



# 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

COMPANY BEING PART OF VITTORIA ASSICURAZIONI GROUP REGISTERED TO REGISTER OF INSURANCE GROUPS NO.008

SUBJECT TO THE DIRECTION AND COORDINATION EXERCISED BY THE PARENT COMPANY YAFA S.P.A.

96<sup>th</sup> year of business

**Consolidated  
interim financial report  
at 30 September 2017**

**Board of Directors' meeting  
of 14 November 2017**

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



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**BOARD OF DIRECTORS**

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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

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**BOARD OF STATUTORY AUDITORS**

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

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**GENERAL MANAGEMENT**

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

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**INDEPENDENT AUDITOR**

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Deloitte & Touche S.p.A.

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#### APPOINTMENTS AND REMUNERATION COMMITTEE

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

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#### INTERNAL CONTROL COMMITTEE

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

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#### FINANCE COMMITTEE

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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
Luca PAVERI FONTANA	Non-executive member
Giuseppe SPADAFORA	Independent non-executive member

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#### REAL ESTATE COMMITTEE

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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
Marzia MORENA	Independent non-executive member
Luca PAVERI FONTANA	Non-executive member
Giuseppe SPADAFORA	Independent non-executive member

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#### RELATED PARTIES COMMITTEE

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

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#### STRATEGIES COMMITTEE

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

## Note on Vittoria Assicurazioni Group

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

Since 29 June 2017 Vittoria Assicurazioni S.p.A. is subject to management and coordination of Yafa S.p.A., Parent Company of the Vittoria Assicurazioni Group, and it is bound to ensure compliance of measures which the same Yafa S.p.A. adopts for the implementation of the current legislation and requirements issued by the IVASS in the interest of the stable and efficient management of the Group. Yafa S.p.A., controls Vittoria Assicurazioni through the participatory chain formed by Yafa Holding S.p.A. And Vittoria Capital S.p.A..

The areas under management and coordination of the Parent Company Yafa S.p.A. are set out in the Group Regulations, which governs the obligations of subsidiaries with reference to the activities required by the Parent Company to carry out the tasks provided by the current group solvency rules, control of intragroup transactions and risk concentration management. The Regulation also aims to leave the Vittoria Assicurazioni's Board of Directors' duties and responsibilities unmistakable with regard to the strategic guidelines of their competence, particularly for business strategy decisions, in accordance with the subjects provided by the Parent Company.

The Regulation provides a differentiated management of the scope of application of intergroup coordination by delegating to Vittoria Assicurazioni the management and coordination of its subsidiaries and of all its supervisory and risk management bodies currently implemented as set out in Regulation 20, while to Yafa SpA., the direct direction and direct coordination of the other subsidiaries.

**This Report refers to the consolidated data of Vittoria Assicurazioni S.p.A., whose scope of consolidation is illustrated on page 11. Therefore, from now on in this report, the Group definition refers to Vittoria Assicurazioni S.p.A. and to companies consolidated by it.**

## Form and contents

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.

Where it was deemed necessary, in case of changes in accounting standards, accounting policies or reclassifications, the comparative figures are restated and reclassified to provide uniform and consistent disclosures. This Consolidated interim financial report was prepared on a going concerned perspective.

All amounts are shown in thousands of Euro, unless otherwise indicated.

## 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 on insurance technical items, mainly Non-Life business.

If there are substantial changes to the key assumptions, we evaluated the opportunity to update the assessments of independent experts used to determine the fair value of real estate and securities.

## Use of estimates

Application of IFRSs for the preparation of this interim financial statements requires the Group to make estimates that affect the amounts of balance-sheet assets and liabilities and disclosure relating to contingent assets and liabilities as at balance sheet date. Actual results may differ from such estimates. Estimates are used to recognise provisions for insurance liabilities, doubtful debts, depreciation & amortisation, measurements of assets, employee benefits, taxes, and other provisions, funds and fair value informative.

The technical reserves evaluation is performed by the Actuarial department, which also exercises the permanent control function.

## Other relevant information

Vittoria Assicurazioni S.p.A. 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.

## New accounting principles that are not yet effective

**IFRS 9 Financial Instruments (replacement of IAS 39).** On 24 July 2014, the International Accounting Standards Board (IASB) published the International Financial Reporting Standards (IFRS) 9 - Financial Instruments. The principle aims to emphasize on certain aspects:

- fair value for all instruments not only the ones remunerate the credit risk;
- logic of credit risk monitoring (including financial instruments consist of bonds), which enable the early detection and proper assessment of signs of impairment for evaluation purposes;
- adoption of predictive indicators (forward looking) and more stringent presumptions with respect to the practice;
- greater correlation between returns on financial instruments and risk (relative risk approach).

