

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

Number (1)	Type (2)	Name (3)	Increase of the year		
			Acquisitions		Other increases
			Quantity	Amount	
1	B	D VITTORIA IMMOBILIARE S.p.A. - Galleria San Babila 4/B - 20122 Milano			
2	B	D VITTORIA IMMOBILIARE S.p.A. - Galleria San Babila 4/B - 20122 Milano			
3	D	D SINT S.p.A. - Via Bertola 34 - 10122 Torino			
4	D	D YARPA S.p.A. - Via Roma 3 - 16121 Genova	16,715,859		6,728
5	D	D YARPA S.p.A. NON INT LIB - Via Roma 3 - 16121 Genova			
6	E	D GRUPPO G.P.A. S.p.A. in Liquidazione - Via Melchiorre Gioia 124 - 20125 Milano			
7	E	D BANCA PASSADORE & C. S.p.A. - Via E.Vernazza 27 - 16121 Genova			
8	E	D BCC VALDOSTANA Soc.Coop. - Fraz.Taxel 26 - 11020 Gressan AO			
9	E	D ROVIGO BANCA Cred.Coop. - Via Casalini n.10 - 45100 Rovigo			
10	E	D DOWNALL ITALIA S.r.l. in Liquidazione - Piazza Sicilia 6 - 20146 Milano			8
11	E	D SOFIGEA S.r.l. in liq. - Via S.Nicola da Tolentino 72 - 00187 Roma			
12	E	D U.C.I. S.cons.r.l. - Corso Sempione 39 - 20145 Milano			
13	E	D MEDINVEST INTERNATIONAL S.C.A. - 26-28 Rives de Clausen - L-2165 Lussemburgo			
14	B	D INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			
15	B	D IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano			
16	B	D IMMOBILIARE BILANCIA S.r.l. - Galleria San Babila 4/B - 20122 Milano			
17	D	D TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	1,161,000	1,800	
18	B	D VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			
19	B	D IMMOBILIARE BILANCIA PRIMA S.r.l. - Galleria San Babila 4/B - 20122 Milano			
20	E	D BCC APUANA Sc in LIQUIDAZIONE - Viale Eugenio Chiesa n.4 - 54100 Massa			
21	E	D MEDIOBANCA S.p.A. - P.ta E.Cuccia 1 - 20121 Milano			
22	D	D CONSORZIO MOVINCOM S.c.r.l. - Via Bertola 34 - 10122 Torino			38
23	E	D YAM INVEST N.V. - Herengracht 514 - 1017 CC Amsterdam			
24	E	D BCC DI SIGNA Soc.Coop. - Piazza Michelacci 1-2 - 50058 Signa FI			
25	E	D BCC DI CARUGATE E INZAGO Soc.Coop. - Via De Gasperi 11 - 20061 Carugate			
		Total C.II.1			
	a	Parent companies			
	b	Subsidiaries			
	c	Related companies			
	d	Associated companies			
	e	Other companies			
		Total D.I			
		Total D.II			

(1) It should match that indicated in Annex

 (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 2015

Decrease of the year		Other decreases	Book value (4)		Acquisition cost	Current value
Quantity	Amount		Quantity	Amount		
		1,506	65,703	29,104	29,104	29,104
		4,494	196,115	86,871	86,871	86,871
			433,710	440	440	440
14,005,255		1,133	8,193,406	8,280	8,280	8,280
16,715,859		6,728				
			1,596,959			
			1,377,848	3,540	3,540	8,736
			3,800	41	41	41
			100	3	3	3
			9,999	21	21	21
695,819		705				
			7,879	4	4	4
			300,000	1	1	1
			80,000	1,638	1,638	1,638
			4,487,398	22,647	22,647	22,647
			2,162,602	10,914	10,914	10,914
			5,934,000	9,597	9,597	9,597
			8,000,000	18,016	18,016	18,016
			3,000,000	44,346	44,346	44,346
			193	30	30	30
			1,225,350	10,354	10,354	10,887
		38	30,010	44	44	44
			11,828,094	6,594	6,594	61,400
			900	46	46	46
			1,818	46	46	46

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

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

Number (1)	Type (2)	(3)	Name	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
26	E	D	BCC DEL VOMANO Soc.Coop. - Via Pellecchia, 14 - 64100 Teramo			
27	E	D	NUOVE PARTECIPAZIONI S.p.A. - Via Lodovico Mancini n.5 - 20129 Milano			
28	E	D	BCC ROMAGNA in Liq.Coatta.Amm. - Via Leopoldo Lucchi, 135 - 47521 Cesena FC			
29	D	D	MOVINCOM SERVIZI SpA - Via Bertola 34 - 10122 Torino			
30	B	D	ACACIA 2000 S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	227,218	4,650	150,000
31	E	D	PORTA ROMANA 4 S.r.l. - Corso di Porta Romana 6 - 20122 Milano			
32	B	D	VAIMM SVILUPPO S.r.l. - Galleria San Babila 4/B - 20122 Milano			3,000
33	B	D	VP SVILUPPO 2015 S.r.l. unipersonale - Via Ignazio Gardella n.2 - 20149 Milano			3,000
34	D	D	CONSORZIO SERVIZI ASSICURATIVI col - Via Ignazio Gardella 2 - 20149 Milano	400		
			Total C.II.1		6,450	162,774
	a		Parent companies			
	b		Subsidiaries			
	c		Related companies		4,650	156,000
	d		Associated companies			
	e		Other companies		1,800	6,766
			Total D.I			8
			Total D.II			

