



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

96th year of business

Consolidated
interim financial report
at 31 March 2017

Board of Directors' meeting
of 9 May 2017

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

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BOARD OF DIRECTORS

Carlo ACUTIS Andrea ACUTIS	Emeritus Chairman Chairman
Roberto GUARENA	Deputy Chairman
Cesare CALDARELLI	Chief Executive Officer
Adriana ACUTIS BISCARETTI di RUFFIA	Director
Marco BRIGNONE	Independent director
Giorgio Roberto COSTA	Director
Lorenza GUERRA SERÀGNOLI	Independent director
Giorgio MARSIAJ	Independent director
Maria Antonella MASSARI	Independent director
Marzia MORENA	Independent director
Luca PAVERI FONTANA	Director
Giuseppe SPADAFORA	Independent director
Roberta URBAN	Independent director
Laura MILANO	Secretary

BOARD OF STATUTORY AUDITORS

Giuseppe CERATI	President
Giovanni MARITANO	Standing statutory auditor
Francesca SANGIANI	Standing statutory auditor
Monica MANNINO	Substitute statutory auditor
Maria Filomena TROTTA	Substitute statutory auditor

GENERAL MANAGEMENT

Claudio RAMPIN	Joint General Manager
Matteo CAMPANER	Deputy Director
Paolo NOVATI	Deputy Director
Luca ARENSI	Central Manager
Maurizio MONTICELLI	Central Manager
Giuseppe TRAVERSO	Central Manager
Enzo VIGHI	Central Manager

INDEPENDENT AUDITOR

Deloitte & Touche S.p.A.

APPOINTMENTS AND REMUNERATION COMMITTEE

Maria Antonella MASSARI *	Independent non-executive president
Giuseppe SPADAFORA	Independent non-executive member
Roberta URBAN *	Independent non executive memeber

INTERNAL CONTROL COMMITTEE

Giuseppe SPADAFORA	Independent non-executive president
Maria Antonella MASSARI *	Independent non-executive member
Roberta URBAN	Independent non-executive member

FINANCE COMMITTEE

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

REAL ESTATE COMMITTEE

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

RELATED PARTIES COMMITTEE

Roberta URBAN	Independent non-executive president
Marco BRIGNONE	Independent non-executive member
Giuseppe SPADAFORA	Independent non-executive member

STRATEGIES COMMITTEE

Andrea ACUTIS	Non-executive president
Carlo ACUTIS	Non-executive member
Cesare CALDARELLI	Executive member
Roberto GUARENA	Non-executive member
Luca PAVERI FONTANA *	Non-executive member
Giuseppe SPADAFORA	Independent non-executive member
Roberta URBAN	Independent non-executive member

* Appointed by the Board of Directors of 9 May 2017

Form and contents of report

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

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

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

Accounting policies

The rules for preparation and the accounting policies applied for the consolidated for this interim management report are the same as those used for annual consolidated financial statements. Readers should therefore refer to the "Accounting Policies" section of the Consolidated Annual Report for the year ended on 31 December 2016. Given, however, the faster preparation required than in the case of annual financial statements and the fact that this is an interim report, use has been made – consistently with the period's operating data – of appropriate estimation methods. Where it was deemed necessary, in case of changes in accounting policies or reclassifications, the comparative figures are restated and reclassified to provide uniform and consistent disclosures.

Other information

The Vittoria Assicurazioni Group was officially registered with the Register of Insurance Groups envisaged in Article 85 of the Italian Code of Private Insurance Companies (with registration number 008).

The Vittoria Assicurazioni Group operates in the insurance sector solely through its parent company and, as part of its strategy to streamline its risk/reward profile, has made some of its investments in the real estate sector (trading, development, and real estate brokering and property management services) through Vittoria Immobiliare S.p.A. and other equity holdings, and in the private equity sector. Certain Group companies provide services primarily in support of insurance activities.

Yafa S.p.A., controls Vittoria Assicurazioni through the chain of investors comprised of Yafa Holding S.p.A. and Vittoria Capital S.p.A..

Until the date of preparation of this Report, the parent companies do not engage in management and coordination of the Group, insofar as they solely serve as holding companies.

Following the amendments to the Legislative Decree of 7 September 2005 n. 209 (Code of Private Insurance) by Legislative Decree n. 74/2015 transposing Directive 2009/138/CE (*Solvency II*) and the entry into force of the Regulation n. 22 IVASS of 1 June 2016 on the supervision of insurance groups, Yafa S.p.A., as the ultimate Italian parent company, has put in force a plan for the implementation of the organizational and structural adjustments needed in order to carry out the formalities required by the mentioned legislation and therefore effectively become the parent company.

The registration of Yafa S.p.A. in the parent company register provided for by art. 210-ter of the Code of Private Insurance Companies will be finalized in 2017 and will require the exercise of the direction and coordination activities for all the subsidiaries of the Group, including Vittoria Assicurazioni S.p.A..