The application is mandatory as of 1<sup>st</sup> January 2018 following the approval of 29 November 2016. In September 2016, the amendment "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts Amendments to IFRS 4" Which allows insurance companies to postpone the entry into force of IFRS 9 (so-called "deferral approach") to a maximum of 2021 or allows the parent company to suspend the greater volatility introduced by the new principle on individual securities (so-called "overlay approach").

Vittoria Assicurazioni, on the basis of the preliminary analysis, believed to be in a position to apply the "deferral approach" provided for IFRS9. At the moment it does not have a sufficiently reliable analysis of application impacts.

**IFRS 15 Revenue from Contracts with Customers.** Qualitative analysis showed no significant impact on the Group. Entry into force is fixed for the 1<sup>st</sup> January 2018.

**IFRS 16 Leases (replacement of IAS 17).** Qualitative analysis showed no significant impact on the Group. Entry into force is fixed for the 1<sup>st</sup> January 2019.

**IFRS 17 Insurance contracts.** On 28 May 2017, the IASB published the Standard on Insurance Contracts, IFRS 17. The standard valuation methodology is based on three accounting models that allow the estimation of insurance contracts at current values:

- "Building Block Approach" based on the expected future cash flows, weighted and corrected for a risk factor that includes the expected contractual service margin ("Contractual Service Margin") at the time of the subscription of the contract;
- an alternative and simplified model with respect to the general accounting model ("BBA") applicable to insurance contracts with a contractual coverage of less than one year;
- an alternative model to the general accounting model ("BBA") applicable to the direct participations contracts accounting to take into account the commissions for managing the underlying assets recognized by the Company.

Since entry into force is set for the 1<sup>st</sup> January 2021, leaving the possibility of an early application (if IFRS 9 and IFRS 15 are applied), Vittoria Assicurazioni, although it has undertaken a first phase of study and deepening of the themes, at the moment does not have a sufficiently reliable analysis of application impacts.



# Interim management report

## Summary of key performance indicators of the Group\*

€/million

SPECIFIC SEGMENT RESULTS					
	30/09/2017	30/09/2016	31/12/2016	Δ 30/09/16	Δ 31/12/16
<b>Non Life business</b>					
Gross Premiums written - direct Non Life business	811.6	772.6	1,081.1	5.1%	
Non Life business pre-tax result	80.7	105.1	194.0	(23.2)%	
(1) Loss Ratio - retained	65.9%	66.0%	64.6%	(0.1)	1.3
(2) Combined Ratio - retained	90.3%	90.0%	89.4%	0.3	0.9
(3) Expense Ratio - retained	24.8%	24.9%	24.7%	(0.1)	0.1
<b>Life business</b>					
Gross Premiums written - direct Life business	117.2	127.0	184.7	(7.7)%	
Life business pre-tax result	5.0	2.8	2.2	80.0%	
(4) Annual Premium Equivalent (APE)	18.9	18.7	28.0	1.1%	
Segregated funds portfolios	1,097.1	1015.2	1,038.9		5.6%
Index/Unit - linked and Pension funds portfolios	70.7	61.3	56.9		24.3%
Segregated fund performance: Rendimento Mensile	2.77%	3.03%	3.03%	(0.26)	
Segregated fund performance: Valore Crescente	4.23%	4.64%	4.61%	(0.41)	
<b>Total Agencies</b>	<b>444</b>	<b>426</b>	<b>430</b>	<b>18</b>	<b>14</b>
<b>Real Estate business</b>					
Sales	22.4	15.7	29.9	42.7%	
Trading and development margin	4.2	2.4	1.7	75.0%	
Real Estate business pre-tax result	(0.8)	(2.4)	(4.5)	(64.5)%	
CONSOLIDATED RESULTS					
	30/09/2017	30/09/2016	31/12/2016	Δ 30/09/16	Δ 31/12/16
Total investments	3,495.5	3,149.5	3,348.9		4.4%
Net gains on investments	32.7	53.3	121.4	(38.6)%	
Pre-tax result	83.0	100.9	188.6	(17.8)%	
Group profit (loss)	58.6	70.6	135.4	(17.0)%	
Equity attributable to the shareholders of the parent	786.4	744.1	745.6		5.5%
Equity attributable to the shareholders of the parent net of unrealised capital gains	731.6	622.9	687.0		6.5%
<b>Average of employees</b>	<b>610</b>	<b>619</b>	<b>610</b>	<b>(9)</b>	<b>0</b>