(1) It should match that indicated in Annex 1

(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.1)
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 **2015**

Decrease of the year		Other decreases	Book value (4)		Acquisition cost	Current value
Sales			Quantity	Amount		
Quantity	Amount					
			500	50	50	50
			13,929,850	6,673	6,673	24,119
			2,000	50	50	50
578,992		756	1,520,164	1,520	1,520	1,520
			249,718	168,400	168,400	168,400
			6,450	1,464	1,464	1,464
		3,500	2,000,000	18,386	18,386	18,386
		3,329	1,000,000	19,040	19,040	19,040
			400			
		22,188		468,162	468,162	546,143
		12,829		419,362	419,362	419,362
		8,655		19,883	19,883	19,883
		705		28,918	28,918	106,898

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

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	23,056	65		85	105
a) listed government securities	26	636,754	66	388,347	86	935,953
a2) other listed securities	27	632,691	67	387,329	87	933,381
b) unlisted government securities	28	4,003	68		88	2,512
c) convertible bonds	29		69		89	
d) other unlisted securities	30	60	70		90	60
e) Shares in investment pools	31		71		91	
f) Other financial investments	32		72		92	
	33		73		93	

II - Life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:						
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	34,769	185		205	31,746
a) listed government securities	146	860,014	186	156,069	206	909,076
a2) other listed securities	147	838,913	187	156,069	207	893,532
b) unlisted government securities	148	19,927	188		208	14,370
c) convertible bonds	149		189		209	
d) other unlisted securities	150	1,174	190		210	1,174
e) Shares in investment pools	151		191		211	
f) 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	28,404.41	1,402,304.81	101	
Increase of the year:	22	34,474.42	120,389.82	102	
for: acquisitions	23	27,123.43	118,405.83	103	
write-backs	24	44		104	
transfers from the trading portfolio.....	25	45		105	
other variations	26	7,351.46	1,984.86	106	
Decrease of the year:	27	14,469.47	221,061.87	107	
for: sales	28	2,778.48	44,995.88	108	
write-downs	29	49		109	
transfers to the trading portfolio	30	50	133,515.90	110	
other variations	31	11,691.51	42,551.91	111	
Book value	32	48,409.52	1,301,632.02	112	
Current value	33	57,825.53	1,496,768.93	113	

Year 2015Company 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 6,867	21
Increase of the year	+	2 3,329	22 2,010
for: lending		3 3,329	
write-backs		4	
other variations		5	
Decrease of the year:	-	6 3,103	26
for: repayments		7 3,103	
write-downs.....		8	
other variations		9	
Book value		10 7,093	30 2,010

Company **Vittoria Assicurazioni S.p.A.** Year **2015**

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	27,841 25	24,550 45	25,429 65	22,092
IV. Other financial investments:				
1. Equity investments	7,158 26	8,776 46	7,042 66	9,459
2. Bonds and other fixed-interest securities	4,764 27	7,130 47	6,577 67	8,996
3. Bank deposits	28	48	68	
4. Other financial investments	176 29	25 49	69	19
V. Other assets	-93 30	4,542 50	-76 70	4,542
VI. Liquid funds	1,650 31	1,228 51	1,068 71	1,228
.....	32	52	72	
.....	33	53	73	
Total	41,496 34	46,251 54	40,040 74	46,336

Company **Vittoria Assicurazioni S.p.A.**Year **2015**

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	8,090	7,974	7,082	6,997
3. Unit trust units	8,085	6,879	5,555	5,079
4. Bank deposits	26	46	66	
5. Other financial investments	27	47	67	
III. Other assets	-200	-61	-207	-61
IV. Liquid funds	1,165	780	1,165	780
	30	50	70	
	31	51	71	
Total	17,140	15,572	13,595	12,795

Company VITTORIA ASSICURAZIONI S.p.A.Year 2015Liabilities - 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	1 381,156	11 374,614	21 6,542
Reserve for current risks:	2 12,719	12 3,664	22 9,055
Book value.....	3 393,875	13 378,278	23 15,597
Claims reserve:			
Reserve for claims settlement and direct expenses	4 933,289	14 893,433	24 39,856
Reserve for settlement costs	5 58,149	15 60,618	25 -2,469
IBNR reserve	6 76,638	16 71,097	26 5,541
Book value	7 1,068,076	17 1,025,148	27 42,928

Company VITTORIA ASSICURAZIONI S.p.A.Year 2015Liabilities - 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	1 991,031	11 926,297	21 64,734
Premiums carried forward	2 9,122	12 10,284	22 -1,162
Mortality risk reserve	3 1	13	23 1
Integration reserves	4 2,250	14 2,802	24 -552
Book value	5 1,002,404	15 939,383	25 63,021
Profit participation and reimbursement reserve.....	6 27	16 2	26 25

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2015

Liabilities - Changes in provisions for contingencies and other charges (caption E) and employees' leaving entitlement (caption G.VII)

		Employees' leaving entitlement and similar provisions	Provision for taxation	Other accruals	Employees' leaving entitlement
Opening book value	+	1	754	4.016	3.237
Accruals of the year.....	+	2	541	1.879	2.301
Other increases	+	3			
Utilisation of the year	-	4	297	803	26
Other decreases	-	5			2.284
Book value		6	998	5.092	3.228

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
		5,782		745	9	6,536
		5,746		142	143	5,755
		36		745	149	781