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

Interim management report

Summary of key performance indicators

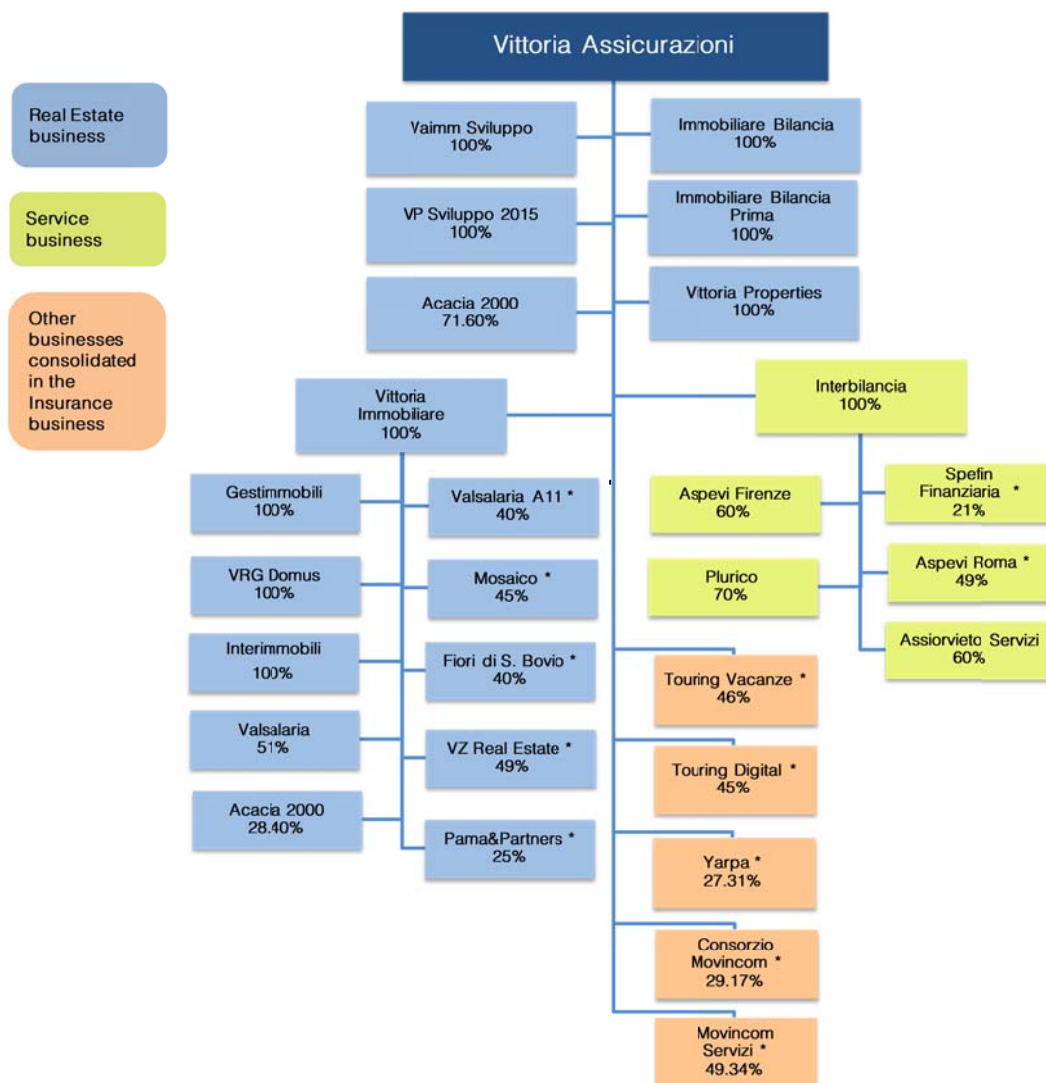
€/million					
SPECIFIC SEGMENT RESULTS					
	31/03/2017	31/03/2016	31/12/2016	Δ 31/03/16	Δ 31/12/16
Non Life business					
Gross Premiums written - direct Non Life business	263.6	255.1	1,081.1	3.4%	
Non Life business pre-tax result	30.7	41.7	194.0	(26.5)%	
(1) Loss Ratio - retained	63.3%	63.5%	64.6%	(0.2)	(1.3)
(2) Combined Ratio - retained	89.1%	88.2%	89.4%	0.9	(0.3)
(3) Expense Ratio - retained	26.3%	25.9%	24.7%	0.4	1.6
Life business					
Gross Premiums written - direct Life business	48.7	43.4	184.7	12.2%	
Life business pre-tax result	1.0	0.6	2.2	80.4%	
(4) Annual Premium Equivalent (APE)	7.9	6.5	28.0	21.5%	
Segregated funds portfolios	1,081.7	981.0	1,038.9		4.1%
Index/Unit - linked and Pension funds portfolios	63.7	58.4	56.9		12.0%
Segregated fund performance: Rendimento Mensile	2.94%	3.12%	3.03%	(0.18)	
Segregated fund performance: Valore Crescente	4.72%	4.00%	4.61%	0.72	
Total Agencies	433	420	430	13	3
Average of employees	609	609	610	-	(1)
Real Estate business					
Sales	6.4	6.9	29.9	(7.2)%	
Trading and development margin	1.2	1.1	1.7	9.1%	
Real Estate business pre-tax result	(0.2)	(0.4)	(4.5)	(49.1)%	
CONSOLIDATED RESULTS					
	31/03/2017	31/03/2016	31/12/2016	Δ 31/03/16	Δ 31/12/16
Total investments	3,471.5	3,333.1	3,348.9		3.7%
Net gains on investments	13.5	21.3	121.4	(36.5)%	
Pre-tax result	30.5	40.4	188.6	(24.5)%	
Group profit (loss)	21.8	27.9	135.4	(21.7)%	
Equity attributable to the shareholders of the parent	759.1	717.3	745.6		1.8%
Equity attributable to the shareholders of the parent net of unrealised capital gains	708.8	593.9	687.0		3.2%

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.

Technical data are determined in accordance with Italian accounting principles.

Vittoria Assicurazioni Group and consolidation scope



* Unconsolidated investments valued with the net equity method

Consolidated investments

As at 31 March 2017 the companies included in the consolidated financial statements with the full consolidation method under IFRS 10 are shown in the table below:

Name	Registered offices	Share Capital Euro	% Ownership		Via
			Direct	Indirect	
Vittoria Assicurazioni S.p.A.	Milan	67,378,924			
Vittoria Immobiliare S.p.A.	Milan	112,418,835	100.00		
Immobiliare Bilancia S.r.l.	Milan	6,650,000	100.00		
Immobiliare Bilancia Prima S.r.l.	Milan	3,000,000	100.00		
Vittoria Properties S.r.l.	Milan	8,000,000	100.00		
Interbilancia S.r.l.	Milan	80,000	100.00		
Vaimm Sviluppo S.r.l.	Milan	3,000,000	100.00		
VP Sviluppo 2015 S.r.l.	Milan	2,000,000	100.00		
Acacia 2000 S.r.l.	Milan	369,718	71.60	28.40	Vittoria Immobiliare S.p.A.
Gestimmobili S.r.l.	Milan	104,000		100.00	
Interimmobili S.r.l.	Rome	1,000,000		100.00	
V.R.G. Domus S.r.l.	Turin	800,000		100.00	
Valsalaria S.r.l.	Rome	60,000		51.00	
Assiorviato Servizi S.r.l.	Orvieto	12,500		60.00	Interbilancia S.r.l.
Aspevi Firenze S.r.l.	Florence	25,000		60.00	
Plurico S.r.l.	Milan	10,000		70.00	

Main changes in shareholdings or other changes during the period

No significant changes occurred in the first quarter of the year.

Unconsolidated investments valued with the net equity method

At 31 March 2017, as provided under IAS 28, the following companies were carried at equity:

Name	Registered offices	Share Capital Euro	% Ownership		Via
			Direct	Indirect	
Yarpa S.p.A.	Genoa	30,000,000	27.31		
Touring Vacanze S.r.l.	Milan	12,900,000	46.00		
Touring Digital S.r.l.	Milan	1,200,015	45.00		
Consorzio Movincom S.c.r.l.	Turin	102,900	29.17		
Movincom Servizi S.p.A.	Turin	3,080,810	49.34		
Spefin Finanziaria S.p.A.	Rome	2,250,000		21.00	Interbilancia S.r.l.
Aspevi Roma S.r.l.	Rome	50,000		49.00	
Mosaico S.p.A.	Turin	500,000		45.00	} Vittoria Immobiliare S.p.A.
Pama & Partners S.r.l.	Genoa	1,200,000		25.00	
Fiori di S. Bovio S.r.l.	Milan	30,000		40.00	
Valsalaria A.11 S.r.l.	Rome	33,715		40.00	
VZ Real Estate S.r.l.	Turin	100,000		49.00	

Main changes in shareholdings or other changes during the period

No significant changes occurred in the first quarter of the year.