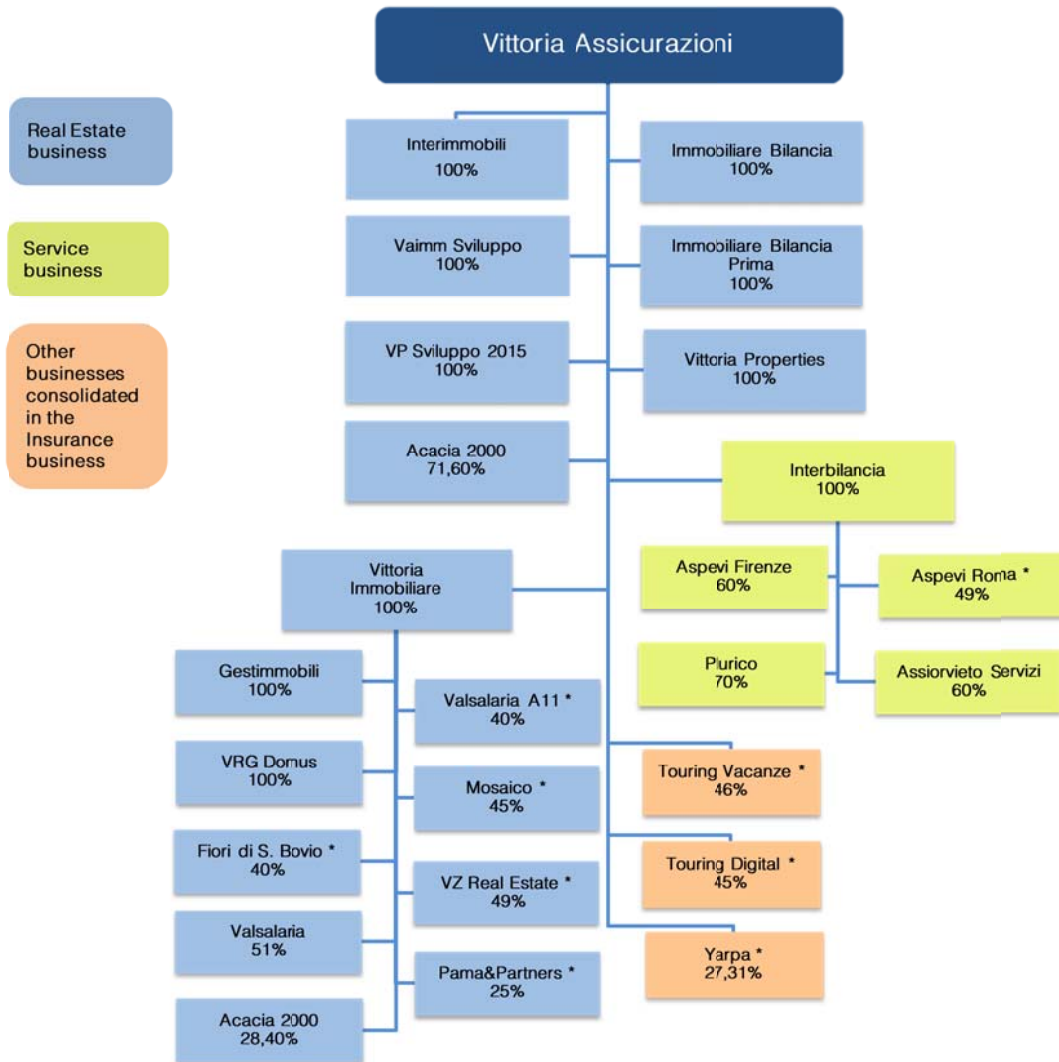
### Legend

- 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.

\* In this document, the Group definition refers to Vittoria Assicurazioni S.p.A. and companies consolidated by it.

## Consolidation scope



\*Companies consolidated by the equity method

## Consolidated investments

As at 30 September 2017 the following companies have been consolidated on a line-by-line basis in accordance with IFRS 10:

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		
Interimmobili S.r.l.	Rome	100,000	100.00		
Immobiliare Bilancia S.r.l.	Milan	6,650,000	100.00		
Immobiliare Bilancia Prima S.r.l.	Milan	3,000,000	100.00		
Vittoria Properties S.r.l.	Milan	8,000,000	100.00		
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	
V.R.G. Domus S.r.l.	Turin	800,000		100.00	
Valsalaria S.r.l.	Rome	60,000		51.00	
Assiorvieto 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	

## Changes in shareholdings or other changes during the quarter

No significant changes occurred in the quarter.