Company VITTORIA ASSICURAZIONI S.p.A.Year 2015

List of classes I, II, III and IV of "guarantees, commitments and other memorandum and contingency accounts"

	Year	Previous year
I. Guarantees given:		
a) sureties and endorsements given in the interest of parent companies, subsidiaries and related companies	1	31
b) sureties and endorsements given in the interest of associated companies and other group companies	2	32
c) sureties and endorsements given in the interest of third parties	3	33
d) other personal guarantees given in the interest of parent companies, subsidiaries and related companies	4	34
e) other personal guarantees given in the interest of associated and other group companies	5	35
f) other personal guarantees given in the interest of third parties	6	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	42
II. Guarantees received:		
a) from associated and other group companies	13	43
b) from third parties	14	17,671
Total	15	17,671
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	61,092
Total	22	61,092

Commitments for derivative transactions

Derivative	Current year				Previous year				
	Purchase		Sale		Purchase		Sale		
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	
Futures:									
on shares	101	21	121	41	141	61	161		
on bonds	102	22	122	42	142	62	162		
on currencies	103	23	123	43	143	63	163		
on exchange rates	104	24	124	44	144	64	164		
other	105	25	125	45	145	65	165		
Options:									
on shares	106	26	126	46	146	66	166		
on bonds	107	27	127	47	147	67	167		
on currencies	108	28	128	48	148	68	168		
on exchange rates	109	29	129	49	149	69	169		
other	110	30	130	50	150	70	170		
Swaps:									
on currencies	111	31	131	51	151	71	171		
on exchange rates	112	32	132	52	152	72	172		
other	113	33	133	53	153	73	173		
Other transactions	114	34	134	54	154	74	174		
Total	0	0	0	35	0	35	0	175	0

Notes: - Include only derivative transactions existing at the balance sheet date which imply a commitment for the company; where the derivative does not exactly match one of the above captions or relates to more than one caption, it should be included in the one more related; no offsetting is allowed if not related to purchase/sale transactions relating to the same derivative category (same contents, maturity, underlying asset, etc.).

- Derivatives involving two currency swaps should be stated only once, referring to the currency to be purchased. Derivatives involving both interest rate and currency swaps should only be included in currency swaps. Derivatives relating to interest rate swaps are classified as "purchases" or "sales" depending on whether or not they imply the fixed rate purchase or sale.

(1) Derivatives which involve or may involve capital forward exchanges should be stated at their regulated price; all other derivatives should be stated at their nominal value

(2) Indicate fair value of derivatives;

Summarised non-life business technical account

	Gross premiums accounted for	Gross premiums earned	Gross claims charge	Management fees	Reinsurance balance
Direct insurance:					
Accident and health insurance (classes 1 and 2)	1 92,453 2	91,165 3	31,421 4	31,228 5	86
Third-party motor liability (class 10)	6 643,945 7	639,349 8	469,588 9	117,780 10	334
Hull insurance for motor vehicles (class 3)	11 106,489 12	102,223 13	56,655 14	29,057 15	-2,292
Marine, aviation and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16 3,389 17	3,295 18	5,200 19	1,114 20	2,336
Fire and miscellaneous damages (classes 8 and 9)	21 91,408 22	90,408 23	53,595 24	28,554 25	-739
Third-party general liability (class 13)	26 50,277 27	49,704 28	25,330 29	16,420 30	292
Credit and bond insurance (classes 14 and 15)	31 7,546 32	4,135 33	44,330 34	3,225 35	18,907
Pecuniary losses (class 16)	36 48,459 37	49,339 38	2,392 39	12,851 40	31
Legal protection (class 17)	41 4,626 42	4,505 43	281 44	1,240 45	-1,156
Support and assistance (class 18)	46 20,521 47	19,393 48	8,328 49	5,450 50	642
Total direct insurance	51 1,069,113 52	1,053,516 53	697,120 54	246,919 55	18,441
Indirect insurance	56 103 57	104 58	51 59	7 60	1
Total domestic portfolio	61 1,069,216 62	1,053,620 63	697,171 64	246,926 65	18,442
Foreign portfolio	66	67	68	69	70
Total	71 1,069,216 72	1,053,620 73	697,171 74	246,926 75	18,442

Company VITTORIA ASSICURAZIONI S.p.A.Year 2015

Summarised life business premiums and reinsurance balance

	Direct insurance	Indirect insurance	Total
Gross premiums:	1 218,326	11	21 218,326
a) 1. individual policies	2 211,192	12	22 211,192
2. group policies	3 7,134	13	23 7,134
b) 1. periodic premiums	4 57,897	14	24 57,897
2. single premiums	5 160,429	15	25 160,429
c) 1. non-profit participation contracts.....	6 13,077	16	26 13,077
2. profit participation contracts.....	7 197,578	17	27 197,578
3. contracts where the investment risk is borne by policyholders and pension fund	8 7,671	18	28 7,671
Reinsurance balance	9 43	19	-8 29 35