Directors' Report

Performance of the Vittoria Assicurazioni Group

Results as of 31 March 2017 (1Q17), show profit attributable to parent company shareholders amounting to €21,810 thousand vs. €27,856 thousand in the same period in 2016 (1Q16) down by 21,7%.

This result was mainly due to lower capital gains compared to the first quarter of 2016, which included gains on the sale of securities amounted to €6,702 thousand, due to the continuation of a strategy for diversifying the bonds portfolio ending during November 2016.

Insurance segment result, gross of taxes and intersegment eliminations, amounted to €31,651 thousand (€42,256 thousand as at 31 March 2016, decreasing by 25.1%).

This result is affected to lower capital gains compared to the first quarter of 2016 result and to a slight increase in the Non-Life retained combined ratio, passed from 88.2% to the actual 89.1%, mainly attributable to the reduction in the average premium paid by policyholders in the Motor TPL Line of business.

The Life business gross profit increased from €550 thousand to €992 thousand (+80.4%).

More in detail, the Non-Life business show the following trend:

- Non Marine Lines of business showed an increase in premiums written of 10.3%, as a result of an intense commercial policy launched already in 2016 with the sales network;
- Motor Lines of business recorded an improvements in premiums written of 1.2%; the decrease in the technical result, which remains positive, is mainly attributable to the reduction in the average premium paid by policyholders;
- Specialty Lines of business registered a positive technical result, considerably improved compared to the negative result recorded in the same period in 2016 thanks to the persistence of a severe underwriting policy.

The Group's comprehensive income statement as at 31 March 2017 shows an income of €13,475 thousand vs. €26,095 thousand recorded as at 31 March 2016, decreasing by 48.4% mainly due to the increase in interest rates which negatively affected the changes in unrealized gains on bond portfolio.

Group equity was €759,086 thousand, up by 1.8% compared with €745,611 thousand as at 31 December 2016. This increase reflects the result of the period.

Premiums written as at 31 March 2017 amounted to €312,365 thousand (€298,494 thousand as at 31 March 2016), up by 12.2% in the Life business and up by 3.4% in the Non-Life business, amounting to an overall increase of 4.6%.

The real estate segment posted a pre-tax result in improvement over the previous year, although it still remains negative for €732 thousand, compared to a pre-tax loss of €1,717 thousand in the same period of the previous year. The profit margin on notarial deeds of sale signed as at 31 March 2017 was €1,157 thousand compared with €1,090 thousand as at 31 March 2016.

Of investments totaling €3,471,539 thousand (+3.7%) compared with 31 December 2016, €63,706 thousand (+12.0%) related to investments with risk borne by policyholders and €3,407,833 thousand (+3.5%) to investments with risk borne by the Group.

Net income from investments with risk borne by the Group amount to €13,516 thousand, compared with €21,292 thousand in the previous period (-36.5%), which included capital gains of €6,702 thousand realized from the sale of bond securities classified as available for sale.

As up to 31 March 2017 the direct operating parent company, Vittoria Assicurazioni SpA, showed a net profit – based on Italian GAAPs – of €21,598 thousand (vs. €27,941 thousand in 1Q16) decreasing by 22.7%.

Given the expected FY17 Group results, we feel that we should confirm the targets previously communicated.

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

Reclassified Profit and Loss by business segment	(€/000)			
	31/03/17	31/03/16	31/12/16	Δ
Non life business - Gross Result (excluding investments result)	27,794	28,909	110,524	-3.9%
Non life business - Gross Investments Result	2,865	12,797	83,467	-77.6%
Life business - Gross Result	992	550	2,155	+80.4%
Gross Insurance business Result	31,651	42,256	196,146	-25.1%
Elimination from consolidation	-	-	4,461	n.s.
Insurance business: taxes	(9,503)	(14,030)	(61,213)	-32.3%
Insurance business net contribution to Profit attributable to parent company shareholders	22,148	28,226	139,394	-21.5%
Gains on property trading	1,157	1,090	1,725	+6.1%
Real estate service revenues	597	427	2,812	+39.8%
Real estate business net costs	(2,486)	(3,234)	(16,601)	-23.1%
Gross Real estate business Result	(732)	(1,717)	(12,064)	-57.4%
Elimination from consolidation	(210)	(231)	(829)	-9.1%
Taxes and minority interests	707	1,327	8,062	-46.7%
Net Real estate business Result	(235)	(621)	(4,831)	-62.2%
Net profit attributable to Life business Policyholders	18	195	331	-90.8%
Real estate business net contribution to Profit attributable to parent company shareholders	(217)	(426)	(4,500)	-49.1%
Service business net contribution to Profit attributable to parent company shareholders	(121)	56	473	n.s.
Net Profit attributable to parent company shareholders	21,810	27,856	135,367	-21.7%
Other Comprehensive Income (Loss) net of tax	(8,335)	(1,761)	(66,735)	n.s.
Comprehensive Income attributable to parent company shareholders	13,475	26,095	68,632	-48.4%

Insurance business

Income statement by business and business line reports for the insurance business, before taxes and intersegment eliminations, a result equal to €31,651 thousand (€42,256 thousand in 1Q16 decreasing by 25.1%). The key operating items contributing to the period's result are described below.

Total insurance premiums in 1Q17 amounted to €316,835 thousand (+5.7% vs. premiums of €299,812 thousand in 1Q16), of which €263,683 thousand for Non-Life insurance premiums written, €48,682 thousand for Life insurance premiums written and €4,470 thousand for unit-linked investment contracts and for the Vittoria Formula Lavoro open-ended pension fund.

Direct Life insurance premiums – which do not include contracts considered to be financial instruments – featured an increase of 12.2% vs. premiums in 1Q16.

Direct Non-Life (i.e. property & casualty) insurance premiums increased by 3.4%, specifically:

- Motor premiums progressed by 1.2%;
- Premiums for other non-marine insurance increased by 10.3%;
- Premiums for specialty categories [i.e. marine & transport, aviation, and credit & suretyship] decreased by 24.0%.

Overhead costs as a percentage of total direct insurance premiums were 8.4% (vs. 8.9% in 1Q16).