## Unconsolidated investments valued with the net equity method

At 30 September 2017 the following companies were carried at equity method in accordance with IAS 28:

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		
Aspevi Roma S.r.l.	Rome	50,000		49.00	Interbilancia S.r.l.
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	

## Changes in shareholdings or other changes during the quarter

### **Spfin Finanziaria S.r.l.**

Following the decision to increase the share capital of the company Spfin Finanziaria S.p.A. fully subscribed by a third party, the Group's share in the company becomes of 17.18% from 21.00%, and therefore the company has been reclassified from the item "Investments in associates and joint ventures" under the item "Financial assets available for sale".

# Directors' Report

## Performance of the Vittoria Assicurazioni Group

Results as of 30 September 2017 (3Q17) show a net profit for the Group amounting to €58,584 thousand vs. €70,589 thousand in the same period in 2016 (3Q16) (-17.0%).

Performance for the insurance segment, before taxes and intersegment eliminations, was €85,680 thousand, down by 20.6% compared to the result of €107,860 thousand as at 30 September 2016, which included capital gains from the sale of financial instruments of €7,111 thousand, mainly due to the continuation of the diversification strategy related to the bonds portfolio which ended in November 2016.

Non-Life business showed a gross profit of €80,684 thousand (€105,085 thousand as at 30 September 2016), with a retained combined ratio essentially in line with the corresponding period of the previous year (90.3% vs. 90.0% as at 30 September 2016).

Life business showed a gross result of €4,996 thousand, increased by 80.0% compared to €2,775 thousand as at 30 September 2016.

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

- **Non Marine lines** show an increase in premiums written of 9.2%, with an improvement of technical performance, despite the significant increase in claims arising from serious events and atmospheric events;
- **Motor lines** recorded a 3.8% increase in premiums written; the reduction in the technical result, which remains positive, is mainly attributable to the increase in claims arising from serious events and atmospheric events;
- **Specialty lines** showed a positive technical result, with a significant improvement over the same period of the previous year, thanks also to the actions aimed at the technical balance of Credit and Deposit line of businesses;

The comprehensive income of the Group as at 30 September 2017 amounted to €54,931 thousand, decreased by 17.2% compared to €66,319 thousand as at 30 September 2016, due to the combined effect of the time-lag that causes the reduction in the value of the securities by approaching them at the repayment price and to the increase in the interest rate curve that negatively affected the variations in unrealized gains on bonds belonging to the bond portfolio.

Group equity was €786,392 thousand, up +5.5% compared with €745,611 thousand as at 31 December 2016.

Premiums written at 30 September 2017 amounted to €928,920 thousand (€899,705 thousand as at 30 September 2016), down by 7.7% in the Life business and up by 5.0% in the Non-Life business, amounting to an overall increase of 3.2%.

The gross real estate business result, although still negative for €1,429 thousand, showed an improvement over the same period of 2016 (loss of €6,811 thousand as at 30 September 2016). The result takes into account the profit margin on notarial deeds of sale signed at 30 September 2017 of €4,166 thousand (€2,386 thousand as at 30 September 2016).

The Group has put into action important actions in order to improve the investments profitability and, above all, to increase the property in income weight compared with those in development.

Of investments totaling €3,495,494 thousand (+4.4% compared with 31 December 2016), €70,700 thousand (+24.3%) related to investments with risk borne by policyholders and €3,424,794 thousand (+4.0%) to investments with risk borne by the Group.

Net capital gains on investments for which the risk is borne by the Group totalled €32,725 thousand, as compared to €53,271 thousand for the same period of the previous year (-38.6%).

In addition to the abovementioned capital gains realized mainly on bonds in the first half of 2016, this decrease was due to the lower income earned as a result of the sale of securities in November 2016 under the strategy of diversification of investments.

The result also includes impairment of the investment in the Atlante Fund of € 2,766 thousand.

As up to 30 September 2017 Vittoria Assicurazioni SpA, showed a net profit – based on Italian GAAPs – of €59,559 thousand, with a decrease of 23.1% vs. €77,438 thousand recorded in the same period of the previous year, due to financial strategy effects above mentioned.

Vittoria Assicurazioni's own funds for Solvency II purposes are largely sufficient to cover the Solvency Capital Requirement. The third quarter result, allows to confirm the targets of the announced business plan.