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2015

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	1 507	41 81	507
Dividends and other income on equity investments in other companies.....	2	42 82	
Total	3 507	43 83	507
Income on investments in land and buildings	4 3,073	44 2,770	84 5,843
Income on other investments:			
Income on bonds issued by group companies.....	5	45 85	
Interest on loans to group companies	6 124	46 86	124
Income on unit trust units	7	47 430	430
Income on bonds and other fixed-interest securities	8 35,035	48 37,944	88 72,979
Interest on loans	9 180	49 121	89 301
Income on shares of investment pools	10	50 90	
Interest on bank deposits.....	11	51 91	
Income on other financial investments	12	52 92	
Interest on deposits with ceding companies.....	13	53 8	93 8
Total	14 35,339	54 38,503	94 73,842
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 99	
Other financial investments.....	20	60 100	
Total	21	61 101	
Profits on sale of investments:			
Profit on sale of land and buildings	22	62 102	
Profit on sale of equity investments in group companies	23	63 103	
Profit on sale of bonds issued by group companies	24	64 104	
Profit on sale of other equity investments	25	65 105	
Profit on sale of other bonds	26 1,290	66 307	106 1,597
Profit on sale of other financial investments.....	27	67 107	
Total	28 1,290	68 307	108 1,597
TOTAL	29 40,209	69 41,580	109 81,789

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2015

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 12
Other financial investments	4 692
- of which: bonds..... 5 252	252
Other assets	6 1
Total	7 705
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	10 744
Profit on sale of other financial investmentsi	11 441
- of which: bonds 12 31	31
Other income.....	13 718
Total	14 1,903
Non-realised capital gains	15 2,366
TOTAL.....	16 4,974

II. Investments relating to pension fund management

	Amount
Income on:	
Investments in group companies.....	21
Other financial investments	22 416
- of which: bonds..... 23 327	327
Other assets	24 64
Total	25 480
Profit on sale of investments	
Profit on sale of investments in group companies	26
Profit on sale of other financial investments.....	27 10
- of which: bonds 28	10
Other income.....	29
Total	30 10
Non-realised capital gains	31 841
TOTAL	32 1,331

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2015

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	292	31	35	61	327
Charges relating to investments in land and buildings.....	2	2,709	32	1,339	62	4,048
Bond charges	3	3,342	33	6,445	63	9,787
Charges relating to unit trust units.....	4	11	34	21	64	32
Charges relating to shares in investment pools	5		35		65	
Other financial investment charges	6		36		66	
Interest on deposits from reinsurers	7	142	37	238	67	380
Total	8	6,496	38	8,078	68	14,574
Adjustments to investment values:						
Land and buildings	9	5,288	39	2,500	69	7,788
Equity investments in group companies	10	12,117	40	1,506	70	13,623
Bonds issued by group companies	11		41		71	
Other equity investments.....	12		42		72	
Other bonds	13	928	43	114	73	1,042
Other financial investments	14		44		74	
Total	15	18,333	45	4,120	75	22,453
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	1,221	48	313	78	1,534
Loss on sale of other financial investments	19		49		79	
Total	20	1,221	50	313	80	1,534
TOTAL	21	26,050	51	12,511	81	38,561

Company VITTORIA ASSICURAZIONI S.p.A.Year 2015

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 24
Other financial investments	4 83
Other assets	5 286
Total	6 393
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	9 129
Loss on sale of other financial investments	10 104
Other charges.....	11 8
Total	12 241
Non-realised capital losses	13 901
TOTAL	14 1,535

II. Investments relating to pension fund management

	Amounts
Management charges arising from:	
Investments in group companies	21
Other financial investments	22 432
Other assets.....	23
Total	24 432
Loss on sale of investments	
Loss on sale of investments in group companies	25
Loss on sale of other financial investments	26 4
Other charges	27
Total	28 4
Non-realised capital losses	29 96
TOTAL	30 532

	Class 01		Class 02	
	Accident insurance		Health insurance	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+ 1.00	80,097	1.00	12,357
Change in premium reserve (+ or -)	- 2.00	1,205	2.00	84
Charges relating to claims	- 3.00	23,610	3.00	7,810
Change in other technical reserves (+ or -) (1)	- 4.00		4.00	
Other technical captions, net (+ or -)	+ 5.00	-940	5.00	-175
Management fees	- 6.00	27,401	6.00	3,826
Direct insurance technical result (+ or -)	A	7.00	7.00	462
Outwards reinsurance result (+ or -)	B	8.00	8.00	9
Indirect insurance net result (+ o -)	C	9.00	9.00	1
Change in equalisation reserve (+ o -)	D	10.00	10.00	
Income on investments transferred from non-technical account	E	11.00	11.00	87
Result of technical account (+ or -)	(A + B + C - D + E)	12.00	12.00	558

	Class 07		Class 08	
	Cargo insurance		Fire and natural events	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+ 1.00	1,287	1.00	49,109
Change in premium reserve (+ or -)	- 2.00	45	2.00	-209
Charges relating to claims	- 3.00	580	3.00	22,932
Change in other technical reserves (+ or -) (1)	- 4.00		4.00	
Other technical captions, net (+ o -)	+ 5.00	-43	5.00	-873
Management fees	- 6.00	472	6.00	15,680
Direct insurance technical result (+ or -)	A	7.00	7.00	9,833
Outwards reinsurance result (+ or -)	B	8.00	8.00	1,311
Indirect reinsurance net result (+ o -)	C	9.00	9.00	1
Change in equalisation reserve (+ o -)	D	10.00	10.00	147
Income on investments transferred from non-technical account	E	11.00	11.00	391
Result of technical account (+ or -) (A + B + C - D + E)		12.00	12.00	11,389