The Non-Life combined ratio and loss ratio on the retained business (based on Italian GAAPs), as at 31 March 2017, were respectively 89.1% and 63.3%. (88.2% and 63.5% as at 31 March 2016).

Real estate business

The loss made by the real estate business, before taxes and intersegment eliminations, amounted to €732 thousand (loss of €1,717 thousand in 1Q16) and featured contributors to the income statement that, before intersegment eliminations, included:

- Income on notarial deeds of sale for €6,394 thousand (€6,894 thousand in 1Q16);
- Income earned on properties from trading and development totalling €1,157 thousand (€1,090 thousand in 1Q16);
- Revenues from real estate brokerage and management services of €597 thousand and rental income of €320 thousand (€428 thousand and €186 thousand respectively in 1Q16);
- Financial expenses of €135 thousand (€626 thousand in 1Q16).

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

Service business

This segment showed a profit in the period, before tax and minority interest, of €288 thousand (€89 thousand in 1Q16).

Revenues for services rendered in 1Q17 by Group companies, before elimination of infra-group services, amounted to €523 thousand (€1,279 thousand in 1Q16). These revenues included €506 thousand for commissions and services rendered to the direct operating parent company (€1,258 thousand in 1Q16).

The reduction, compared with the same period of the previous year, is mainly attributable to the deconsolidation of Aspevi Roma S.r.l. following the sale to third parties of 51% in November 2016.

Review of operations

Premiums

Premiums as up to 31 March 2017 amounted to €312,365 thousand. Portfolio breakdown and the changes occurring by business segment and branch are shown in the following table:

COMPARISON BETWEEN GROSS PREMIUMS WRITTEN IN 1Q17 AND 1Q16 DIRECT AND INDIRECT BUSINESS

	(€/000)				
	31/03/2017	31/03/2016	YoY change %	% of total book	
				2017	2016
Domestic direct business					
Life business					
I Whole- and term life	46,434	43,134	7.7	14.9	14.5
IV Health (long-term care)	161	132	22.0	0.1	-
V Capitalisation	2,087	112	n.s.	0.7	-
Total Life business	48,682	43,378	12.2	15.7	14.5
Non-Life business					
Total non-marine lines (exc. specialty and motor)	72,928	66,111	10.3	23.2	22.1
Total specialty lines	1,763	2,321	-24.0	0.6	0.9
Total motor lines	188,947	186,646	1.2	60.5	62.5
Total Non-Life business	263,638	255,078	3.4	84.3	85.5
Total direct business	312,320	298,456	4.6	100.0	100.0
Domestic indirect business					
Non-Life business	45	38	18.4	0.0	0.0
Total indirect business	45	38	18.4	0.0	0.0
Grand Total	312,365	298,494	4.6	100.0	100.0

Revenues not qualified as premiums as defined by IFRS 4 (Unit Linked contracts and those relating to the Vittoria Formula Lavoro open-ended pension fund) amounted to €4,470 thousand (€1.318 thousand in 1Q16).

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

Regions	(€/000)				
	Agencies	Non-Life Business		Life Business	
		Premiums	%	Premiums	%
NORTH					
Emilia Romagna	34	20,826		3,250	
Friuli Venezia Giulia	6	2,435		364	
Liguria	15	10,845		989	
Lombardy	107	50,161		18,203	
Piedmont	50	22,375		1,854	
Trentino Alto Adige	8	2,757		932	
Valle d'Aosta	1	940		98	
Veneto	39	15,736		2,266	
Total NORTH	260	126,075	47.9	27,956	57.4
CENTRE					
Abruzzo	12	12,158		1,299	
Lazio	29	26,249		5,033	
Marche	18	9,457		1,220	
Tuscany	50	29,906		3,074	
Umbria	15	12,985		1,347	
Total CENTRE	124	90,755	34.4	11,973	24.6
SOUTH AND ISLANDS					
Basilicata	4	2,412		250	
Calabria	2	798		7	
Campania	12	10,040		662	
Molise	2	1,440		46	
Puglia	6	6,812		6,261	
Sardinia	11	10,291		386	
Sicily	12	14,995		1,141	
Total SOUTH AND ISLANDS	49	46,788	17.7	8,753	18.0
Total ITALY	433	263,618	100.0	48,682	100.0
France	0	20	0.0	0	0.0
OVERALL TOTAL	433	263,638		48,682	

During the quarter, 3 new Agencies were established and 9 were reorganized.

Life business

Premiums

Direct insurance business premiums recognised for the period totalled €48,682 thousand (€43,378 thousand in 1Q16), split as follows:

	31/03/2017	31/03/2016	YoY change %	% of total book	
				2017	2016
Recurring premiums	11,709	11,007	6.4	24.1	25.4
Annual premiums	36,973	32,371	14.2	75.9	74.6
Total Life business	48,682	43,378	12.2	100.0	100.0

In 1Q17 ceded premiums amounted to €193 thousand (€255 thousand in 1Q16).

Claims, accrued capital sums & annuities, and surrenders

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

	31/03/2017	31/03/2016	YoY change %
Claims	7,567	5,048	49.9
Accrued capital sums & annuities	14,850	15,831	(6.2)
Surrenders	9,354	10,785	(13.3)
Total	31,771	31,664	0.3

Non-Life business

Premiums and technical performance

Direct premiums written at 31 March 2017 amounted to €263,638 thousand (€255,078 thousand in the same period of previous year) and featured an increase of 3.4% YoY.

Premiums ceded in the first quarter of 2017 amounted to 5,990 thousand euros (6.337 thousand in the same period of previous year).

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

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

Non-life non-marine policy premiums posted an increase of 10.3% (0.1% in 1Q16), as a result of an intense commercial policy launched already in 2016 with the sales network.

Non-Life - specialty

Premiums in the Specialty business decreased by 24.0% (-21.8% in 1Q16). The technical result, compared to the same period of the previous year, is positive, thanks to the persistence of a severe underwriting policy.

Non-Life - motor

Premiums in Motor Insurance business rose by 1.2% (1.1% in 1Q16).

The technical result remains positive, decreasing compared to the same period of the previous year.

Claims

Reported claims

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

Reported claims - direct business									(€/000)
	Númer of Reported claims		YoY Change %	Númer of Reported claims without consequences		YoY Change %	Númer of Reported claims closed		YoY Change %
	31/03/2017	31/03/2016		31/03/2017	31/03/2016		31/03/2017	31/03/2016	
Total non-marine lines	12,596	11,533	9.2%	1,183	1,031	14.7%	4,392	3,762	16.8%
Total specialty lines	210	294	-28.5%	26	21	25.7%	10	11	-10.7%
Total motor lines	63,386	56,504	12.2%	4,208	3,802	10.7%	34,085	26,250	29.8%
Total Non-Life businesses	76,192	68,331	11.5%	5,417	4,855	11.6%	38,487	30,023	28.2%

Furthermore, no. 29,534 claims referring to "CARD claims" were received. Their total cost, net of applicable deductibles, was €12,768 thousand.