The table below shows Group performance broken down into the various areas of business:

Reclassified Profit and Loss by business segment	(€/000)			
	30/09/17	30/09/16	31/12/16	Δ 30/09/16
Non life business - Gross Result (excluding investments result)	79,638	78,252	110,524	+1.8%
Non life business - Gross Investments Result	1,046	26,833	83,467	-96.1%
Life business - Gross Result	4,996	2,775	2,155	+80.0%
<b>Gross Insurance business Result</b>	<b>85,680</b>	<b>107,860</b>	<b>196,146</b>	<b>-20.6%</b>
Elimination from consolidation	(54)	-	4,461	n.s.
Insurance business: taxes	(25,650)	(35,167)	(61,213)	-27.1%
<b>Insurance business net contribution to Profit attributable to parent company shareholders</b>	<b>59,976</b>	<b>72,693</b>	<b>139,394</b>	<b>-17.5%</b>
Gains on property trading	4,166	2,386	1,725	+74.6%
Real estate service revenues	1,574	1,551	2,812	+1.5%
Real estate business net costs	(7,169)	(10,748)	(16,601)	-33.3%
<b>Gross Real estate business Result</b>	<b>(1,429)</b>	<b>(6,811)</b>	<b>(12,064)</b>	<b>-79.0%</b>
Elimination from consolidation	(410)	(458)	(829)	-10.5%
Taxes and minority interests	1,135	4,784	8,062	-76.3%
<b>Net Real estate business Result</b>	<b>(704)</b>	<b>(2,485)</b>	<b>(4,831)</b>	<b>-71.7%</b>
Net profit attributable to Life business Policyholders	(135)	121	331	n.s.
<b>Real estate business net contribution to Profit attributable to parent company shareholders</b>	<b>(839)</b>	<b>(2,364)</b>	<b>(4,500)</b>	<b>-64.5%</b>
<b>Service business net contribution to Profit attributable to parent company shareholders</b>	<b>(403)</b>	<b>260</b>	<b>473</b>	<b>n.s.</b>
Gain (Loss) on discontinued operations	(150)	0	0	n.s.
<b>Net Profit attributable to parent company shareholders</b>	<b>58,584</b>	<b>70,589</b>	<b>135,367</b>	<b>-17.0%</b>
Other Comprehensive Income (Loss) net of tax	(3,653)	(4,270)	(66,735)	-14.4%
<b>Comprehensive Income attributable to parent company shareholders</b>	<b>54,931</b>	<b>66,319</b>	<b>68,632</b>	<b>-17.2%</b>

## Insurance business

Income statement by business and business line reported on page 36, reports for the insurance business, before taxes and intersegment eliminations, a result equal to €85,680 thousand (+20.6% vs. result of €107,860 thousand in 3Q16). The key operating items contributing to the period's result are described below.

Total insurance premiums in 3Q17 amounted to €941,433 thousand (+4.3% vs. premiums of €902,850 thousand in 3Q16), of which €928,920 thousand for insurance premiums written and €12,513 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 a decrease of 7.7% vs. premiums in 3Q16. This reduction is in line with the revised growth strategies aimed at reducing single premium products related to segregated funds.

Direct Non-Life (i.e. property & casualty) insurance premiums increased by 5.1%, specifically:

- Motor premiums increased by 3.8%;
- Premiums for other non-marine insurance increased by 9.2%;
- Premiums for specialty categories [i.e. marine & transport, aviation, and credit & suretyship] decreased by 11.7%.

Overhead costs as a percentage of total direct insurance premiums were 8.4% (vs. 8.8% in 3Q16).

The Non-Life combined ratio and loss ratio on the retained business (based on Italian GAAPs), as at 30 September 2017, were respectively 90.3% and 65.9%. (90.0% and 66.0% as at 30 September 2016).

## Real estate business

The loss made by the real estate business, before taxes and intersegment eliminations, amounted to €1,429 thousand (loss of €6,811 thousand in 3Q16) and featured contributors to the income statement that, before intersegment eliminations, included:

- revenues from notarial deeds of €22,374 (€15,696 thousand in 3Q16).
- income earned on properties from trading and development totalling €4,166 thousand (€2,386 thousand in 3Q16);
- revenues from real estate brokerage and management services of €921 thousand, from administrative services of €652 and rental income of €1,083 thousand, for a total amount of €2,656 thousand (€2,256 thousand in 3Q16);
- financial expenses of €382 thousand (€1,533 thousand in 3Q16);

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 €580 thousand (€370 thousand in 3Q16).

Revenues for services rendered in 3Q17 by Group companies, before elimination of infra-group services, amounted to €1,923 thousand (€4,059 thousand in 3Q16). These revenues included €1,233 thousand for commissions and services rendered to the direct operating parent company (€3,992 thousand in 3Q16). The volumes reduction compared to 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 51,00% in November 2016.