	Class 13		Class 14	
	Third-party general liability		Credit insurance	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+ 1.00	50,277	1.00	54
Change in premium reserve (+ or -)	- 2.00	573	2.00	38
Charges relating to claims	- 3.00	25,330	3.00	4,467
Change in other technical reserves (+ or -) (1)	- 4.00		4.00	
Other technical captions, net (+ or -)	+ 5.00	-800	5.00	106
Management fees	- 6.00	16,419	6.00	494
Direct insurance technical result (+ or -)	A	7.00	7.00	-4,839
Outwards reinsurance result (+ or -)	B	8.00	8.00	
Indirect reinsurance net result (+ o -)	C	9.00	9.00	47
Change in equalisation reserve (+ o -)	D	10.00	10.00	
Income on investments transferred from non-technical account	E	11.00	11.00	191
Result of technical account (+ or -) (A + B + C - D + E)		12.00	12.00	-4,648

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

Year 2015

account by line of business - Domestic portfolio

Class 03 Motor vehicle hulls (name)	Class 04 Railway truck hulls (name)	Class 05 Aviation hulls (name)	Class 06 Marine hulls (name)
1.00 106,489	1.00	1.00 1	1.00 1,185
2.00 4,266	2.00	2.00 -1	2.00 -26
3.00 56,652	3.00	3.00	3.00 3,358
4.00	4.00	4.00	4.00
5.00 -71	5.00	5.00	5.00 -56
6.00 29,057	6.00	6.00	6.00 487
7.00 16,443	7.00	7.00 2	7.00 -2,690
8.00 -2,292	8.00	8.00	8.00 2,167
9.00	9.00	9.00	9.00
10.00 320	10.00	10.00	10.00
11.00 533	11.00	11.00 1	11.00 9
12.00 14,364	12.00	12.00 3	12.00 -514

Class 09 Miscellaneous damages (name)	Class 10 Third-party motor liability (name)	Class 11 Third-party aviation liability (name)	Class 12 Third-party marine liability (name)
1.00 42,299	1.00 643,945	1.00 2	1.00 914
2.00 1,209	2.00 4,596	2.00	2.00 76
3.00 30,663	3.00 469,586	3.00 307	3.00 954
4.00	4.00	4.00	4.00
5.00 -487	5.00 -3,373	5.00	5.00
6.00 12,872	6.00 117,779	6.00 1	6.00 154
7.00 -2,932	7.00 48,611	7.00 -306	7.00 -270
8.00 -2,050	8.00 335	8.00 291	8.00 -2
9.00 1	9.00	9.00	9.00
10.00 63	10.00	10.00	10.00
11.00 219	11.00 7,499	11.00	11.00 12
12.00 -4,825	12.00 56,445	12.00 -15	12.00 -260

Class 15 Bond insurance (name)	Class 16 Pecuniary losses (name)	Class 17 Legal protection (name)	Class 18 Support and assistance (name)
1.00 7,492	1.00 48,459	1.00 4,626	1.00 20,521
2.00 3,373	2.00 -880	2.00 121	2.00 1,128
3.00 39,861	3.00 2,392	3.00 281	3.00 8,326
4.00	4.00	4.00	4.00
5.00 -970	5.00 -94	5.00 -10	5.00 -18
6.00 2,731	6.00 12,851	6.00 1,240	6.00 5,450
7.00 -39,443	7.00 34,002	7.00 2,974	7.00 5,599
8.00 18,907	8.00 32	8.00 -1,156	8.00 642
9.00	9.00	9.00	9.00 -4
10.00	10.00	10.00	10.00
11.00 212	11.00 254	11.00 10	11.00 41
12.00 -20,324	12.00 34,288	12.00 1,828	12.00 6,278

Summarised non-life business technical account
Domestic portfolio

	Direct insurance risk		Indirect insurance risk		Retained risks Total 5 = 1 - 2 + 3 - 4
	Direct risk 1	Transferred risks 2	Inwards reinsurance risks 3	Inwards reinsurance risks 4	
Premiums accounted for	1,069,114	28,586	103	41	1,040,631
Change in premium reserve (+ or -)	15,598	1,432	-1	42	14,165
Charges relating to claims	697,121	40,848	51	1	656,323
Change in other technical reserves (+ or -) (1)				44	
Other technical captions, net (+ or -)	-7,804			45	-7,804
Management fees	246,919	4,747	7	46	242,179
Technical result (+ or -)	101,672	-18,441	46	-1	120,160
Change in equalisation reserves (+ or -)				48	534
Income on investments transferred from non-technical account	10,890		4	49	10,894
Result of technical account (+ or -)	112,562	-18,441	50	-1	130,520

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

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

	Class 01 Whole and term life insurance (name)	Class 02 Marriage and birth insurance (name)	Class 03 Insurance linked to unit trusts (name)
Direct insurance gross of outwards reinsurance			
Gross premiums accounted for	1 192,404	1	4,337
Charges relating to claims	2 135,418	2	12,520
Change in mathematical and other technical reserves (+ or -) (*)	3 64,794	3	-4,743
Other technical captions, net (+ or -)	4 -241	4	259
Management fees	5 14,210	5	294
Income on investments net of the portion transferred to the non-technical account (**)	6 23,781	6	3,323
Direct insurance result gross of outwards reinsurance (+ or -) A	7 1,522	7	-152
Outwards reinsurance result (+ or -) B	8 266	8	
Indirect insurance net result (+ or -) C	9 8	9	
Result of technical account (+ or -) (A + B + C)	10 1,796	10	-152