Claims paid

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

	(€/000)									
	Claims paid 31/03/2017			Claims recovered from reinsurers	Claims paid 31/03/2016			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reinsurers %
	Current year	Previous years	Total		Current year	Previous years	Total			
Total non-marine businesses	3,781	22,183	25,964	612	3,141	17,669	20,808	774	24.8	-20.9
Total Special businesses	42	4,913	4,955	1,832	5	5,360	5,365	2,166	-7.7	-15.4
Total motor businesses	20,232	107,637	127,869	3,037	30,010	102,113	132,125	1,508	-3.2	101.3
Total non-life businesses	24,055	134,733	158,788	5,481	33,156	125,142	158,298	4,448	0.3	23.2

The cost includes the amount incurred in the period for the contribution to the guarantee fund for road-accident victims. This totalled €3,799 thousand vs. €3,761 thousand as at 31 March 2016.

Claims settlement speed

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

	(percentages)			
	current generation		previous generations	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Accident insurance	14.39	15.78	25.48	24.92
Health insurance	55.99	53.71	32.17	37.60
Motor vehicle hulls	57.92	59.12	55.49	54.47
Fire and natural events	37.12	37.14	46.60	43.08
Miscellaneous damages - theft	52.47	47.55	61.19	62.43
Third-party motor liability	55.16	51.92	31.98	30.70
Third-party general liability	34.65	31.61	16.21	15.92

Products – Research and development

Over the period, the review continued for technical operations and regulatory compliance to industry (IVASS, COVIP, CONSOB), of the products of the Life and Non-Life business.

In the Motor line of business, a new product ARD called "Autosicura" has been introduced, which integrates the current product ARD, which provides compensation to the policyholders in a specific form.

In the Life line of business, a new product was added to the range of pension products, and within the Unit Linked product development strategy, a new multi-Lob product were launched with third-party funds.

Technical reserves

The trend of technical reserves of direct business and ceded business, were as shown in the following table:

(€/000)

	Direct business		Ceded business	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Non-life reserves	1,511,729	1,506,557	-52,757	-55,649
Premium reserve	382,684	388,435	-16,338	-17,190
Claims reserve	1,128,636	1,117,713	-36,419	-38,459
Other reserves	409	409	-	-
Life reserves	1,159,635	1,153,541	-7,870	-7,479
Reserve for payable amounts	22,667	25,810	-2,241	-
Mathematical reserves	1,094,590	1,072,192	-5,600	-7,447
Other reserves	42,378	55,539	-29	-32
Total reinsurers' share of technical reserves	2,671,364	2,660,098	-60,627	-63,128

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

The Life "Other reserves" item mainly refers to:

- €36,122 thousand for the reserve for deferred liabilities to policyholders (of which €41,413 thousand stemming from measurement at fair value of available-for-sale securities and €-5,291 thousand by provisioning made against subsidiaries' profit allocated to segregated accounts);
- €6,136 thousand for the operating expenses reserve.

Overhead costs

Insurance Business

Overhead costs – direct business

The total amount of insurance overhead costs (Non-Life and Life businesses) – consisting of personnel costs, various general expenses, plus depreciation of tangible assets and amortisation of intangible assets – rose to €26,657 thousand vs. €26,573 thousand at 31 March 2016, increasing by 0.3%.

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

	(€/000)		
ANALYSIS OF COSTS	31/03/2017	31/03/2016	Change
Personnel expenses	13,996	13,748	1.8%
Other costs	10,368	9,968	4.0%
Amortisation/Depreciation	2,293	2,857	-19.7%
Total cost by nature	26,657	26,573	0.3%

The overhead costs as a percentage of totale direct insurance premiums were 8.4% (8.9% in 1Q16).

Operating costs

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

	(€/000)		
	31/03/2017	31/03/2016	Change
Gross commissions and other acquisition costs	58,038	54,880	5.8%
Profit participation and other commissions received from reinsurers	-950	-873	8.8%
Investment management costs	373	230	62.2%
Other administrative costs	9,581	9,211	4.0%
Total	67,042	63,448	5.7%

Operating costs as a percentage of total direct retained insurance premiums were 21.9% (vs. 21.7% in 1Q16).

Real-estate business – Service Business

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

REAL ESTATE BUSINESS

		(€/000)		
ANALYSIS OF COSTS	31/03/2017	31/03/2016	Change	
Personnel expenses	937	1,028	-8.9%	
Other costs	1,738	1,855	-6.3%	
Amortisation/Depreciation	239	202	18.3%	
Total cost by nature	2,914	3,085	-5.5%	

SERVICE BUSINESS

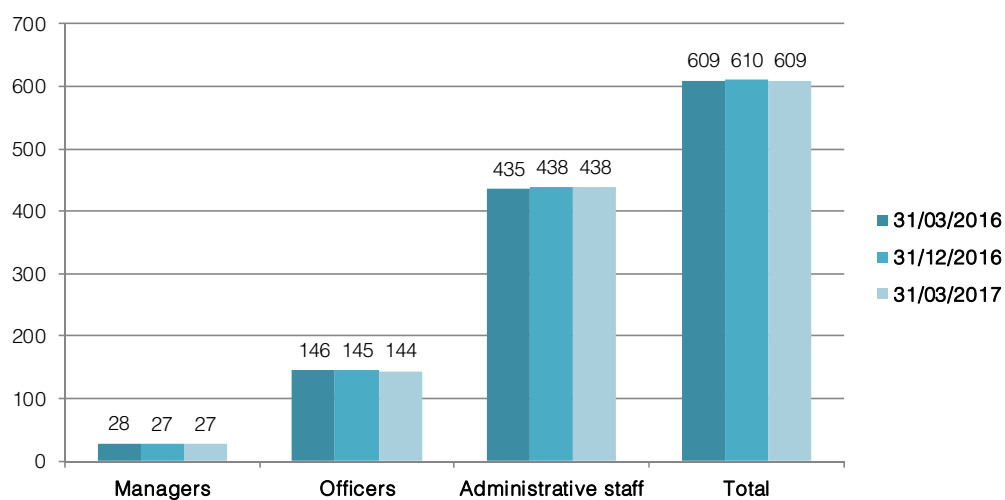
		(€/000)		
ANALYSIS OF COSTS	31/03/2017	31/03/2016	Change	
Personnel expenses	52	190	-72.6%	
Other costs	142	221	-35.8%	
Amortisation/Depreciation	1	9	-88.9%	
Total cost by nature	195	420	-53.6%	

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

Employees

As at 31 March 2017 Vittoria Assicurazioni and fully consolidated companies had 605 employees vs. 609 as at 31 December 2016 and 602 as at 31 March 2016.