## Review of operations

### Premiums

Portfolio breakdown and the changes occurring by business segment and branch are shown in the following table:

#### COMPARISON BETWEEN GROSS PREMIUMS WRITTEN IN FIRST 9 MONTHS 2017 AND 2016 DIRECT AND INDIRECT BUSINESS

	(€/000)				
	30/09/2017	30/09/2016	YoY change %	% of total book	
				2017	2016
<b>Domestic direct business</b>					
<b>Life business</b>					
I Whole- and term life	104,836	123,465	-15.1	11.3	13.7
IV Health (long-term care)	535	475	12.6	0.1	0.1
V Capitalisation	11,821	3,055	n.s.	1.3	0.3
<b>Total Life business</b>	<b>117,192</b>	<b>126,995</b>	<b>-7.7</b>	<b>12.7</b>	<b>14.1</b>
<b>Non-Life business</b>					
Total non-marine lines (exc. specialty and motor)	217,199	198,951	9.2	23.4	22.1
Total specialty lines	4,836	5,474	-11.7	0.5	0.7
Total motor lines	589,592	568,168	3.8	63.4	63.1
<b>Total Non-Life business</b>	<b>811,627</b>	<b>772,593</b>	<b>5.1</b>	<b>87.3</b>	<b>85.9</b>
<b>Total direct business</b>	<b>928,819</b>	<b>899,588</b>	<b>3.2</b>	<b>100.0</b>	<b>100.0</b>
<b>Domestic indirect business</b>					
<b>Non-Life business</b>					
	101	117	-13.7	0.0	0.0
<b>Total indirect business</b>	<b>101</b>	<b>117</b>	<b>-13.7</b>	<b>0.0</b>	<b>0.0</b>
<b>Grand Total</b>	<b>928,920</b>	<b>899,705</b>	<b>3.2</b>	<b>100.0</b>	<b>100.0</b>

Revenues not qualified as premiums as defined by IFRS 4 (Unit Linked contracts and those relating to the Vittoria Formula Lavoro open-ended pension fund) amounted to €12,513 thousand (€3,145 thousand in 3Q16). The gross premiums written in 3Q17 alone are shown in the following table:

		Gross written Premiums		YoY
		IIIQ 2017	IIIQ 2016	change%
Domestic direct business	Life business	31,507	31,696	-0.6
	Non-marine (exc. specialty and motor)	65,514	59,633	9.9
	Specialty lines	1,127	1,316	-14.4
	Motor	184,122	175,210	5.1
	<b>Total</b>	<b>282,270</b>	<b>267,855</b>	<b>5.4</b>
Domestic indirect business	Non-Life business	56	-	n.v.
	<b>Total</b>	<b>56</b>	<b>-</b>	<b>n.v.</b>
<b>Grand Total</b>		<b>282,326</b>	<b>267,855</b>	<b>5.4</b>

The gross premiums written in 3Q17 alone represented by investment contracts (Unit Linked and Vittoria Formula Lavoro open-ended pension fund) totalled €3,872 thousand (€827 thousand in 3Q16).

## Commercial organization

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

Regions	Agencies	Non-Life Business		Life Business	
		Premiums	%	Premiums	%
(€/000)					
<b>NORTH</b>					
Emilia Romagna	35	63,847		7,335	
Friuli Venezia Giulia	8	7,700		554	
Liguria	16	32,100		3,134	
Lombardy	108	151,910		44,150	
Piedmont	51	69,303		5,076	
Trentino Alto Adige	9	8,990		730	
Valle d'Aosta	1	2,717		174	
Veneto	41	47,231		8,262	
<b>Total NORTH</b>	<b>269</b>	<b>383,798</b>	<b>47.2</b>	<b>69,415</b>	<b>59.2</b>
<b>CENTRE</b>					
Abruzzo	12	38,573		3,774	
Lazio	29	81,740		11,037	
Marche	18	29,245		2,786	
Tuscany	51	91,408		7,044	
Umbria	15	39,492		4,497	
<b>Total CENTRE</b>	<b>125</b>	<b>280,458</b>	<b>34.6</b>	<b>29,138</b>	<b>24.9</b>
<b>SOUTH AND ISLANDS</b>					
Basilicata	4	7,763		664	
Calabria	2	2,461		26	
Campania	13	31,985		2,079	
Molise	2	4,645		168	
Puglia	6	21,179		12,853	
Sardinia	11	32,119		693	
Sicily	12	47,196		2,156	
<b>Total SOUTH AND ISLANDS</b>	<b>50</b>	<b>147,348</b>	<b>18.2</b>	<b>18,639</b>	<b>15.9</b>
<b>Total ITALY</b>	<b>444</b>	<b>811,604</b>	<b>100.0</b>	<b>117,192</b>	<b>100.0</b>
<b>France</b>	<b>0</b>	<b>23</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>OVERALL TOTAL</b>	<b>444</b>	<b>811,627</b>		<b>117,192</b>	

From the 1<sup>st</sup> January to 30 September 2017 were opened 14 new agencies and 17 were reorganized. In the third quarter were opened 4 new agencies and 6 have been reorganized.