	Class 04 Health insurance (name)	Class 05 Capitalisation transactions (name)	Class 06 Unit trust Management (name)
Direct insurance gross of outwards reinsurance			
Gross premiums accounted for	1 642	1 19,370	1 1,574
Charges relating to claims	2 29	2 30,371	2 620
Change in mathematical and other technical reserves (+ or -) (*)	3 261	3 -8,085	3 1,727
Other technical captions, net (+ or -)	4 -8	4	4 187
Management fees	5 101	5 1,087	5 109
Income on investments net of the portion transferred to the non-technical account (**)	6 -25	6 2,880	6 747
Direct insurance result gross of outwards reinsurance (+ or -) A	7 218	7 -1,123	7 52
Outward reinsurance result B	8 -223	8	8
Indirect insurance net result (+ or -) C	9	9	9
Result of technical account (+ or -) (A + B + C)	10 -5	10 -1,123	10 52

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

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

Summarised life business technical account
Domestic portfolio

	Direct insurance risks		Indirect insurance risks		Retained risks Total 5 = 1 - 2 + 3 - 4	
	Direct risks 1	Transferred risks 2	Inwards reinsurance risks 3	Outwards reinsurance risks 4		
Premiums accounted for	218,327	11	1,209	21	41	217,118
Charges relating to claims.....	178,958	12	763	22	42	178,195
Change in mathematical and other technical reserves (+ or -) (*)	53,954	13	350	23	43	53,604
Other technical captions, net (+ or -)	197	14	24	34	44	197
Management fees.....	15,801	15	139	25	45	15,662
Income on investments net of the portion transferred to the non-technical account (***).....	30,706		26	8	46	30,714
Result of technical account (+ or -)	517	17	-43	27	47	568

(*) 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 2015**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	551	94	95	96	551
Interest on subordinated liabilities	98	99	100	101	102	
Interest on deposits from reinsurers.....	104	105	106	107	108	
Interest on payables arising from direct insurance business.....	110	111	112	113	114	
Interest on payables arising from reinsurance business.....	116	117	118	119	120	
Interest on sums due to banks and financial institutions.....	122	123	124	125	126	
Interest on secured debts.....	128	129	130	131	132	
Interest on other sums payable	134	135	136	137	138	
Losses on receivables.....	140	141	142	143	144	
Administrative and third party charges	146	147	148	149	150	
Other charges	152	153	154	155	156	
Total	158	551	160	161	162	551
Charges and non-realised capital losses on investments benefiting policyholders bearing the risk and investments stemming from pension fund management						
	164	165	166	167	168	
Loss on sale of investments (*)	170	171	172	173	174	
Extraordinary expense	176	177	178	179	180	
TOTAL.....	182	551	184	185	186	551

(*) With reference to the counterparty

Company VITTORIA ASSICURAZIONI S.p.A.

Summarised direct insurance premiums accounted for

	Non-life business		Life business		Total	
	Establishment	Freedom to provide services	Establishment	Freedom to provide services	Establishment	Freedom to provide services
Gross premiums accounted for:						
in Italy	1,069,010	5	218,327	15	1,287,337	25
in other EU countries	6	105	16	16	26	105
in non-EU countries.....	7		17	17	27	
Total	1,069,010	8	218,327	18	1,287,337	28

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2015

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 32,263	31 3,713	61 35,976
- Social security contributions	2 8,415	32 968	62 9,383
- Accruals to the employees' leaving entitlement and similar provisions	3 2,081	33 239	63 2,320
- Other personnel expenses.....	4 3,340	34 423	64 3,763
Total	5 46,099	35 5,343	65 51,442
Foreign portfolio:			
- Wages and salaries	6	36	66
- Social security contributions.....	7	37	67
- Other personnel expenses	8	38	68
Total	9	39	69
Total.....	10 46,099	40 5,343	70 51,442
Consultants' fees:			
Domestic portfolio	11 45,617	41 580	71 46,197
Foreign portfolio	12	42	72
Total.....	13 45,617	43 580	73 46,197
Total personnel expenses.....	14 91,716	44 5,923	74 97,639

II: Allocation captions

	Non-life business	Life business	Total
Investment management charges.....	15 833	45 514	75 1,347
Charges relating to claims	16 57,114	46 475	76 57,589
Other acquisition costs	17 17,235	47 2,868	77 20,103
Other administrative costs	18 16,292	48 2,063	78 18,355
Administrative and third party charges	19	49	79
Other technical captions	20 241	50 3	80 244
Total	21 91,715	51 5,923	81 97,638

III: Average number of employees for the year

	Number
Managers	91 24
White collars	92 502
Blue collars	93
Other	94
Total.....	95 526

IV: Directors and statutory auditors

	Number	Fees
Directors	96 17	98 2,389
Statutory auditors	97 3	99 222

Management attestation

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

1. The undersigned Roberto Guarena (as Managing Director) and Luca Arensi (as the Manager Charged with preparing the financial reports), of Vittoria Assicurazioni S.p.A., taking into consideration Article 154-bis (subparagraph 3 and 4) of Italian Legislative Decree February 24th 1998 n.58, do hereby certify:

- the adequacy in relation to the Legal Entity features and
- the actual application

of administrative and accounting procedures for formation of financial statements during the period 1 January 2015 - 31 December 2015.

2. In this respect no remarks emerged besides what already reported in Director's report to the financial report as at 31 December 2015.