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



Investments – Cash & cash equivalents - Property

Investments, cash & cash equivalents and property reached a value of €3,471,539 thousand with an increase equal to 3.7% vs. 31/12/2016. The detailed breakdown is shown in the following table:

(€/000)			
INVESTMENTS - CASH AND CASH EQUIVALENTS - PROPERTY	31/03/2017	31/12/2016	Change
A Investments in subsidiaries and associates and interests in joint ventures	20,577	20,138	2.2%
B Held to maturity investments	44,200	44,268	-0.2%
Loans and receivables	206,418	128,677	60.4%
- Reinsurance deposits	149	149	
- Other loans and receivables	206,269	128,528	
C Financial assets available for sale	1,890,680	2,208,766	-14.4%
- Equity investments	103,909	103,058	
- OEIC units	233,445	82,430	
- Bonds and other fixed-interest securities	1,553,326	2,023,278	
Financial assets at fair value through profit or loss	63,712	56,872	12.0%
D Financial assets held for trading	6	6	0.0%
- Bonds and other fixed-interest securities held for trading	6	6	
E Financial assets at fair value through profit or loss	63,706	56,866	12.0%
- Investments where policyholders bear the risk	63,706	56,866	
Cash and cash equivalents	613,784	262,936	133.4%
F Total Property	632,168	627,290	0.8%
Investment property	96,737	89,428	8.2%
Property	535,431	537,862	-0.5%
Property under construction	48,727	47,376	
Property held for trading	371,629	375,256	
Owner-occupied property	115,075	115,230	
TOTAL INVESTMENTS	3,471,539	3,348,947	3.7%
of which			
investments where the Group bears the risk	3,407,833	3,292,081	3.5%
investments where policyholders bear the risk	63,706	56,866	12.0%

In December 2016, the Parent Company invested in European bonds with a short maturity of approximately €450 million. These securities expired in the first three months of 2017. This operation led to a significant increase in cash and cash equivalents item and to a simultaneous decrease in bond investments. This liquidity will be reinvested in the following months. On the other hand, the increase recorded in OEIC units comes from the investment in new asset classes that have allowed to a greater investment diversification.

Investments benefiting Life policy holders who bear risk and those connected with pension fund management (point E of previous table)

As at 31 March 2017 these investments amounted to €63,706 thousand, increasing by 12.0% YoY. Of this amount, €42,759 thousand related to unit linked policies and €20,947 thousand to the open-ended pension fund Vittoria Formula Lavoro.

Total net income showed a positive net balance of €1,263 thousand (negative net balance of €1,938 thousand as at 31 March 2016). As at 31 March 2017 the status of the three segments of Vittoria Assicurazioni open-ended pension fund was as follows:

	Members		Assets (€/000)	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Previdenza Garantita	417	414	6,030	5,055
Previdenza Equilibrata	480	481	7,447	6,945
Previdenza Capitalizzata	394	394	7,470	6,980

Investments for which Group bears risk

Investments with risks borne by the Group totalled €3,407,833 thousand (€3,292,081 thousand as at 31 December 2016) increasing by 3.5% YoY.

Real Estate Investments

F) Property

As at 31 March 2017, real estate assets totalled €632,168 thousand.

The following table shows the breakdown and changes of these real estate assets:

	Investment Property	Property under construction	Property held for trading	Owner- occupied property	Total
(€/000)					
Balance as at 31/12/2016	89,428	47,376	375,256	115,230	627,290
Purchase and capitalised interests paid					
- MILAN - Parco Vittoria (via Acacia 2000 S.r.l.)			349		349
- TURIN - Corso Francia (via Vittoria Assicurazioni S.p.A.)	2,933				2,933
- TURIN - Corso Francia (via Vittoria Assicurazioni S.p.A.)	5,140				5,140
- SAN DONATO MILANESE (MI) - (via Immobiliare Bilancia S.r.l.)			11		11
- SAN DONATO MILANESE (MI) - (via Vittoria Immobiliare S.p.A.)			24		24
- ROME (via Valsalaria S.r.l.)			1		1
- ROME - Guattani Str. (via Immobiliare Bilancia S.r.l.)			17		17
- TURIN - Barbaroux Str. - (via Vittoria Immobiliare S.p.A.)			9		9
- GENOA - Via Venezia (via Immobiliare Bilancia S.r.l.)			6		6
- MILAN - Adamello Str. (via Immobiliare Bilancia Prima S.r.l.)			15		15
- PESCHIERA BORROMEO (MI) - (via VP Sviluppo S.r.l.)		1,288	13		1,301
- PESCHIERA BORROMEO (MI) - (via Immobiliare Bilancia I S.r.l.)			1,069		1,069
- PAVIA - Gambolò Str. (via Vittoria Immobiliare S.p.A.)			7		7
- TURIN - Cairoli Str. (via Immobiliare Bilancia I S.r.l.)			3		3
- FLORENCE - Michelangelo Str. (via Immobiliare Bilancia S.r.l.)			61		61
- ROME - Meliconi Str. (via Immobiliare Bilancia Prima S.r.l.)			25		25
- ROME - Della Vignaccia Str. (via VRG Domus S.r.l.)		31			31
- PARMA - (via Immobiliare Bilancia Prima S.r.l.)		32			32
- Miscellaneous	147			1,013	1,160
Total purchase and capitalised interests paid	8,220	1,351	1,610	1,013	12,194
Sales:					
- MILAN - Parco Vittoria (via Acacia 2000 S.r.l.)			(4,966)		(4,966)
- TURIN - Barbaroux Str. (via Vittoria Immobiliare S.p.A.)			(310)		(310)
- ROME - (via Valsalaria S.r.l.)			(12)		(12)
- TORINO - Villarfocchiardo (via Vittoria Immobiliare S.p.A.)			(26)		(26)
- PESCHIERA BORROMEO (MI) - (via VP Sviluppo S.r.l.)			(485)		(485)
- MILAN - San Donato Milanese (via Vittoria Immobiliare S.p.A.)			(9)		(9)
- MILAN - San Donato Milanese (via Immobiliare Bilancia S.r.l.)			(586)		(586)
Total sales	-	-	(6,394)	-	(6,394)
Depreciations	(911)			(1,168)	(2,079)
Recognised gains			1,157		1,157
Balance as at 31/03/2017	96,737	48,727	371,629	115,075	632,168

The item "Investment Property" mainly includes the property held by the Parent Company of the tertiary destination Portello area in Milan, rented to third parties.