As at 30 September 2017, Vittoria Assicurazioni is active in Italy with 444 general agencies (426 as at 30 September 2016) and 1,103 professional sub-agencies (994 as at 30 September 2016).

## Life business

### Premiums

Premiums written for direct business recognised for the period totalled €117,192 thousand (€126,995 thousand in 3Q16), split as follows:

	(€/000)				
	30/09/2017	30/09/2016	YoY change %	% of total book	
				2017	2016
Recurring premiums	33,650	27,149	24.0	28.7	21.4
Annual premiums	83,542	99,846	-16.3	71.3	78.6
<b>Total Life business</b>	<b>117,192</b>	<b>126,995</b>	<b>-7.7</b>	<b>100.0</b>	<b>100.0</b>

Direct insurance business premiums recognised in 3Q17 alone totalled €31,507 thousand (€31,696 thousand in the same period of the previous year), split as follows:

	(€/000)				
	IIIQ 2017	IIIQ 2016	YoY change %	% of total book	
				2017	2016
Recurring premiums	10,341	5,614	84.2	32.8	17.7
Annual premiums	21,166	26,082	-18.9	67.2	82.3
<b>Total Life business</b>	<b>31,507</b>	<b>31,696</b>	<b>-0.6</b>	<b>100.0</b>	<b>100.0</b>

In 3Q17 ceded premiums amounted to €299 thousand and the total amount as at 30 September 2017 amounted to €852 thousand (respectively €236 thousand and €849 thousand in the same period of previous year).

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

The comparison relating to settlements in the third quarter and as at 30 September 2017 is shown in the following table:

	(€/000)		
	30/09/2017	30/09/2016	Change %
<b>Third Quarter</b>			
Claims	4,347	4,059	7.1
Accrued capital sums & annuities	8,157	14,136	(42.3)
Surrenders	10,339	6,425	60.9
<b>Total</b>	<b>22,843</b>	<b>24,620</b>	<b>(7.2)</b>
<b>As at Third Quarter</b>			
Claims	16,841	14,109	19.4
Accrued capital sums & annuities	33,978	45,393	(25.1)
Surrenders	30,575	30,623	(0.2)
<b>Total</b>	<b>81,394</b>	<b>90,125</b>	<b>(9.7)</b>

## Non-Life business

### Premiums and technical performance

Direct premiums written as at 30 September 2017 amounted to €811,627 thousand (€772,593 thousand in the same period of previous year) with an increase of 5.1% YoY.

Ceded premiums in 3Q17 totalled €5,683 thousand amounting to €17,416 as at 30 September 2017 (respectively €5,554 thousand and €18,499 thousand in the same periods of previous year).

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

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

Premiums in the Non-Marine Business posted an increase of 9.2%, thanks also to the continuation of the consolidation and development policy of single Motor business customers. The technical trend is positive, albeit with a significant increase in claims arising from serious events, mainly recorded in the first half of the year, and despite claims arising from atmospheric events (hail and air trumpets) particularly happened in the third quarter of the year.

#### Non-Life - specialty

Premiums in the Specialty Business fell by 11.7%, down with respect to the same period of the previous year (-29.9%), exclusively due to Credit and Deposit line of businesses, for which the reform actions started in previous years are still in progress and the increasingly accurate selection of risks. On the other hand, the remaining Special line of businesses show higher growth than the corresponding period of the previous year.

The technical result is positive, with a clear improvement over the corresponding period of the previous year, thanks also to the actions aimed at the technical balance in the Credit and Deposit line of businesses.

#### Non-Life - motor

Premiums in Motor Insurance business posted an increase of 3.8%, thanks to the acquisition of new customers, to the development of premiums related to the ancillary guarantees of TPL line of business and to the progressive slowdown in the reduction of the average premium paid by the policyholders.

The technical result, while positive, is down on the same period of the previous year due to an increase in claims arising from serious events and atmospheric events.