3. It is also attested that:

3.1 the financial statements as at 31 December 2015:

- a) Having been prepared in compliance with (a) the Italian Civil Code, (b) the requirements indicated in Italian Legislative Decree no. 173 of 26 May 1997, (c) the Italian Legislative Decree no. 209 of 7 September 2005, and (d) applicable ISVAP (Italian insurance regulator – now IVASS) ordinances, regulations, and circulars, are – to the best of their knowledge – such as to provide fair and true representation of the assets and liabilities, profit or loss, and financial position of the issuer.
- b) Match corporate books and accounting records

3.2 the directors' report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertain situation to which they are exposed.

Milan, 10th March 2016

Roberto Guarena
Managing Director

Luca Arensi
*Manager Charged with
preparing the financial reports*

Board of Statutory Auditors' Report

VITTORIA ASSICURAZIONI S.p.A.

Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Article 153 of the Legislative Decree No. 58/98

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

In the course of financial year 2015, we carried out the supervisory activities as required by Law, by Consob (the Italian stock exchange authority), by IVASS (the Italian insurance regulatory authority Institute), and by the so called "professional practices".

In particular, in compliance with the tasks assigned to the Board of Statutory Auditors by Legislative Decree no. 58/98, we hereby represent that:

- we participated in the meetings of the Board of Directors and obtained information on a quarterly basis on the activities carried out by the company and the company's subsidiaries and those operations that have a major effect on their economic and financial situation and their assets, ensuring that the resolutions adopted were compliant with the Law and the company mission and that they were not in conflict with resolutions adopted in Shareholders' Meetings;
- we checked, within the bounds of our responsibility, that the principles of correct administration were adhered to by the Directors in carrying out their duties, by means of direct observation, collection of information from the managers in charge of implementing the company's administrative requirements and through meetings with the External Auditor for the purpose of exchanging relevant information;
- during the financial year we monitored the adequacy of the internal accounting and administrative control systems as well as the reliability of the latter for the purpose of stating relevant events by:
 - ✓ obtaining information from the managers in charge of the various company functions, including the manager in charge of compiling company accounting records;
 - ✓ examining company documents and the reports of the "Internal Audit" and the "Compliance and Risk Management" functions;
 - ✓ meeting periodically with the External Auditor who notified us during the financial year the results of quarterly checks showing that accounting records had been regularly kept and through participation in the activities of the Control and Risks Committee.

Constant participation in the Control and Risks Committee enabled the Board of Statutory Auditors to coordinate with said Control and Risks Committee the execution of its Internal Control Committee functions and its auditing functions as provided by Article 19 of Legislative Decree 39/2010, and specifically to monitor:

- ✓ the financial disclosure process;
- ✓ the efficiency of the systems for internal control, internal audit and risk management;
- ✓ external auditing of annual single-company and consolidated accounts;
- ✓ aspects concerning the independence of the External Auditor, with particular reference to services provided by said External Auditor to the audited company other than the statutory audit itself.

During the financial year a consulting service costing 95,000 euros, other than the statutory audit, was commissioned to one of the companies belonging to Deloitte & Touche S.p.A. network, related to the process of compliance to Solvency II regime undertaken by the company.

The independent auditors have anticipated that the report pursuant to Article 19, Paragraph 3 of Legislative Decree 39/2010 will not highlight key matters arising during the audit, or significant weaknesses in the internal control system with reference to the financial information process.

Based on the work that was carried out, the internal control system therefore proved to be adequate on the whole, and there were no critical issues to report.

Furthermore, we hereby represent that:

- we performed the controls required by IVASS in relation to insurance books and registers, classification and valuation of the securities portfolio, use of financial derivatives, and checks as required by anti-money laundering regulations;
- we noted, during periodical checks, the proper and correct allocation of funds to cover technical reserves, as required by ISVAP (now IVASS) circular No. 176/1992, supplemented by Regulation 36 of 31st January 2011;
- we received the Quarterly Reports in accordance with ISVAP (now IVASS) Regulation 24 of 19th May 2008, on complaints prepared by the manager in charge of the Internal Audit of the Company that did not reveal any critical situations nor any organisational shortcomings;
- we met with the members of the Supervisory Body set up pursuant to Legislative Decree 231/01, which prepared the specific half-yearly reports for the Board of Directors, and there were no critical issues to report;
- we did not have specific meetings with the Boards of Statutory Auditors of the subsidiaries as we were updated directly by a member of this Board of Statutory Auditors who is also a member of the Boards of Statutory Auditors of the subsidiaries;
- we checked that the Company set up regulations, procedures and company structures aimed at monitoring and protecting insurance, financial, credit and business risks pursuant to ISVAP (now IVASS) Regulation 20;
- of the actions taken for the implementation of Solvency II, and in particular: the adoption of a specific calculation and reporting software, the adoption and updating of policies required by the legislation and the adoption of the framework ORSA (Own Risk and Solvency Assessment) as described in the management report;
- we noted the proper operation of the procedures regarding related parties.

In addition, also in accordance with CONSOB recommendations, the Board of Statutory Auditors represents that:

- the information provided by the Board of Directors, also specifically regarding subsidiaries, intra-group transactions and transactions with related parties was deemed adequate;
- there were no atypical or unusual transactions with subsidiaries or with related parties or with other third parties as declared by the Directors in the Management Report;
- ordinary transactions with subsidiaries or with related parties were conducted at market conditions in the best interest of the company and were conducted in compliance with the specific procedure approved by the Board of Directors; said transactions are described in the Management Report with specification of their size and the economic effect on the company results;
- no particularly important events were reported after the end of the financial year;
- in 2015 there were 14 meetings of the Board of Statutory Auditors of which 9 were held jointly with the Control and Risks Committee and 9 meetings of the Board of Directors;
- the instructions given by the Company to subsidiaries are deemed adequate for the purpose of Article 114, Paragraph 2, of the Italian Legislative Decree 58/1998 ;
- we have expressed an opinion on the remuneration of Directors with specific duties as required by Law, as well an opinion on the appointment of the new head of Risk Management and Actuarial office, whose term runs from January 2016.