Changes in financial assets

The following table illustrates the changes recorded up through 31 March 2017 in financial assets with the risk borne by Group Companies for equity investments, bonds and other fixed-income securities, and OEIC and AIF units, and changes in the assets where the risk is borne by policyholders and related to pension funds:

(€/000)

	Held to maturity investments	Financial assets available for sale				Financial assets at fair value through profit or loss	Financial assets held for trading	Total
		Equity investments	UCITS AIF units	Bonds and other fixed-interest securities	Total	Assets where the risk is borne by policyholders and related to pension funds	Bonds and other fixed-interest securities	
Carrying amount at 31/12/2016	44,268	103,058	82,430	2,023,278	2,208,766	56,866	6	2,309,906
Acquisitions and subscriptions		-	153,694	-	153,694	6,284		159,978
Sales and repayments	-10	-	-1,766	-430,750	-432,516	-470		-432,996
Other changes:								
- effective interest adjustments	4			-6,796	-6,796			-6,792
- fair value adjustments	-				-	225		225
- charged to P&L		851	-913	-22,954	-23,016			-23,016
- rate changes	-62			-9,452	-9,452			-9,514
- other changes	-	-	-	-	-	801		801
Carrying amount at 31/03/2017	44,200	103,909	233,445	1,553,326	1,890,680	63,706	6	1,998,592

The main operations that have affected in the first three months of the financial year are the follows:

C) Financial assets available for sale

- reimbursement of bonds for €430,750 thousand;
- purchases of equity Sicavs for €10,000 thousand euro;
- payments of €369 thousand for capital repayment of funds specializing in infrastructure investment;
- payments of €141,998 thousand in senior secured loans funds;
- payments of €1,065 thousand for closed-end funds specializing in private debt and direct lending and received repayments of €585 thousand;
- relating to private equity funds, payments of €262 thousand for recalls and €1,181 thousand of redemptions.

Financial liabilities

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

	(€/000)		
FINANCIAL LIABILITIES	31/03/2017	31/12/2016	Change
Financial liabilities where the investment risk is borne by policyholders and arising from pension fund management	63,707	56,866	12.0%
- Financial liabilities where the investment risk is borne by policyholders relating to index- and unit-linked policies	42,760	37,870	
- Financial liabilities where the investment risk is borne by policyholders relating to pension funds	20,947	18,996	
Othe financial liabilities	187,043	101,841	83.7%
- Reinsurance deposits	12,933	12,933	
- Payables to banks	12,428	14,132	
- Other financial payables	1,077	1,294	
- Other financial liabilities	160,605	73,482	
TOTAL FINANCIAL LIABILITIES	250,750	158,707	58.0%

The item "Other financial liabilities" grew compared to 31 December 2016 due to commitments made by the Parent Company to finance alternative investments in private equity, private debt, infrastructure debt funds and loan funds.

Gains and losses on investments

The following table shows the breakdown as at 31 March 2017 of net gains on investments, with separate disclosure of investments where the risk is borne by life policyholders:

(€/000)

Gains and losses on investments	Realised gains/(losses)	Unrealised gains/(losses)	31/03/2017 total net gains/(losses)	31/03/2016 total net gains/(losses)
Investments	12,949	446	13,395	18,616
From:				
a investment property	867	-913	-46	-558
b investments in subsidiaries and associates and interests in joint ventures	68	-	68	108
c held to maturity investments	434	-	434	441
d loans and receivables	144	-	144	160
e financial assets available for sale	11,533	-	11,533	20,406
f financial assets held for trading	-	-1	-1	-3
g financial assets at fair value through profit or loss	-97	1,360	1,263	-1,938
Other receivables	60	-	60	83
Cash and cash equivalents	44	-	44	46
Financial liabilities	-156	-1,263	-1,419	1,282
From:				
b financial liabilities at fair value through profit or loss	-	-1,263	-1,263	1,938
c other financial liabilities	-156	-	-156	-656
Total gains and losses on financial instruments	12,897	-817	12,080	20,027
Real estate business				
From:				
a Gains on property trading	1,157	-	1,157	1,090
b Rent income on owner-occupied property and property held for trading	279	-	279	175
Total real estate business	1,436	-	1,436	1,265
Total gains and losses on investments	14,333	-817	13,516	21,292

Net income with the risk borne by the Group amounted to €13,516 thousand, a decrease of 36.5% compared to the same period of the previous year, which included capital gains totaling €6,702 thousand realized primarily from the sale of bonds classified as available for sale.

As up to 31 March 2017 the weighted average return on "Bonds and other fixed-income securities" was 1.5% compared to 3.4% in the previous period.

Equity

The breakdown of equity as at 31 March 2017 is shown in the following table:

	(€/000)	
BREAKDOWN OF EQUITY	31/03/2017	31/12/2016
Total equity attributable to the shareholders of the parent	759,086	745,611
Share capital	67,379	67,379
Equity-related reserves	33,874	33,874
Income-related and other reserves	586,009	450,642
Fair value reserve	50,277	58,612
Other gains or losses recognised directly in equity	-263	-263
Group profit for the year	21,810	135,367
Total equity attributable to minority interests	212	194
Share capital and reserves attributable to minority interests	194	199
Minority interests' profit for the year	18	-5
Total consolidated equity	759,298	745,805

Significant events occurring after quarter-end

There were no significant events to report.

The Board of Directors

Milan, 9 May 2017

Consolidated interim financial statements

(€/000)

Income Statement	31/03/2017	31/03/2016	31/12/2016
Net premiums	311,081	304,382	1,233,106
<i>Gross premiums</i>	318,115	310,660	1,266,110
<i>Ceded premiums</i>	7,034	6,278	33,004
Commission income	88	187	901
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-1	-3	-4
Gains on investments in subsidiaries and associates and interests in joint ventures	170	199	567
Gains on other financial instruments and investment property	13,660	22,544	132,063
<i>Interest income</i>	6,870	14,370	53,558
<i>Other income</i>	6,773	1,471	8,113
<i>Realised gains</i>	17	6,703	70,351
<i>Unrealised gains</i>	-	-	41
Other income	3,440	9,583	23,093
TOTAL REVENUE	328,438	336,892	1,389,726
Net charges relating to claims	217,667	211,097	872,542
<i>Amounts paid and change in technical reserves</i>	222,418	214,119	893,769
<i>Reinsurers' share</i>	-4,751	-3,022	-21,227
Commission expense	226	0	53
Losses on investments in subsidiaries and associates and interests in joint ventures	102	91	4,450
Losses on other financial instruments and investment property	1,647	2,622	9,358
<i>Interest expense</i>	157	656	2,193
<i>Other expense</i>	570	1,114	2,085
<i>Realised losses</i>	7	1	9
<i>Unrealised losses</i>	913	851	5,071
Operating costs	69,162	65,247	278,946
<i>Commissions and other acquisition costs</i>	56,582	52,749	221,162
<i>Investment management costs</i>	373	230	1,552
<i>Other administrative costs</i>	12,207	12,268	56,232
Other costs	9,091	17,398	35,788
TOTAL COSTS	297,895	296,455	1,201,137
PROFIT FOR THE YEAR BEFORE TAXATION	30,543	40,437	188,589
Income taxes	8,715	12,580	53,227
PROFIT FOR THE YEAR	21,828	27,857	135,362
GAIN (LOSS) ON DISCONTINUED OPERATIONS	-	-	-
CONSOLIDATED PROFIT (LOSS)	21,828	27,857	135,362
of which attributable to the shareholders of the parent	21,810	27,856	135,367
of which attributable to minority interests	18	1	-5
Basic EARNINGS per share	0.32	0.41	2.01
Diluted EARNINGS per share	0.32	0.41	2.01

(€/000)

COMPREHENSIVE INCOME (LOSS)	31/03/2017	31/03/2016	31/12/2016
CONSOLIDATED PROFIT (LOSS)	21,828	27,857	135,362
Other comprehensive income, net of taxes without reclassification to profit or loss	-	-	-165
Changes in the equity of investees	-	-	-
Changes in intangible asset revaluation reserve	-	-	-
Changes in tangible asset revaluation reserve	-	-	-
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	-	-	-
Actuarial gains and losses and adjustments related to defined benefit plans	-	-	-165
Other items	-	-	-
Other comprehensive income, net of taxes with reclassification to profit or loss	-8,335	-1,761	-66,570
Change in translation reserve	-	-	-
Gains or losses on available for sale investments	-8,335	-1,761	-66,570
Gains or losses on hedging instruments	-	-	-
Gains or losses on hedging instruments of net investment in foreign operations	-	-	-
Changes in the equity of investees	-	-	-
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	-	-	-
Other items	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	-8,335	-1,761	-66,735
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (LOSS)	13,493	26,096	68,627
of which attributable to the shareholders of the parent	13,475	26,095	68,632
of which attributable to minority interests	18	1	-5

(€'000)

Income statement by business and business line	Non-life business		Life business		Real estate business		Service business		Intersegment eliminations		Net gains and costs/losses	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Net premiums	262,592	261,260	48,489	43,122	-	-	-	-	-	-	311,081	304,382
Gross premiums	269,433	267,283	48,682	43,377	-	-	-	-	-	-	318,115	310,660
Ceded premiums	6,841	6,023	193	255	-	-	-	-	-	-	7,034	6,278
Commission income	-	-	88	187	-	-	-	-	-	-	88	187
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-	-	-1	-3	-	-	-	-	-	-	-1	-3
Gains on investments in subsidiaries and associates and interests in joint ventures	3	75	-	-	210	355	168	-	-211	231	170	199
Gains on other financial instruments and investment property	3,786	14,153	9,915	8,412	36	50	13	0	-90	71	13,660	22,544
Other income	1,993	1,712	79	54	2,074	8,019	523	1,279	-1,229	-1,481	3,440	9,583
TOTAL REVENUE	268,374	277,200	58,570	51,772	2,320	8,424	704	1,279	-1,530	-1,783	328,438	336,892
Net charges relating to claims	166,143	165,814	51,549	45,310	-	-	-	-	-25	-27	217,667	211,097
Amounts paid and change in technical reserves	169,402	168,724	53,041	45,422	-	-	-	-	-25	-27	222,418	214,119
Reinsurers' share	-3,259	-2,910	-1,492	-112	-	-	-	-	-	-	-4,751	-3,022
Commission expense	-	-	226	0	-	-	-	-	-	-	226	0
Losses on investments in subsidiaries and associates and interests in joint ventures	0	89	-	-	102	2	-	-	-	-	102	91
Losses on other financial instruments and investment property	924	1,342	679	722	135	626	0	3	-91	71	1,647	2,622
Operating costs	62,547	59,241	4,495	4,207	2,676	2,882	194	411	-750	-1,494	69,162	65,247
Other costs	8,101	9,008	629	983	139	6,631	222	776	-	-	9,091	17,398
TOTAL COSTS	237,715	235,494	57,578	51,222	3,052	10,141	416	1,190	-866	-1,592	297,895	296,455
PROFIT FOR THE YEAR BEFORE TAXATION	30,659	41,706	992	550	-732	-1,717	288	89	-664	-191	30,543	40,437

Vittoria Assicurazioni S.p.A.
Consolidated financial statements as at 31 March 2017
Detail of insurance technical items

(€/000)

	31/03/2017		31/03/2016		Net amount
	Gross amount	Reinsurer's share of amount	Gross amount	Reinsurers' share of amount	
Non-life business					
NET PREMIUMS	269,433	6,841	262,592	6,023	261,260
a Premiums written	263,683	5,989	257,694	6,336	248,780
b Change in premiums reserve	-5,750	-852	-4,898	313	-12,480
NET CLAIMS COSTS	169,402	3,259	166,143	2,910	165,814
a Amounts paid	162,811	5,481	157,330	4,448	157,167
b Change in claims reserves	10,916	-2,040	12,956	-1,638	10,268
c Change in recoveries	4,325	182	4,143	-100	1,621
d Change in other technical reserves	-	-	-	-	-
Life business					
NET PREMIUMS	48,682	193	48,489	255	43,122
NET CLAIMS COSTS	53,041	1,492	51,549	112	45,310
a Amounts paid	35,123	1,100	34,023	30	37,799
b Change in reserve for amounts to be paid	-3,143	2,241	-5,384	-	-5,941
c Change in mathematical reserves	21,240	-1,846	23,086	83	13,703
d Change in technical reserves when investment risk is borne by policyholders and in reserves arising from pension fund management	-	-	-	-	-
e Change in other technical reserves	-179	-3	-176	-1	-251

Declaration of Corporate Financial Reporting Manager

The Corporate Financial Reporting Manager, Luca Arensi, herewith declares, pursuant to paragraph 2, Article 154/2 of the Italian Legislative Decree February 24th 1998 n.58, that the accounting disclosure contained in this Consolidated quarterly report at 31 March 2017 matches documentary evidence, corporate books and accounting records.

Milan, 9 May 2017

Luca Arensi
*The Corporate Financial
Reporting Manager*