The Company adhered to the Self-Regulation Code for listed companies of the Committee for Corporate Governance. It adopted its terms and put it into practice as demonstrated by the relevant report prepared for the Shareholders' Meeting. The Company verified the independence of the Directors and we confirm proper application of the assessment criteria and audit procedures used by the Board of Directors. We also confirm our independence as required by the Self-Regulation Code.

During the financial year, the Board of Statutory Auditors did not receive any reports pursuant to article 2408 of the Italian Civil Code and neither have any other reports been made. During the year, Ivass carried out inspections at the Company as reported in the Management Report.

The Company has drawn up the Financial Statements and the Consolidated Financial Statements using (as required by law) the National Accounting Principles (the Financial Statements) and IAS / IFRS accounting principles, such as endorsed by the EU (Consolidated Financial Statements).

With regard to these financial statements, independent auditor Deloitte & Touche S.p.A. today released audit reports with no comments or limitation of scope.

As regards the 2015 Financial Statements and allocation of the year's profits, we agree with the proposal of the Board of Directors, which consists of setting aside the amount of 9,464 euros to the legal reserve, allocating 52,783,344 euros to the available reserve, and 13,475,785 euros for distribution of dividends.

The Shareholders Meeting called to approve the financial statements at 31 December 2015, will have to appoint the Board of Statutory Auditors, whose mandate is due to expire at the conclusion of the three-year term.

Milan, 29th March 2016

THE BOARD OF STATUTORY AUDITORS

Alberto Giussani

Giovanni Maritano

Francesca Sangiani

Report of Independent auditors

**INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27,
2010 AND WITH ARTICLE 102 OF LEGISLATIVE DECREE No. 209 OF SEPTEMBER 7,
2005**

**To the Shareholders of
VITTORIA ASSICURAZIONI S.p.A.**

Report on the Financial Statements

We have audited the financial statements of Vittoria Assicurazioni S.p.A., which comprise the balance sheet as at December 31, 2015, the income statement for the year then ended and the explanatory notes.

Management's Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with the Italian law governing financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Vittoria Assicurazioni S.p.A. as at December 31, 2015, and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

Report on Other Legal and Regulatory Requirements

Opinion on the consistency of the report on operations and of certain information included in the report on corporate governance and ownership structures with the financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance and ownership structures required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of Vittoria Assicurazioni S.p.A., with the financial statements of Vittoria Assicurazioni S.p.A. as at December 31, 2015. In our opinion the report on operations and the information included in the report on corporate governance and ownership structures referred to above are consistent with the financial statements of Vittoria Assicurazioni S.p.A. as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Vittorio Frigerio
Partner

Milano, Italy
March 29, 2016

This report has been translated into the English language solely for the convenience of international readers.

Principal

Prof. Gennaro Olivieri

Partner scientifico

Prof.ssa Paola Fersini

Partners

Giuseppe Melisi

Annalisa Lenti

Associate

Laura Brusco

Sede legale, amministrativa e operativa

00193 Roma
Via Alberico II, 35

Tel./Fax: +39 06 97614458

Partita IVA e Codice Fiscale:
10741671001

**REPORT OF THE ACTUARY
IN ACCORDANCE WITH ART. 102 AND 103 OF LEGISLATIVE DECREE NO. 209
OF SEPTEMBER 7, 2005**

To the auditors
Deloitte & Touche S.p.A.
Via Tortona, 25
20144 MILANO

OBJECT: VITTORIA ASSICURAZIONI S.p.A. – FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2015

In accordance with my engagement, I have carried out an actuarial audit of the caption relating to the technical reserves life business included in the balance sheet - liabilities of the financial statements of VITTORIA ASSICURAZIONI S.p.A. for the year ended December 31, 2015.

In my opinion, these technical reserves taken as a whole, included in the balance sheet - liabilities of the financial statements, are sufficient in accordance with relevant law and regulations and correct actuarial practices in compliance with the guidelines set out in article 26, par. 1, of ISVAP Regulation no. 22 of April 4, 2008.

Rome, March 29, 2016

Prof. Gennaro Olivieri
Emeritus Professor at Luiss Guido Carli
Actuary

Principal

Prof. Gennaro Olivieri

Partner scientifico

Prof.ssa Paola Fersini

Partners

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20144 MILANO

OBJECT: VITTORIA ASSICURAZIONI S.p.A. – FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2015

In accordance with my engagement, I have carried out an actuarial audit of the caption relating to the technical reserves non-life business included in the balance sheet - liabilities of the financial statements of VITTORIA ASSICURAZIONI S.p.A. for the year ended December 31, 2015.

In my opinion, these technical reserves taken as a whole, included in the balance sheet - liabilities of the financial statements, are sufficient in accordance with relevant law and regulations and correct actuarial practices in compliance with the guidelines set out in article 26, par. 1, of ISVAP Regulation no. 22 of April 4, 2008.

Rome, March 29, 2016

Prof. Gennaro Olivieri
Emeritus Professor at Luiss Guido Carli
Actuary