## Claims

### Reported claims

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

Reported claims - direct business (€/000)

	Nuner of Reported claims		YoY Change %	Nuner of Reported claims without consequences		YoY Change %	Nuner of Reported claims closed		YoY Change %
	30/09/2017	30/09/2016		30/09/2017	30/09/2016		30/09/2017	30/09/2016	
	<b>Total non-marine lines</b>	38,518		37,093	3.84%		5,401	5,456	
<b>Total specialty lines</b>	644	822	-21.65%	138	142	-2.82%	110	84	30.95%
<b>Total motor lines</b>	196,691	177,491	10.82%	15,203	14,751	3.06%	132,084	113,852	16.01%
<b>Total Non-Life businesses</b>	235,853	215,406	9.49%	20,742	20,349	1.93%	151,319	132,601	14.12%

In Motor line of business, no. 83,487 claims referring to "CARD claims" were received (+2.69% YoY). Their total cost, net of applicable deductibles, was €41,178 thousand (+5.62% YoY).

The following table shows reported claims in the third quarter:

Reported claims - direct business (€/000)

	Nuner of Reported claims		YoY Change %	Nuner of Reported claims without consequences		YoY Change %	Nuner of Reported claims closed		YoY Change %
	IIIQ 2017	IIIQ 2016		IIIQ 2017	IIIQ 2016		IIIQ 2017	IIIQ 2016	
	<b>Total non-marine lines</b>	13,652		13,022	4.84%		2,477	2,429	
<b>Total specialty lines</b>	224	264	-15.15%	73	71	2.82%	56	51	9.80%
<b>Total motor lines</b>	67,187	59,885	12.19%	5,970	5,642	5.81%	49,884	41,762	19.45%
<b>Total Non-Life businesses</b>	81,063	73,171	10.79%	8,520	8,142	4.64%	57,816	49,892	15.88%

### Claims paid

In the third quarter of 2017 claims paid for direct business and the amount charged to reinsurers amounted to €155,152 thousand and to €3,613 thousand respectively (€135,441 thousand and €3,896 thousand in 3Q16).

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 30/09/17			Claims recovered from reinsurers	Claims paid 30/09/16			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reins. %
	Current year	Previous years	Total		Current year	Previous years	Total			
	<b>Total non-motor business</b>	31,135	47,780		78,915	1,963	26,781			
<b>Total Special business</b>	835	5,691	6,526	1,831	450	11,690	12,140	4,939	-46.24%	-62.93%
<b>Total motor business</b>	160,054	247,690	407,744	7,648	163,748	215,154	378,902	4,980	7.61%	53.58%
<b>Total non-life business</b>	192,024	301,161	493,185	11,442	190,979	266,215	457,194	12,130	7.87%	-5.67%

The cost includes the amount incurred in the period for the contribution to the guarantee fund for road-accident victims. This totalled €11,604 thousand vs. €11,347 thousand at 30 September 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 Line of Businesses:

	(percentages)					
	current generation			previous generations		
	30/09/2017	30/09/2016	31/12/2016	30/09/2017	30/09/2016	31/12/2016
Accident insurance	36.10	37.52	57.58	52.58	56.67	66.31
Health insurance	75.86	76.42	83.74	72.70	71.48	77.56
Motor vehicle hulls	73.43	77.11	85.07	69.63	76.06	80.33
Fire and natural events	55.60	61.06	83.27	65.35	67.45	74.29
Miscellaneous damages - theft	70.77	70.88	87.53	79.28	82.65	86.20
Third-party motor liability	71.32	69.65	75.52	59.77	58.90	67.82
Third-party general liability	51.48	54.04	71.13	28.36	30.81	37.35

## Products – Research and development

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

In the Life Businesses, the following two new products have been launched:

- the composite whole-life product called "Vittoria InvestiMeglio-MultiRamo - Multiramo FLEX", a single premium rate and additional payments, which invests part of the premiums in the Segregated funds "Vittoria Obiettivo Crescita" and in the Unit linked fund "Vittoria Equilibrato" and "Vittoria Dinamico";
- "Vittoria In Azione Italia – PIR", investment product (Lob III), single premium with additional payments, which invests in the Unit linked fund "Vittoria Crescita Italia PIR cl. B".

## Technical reserves

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

	Direct business		Ceded business	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
<b>Non-life reserves</b>	<b>1,545,549</b>	<b>1,506,557</b>	<b>-57,667</b>	<b>-55,649</b>
Premium reserve	366,946	388,435	-11,892	-17,190
Claims reserve	1,178,194	1,117,713	-45,775	-38,459
Other reserves	409	409	-	-
<b>Life reserves</b>	<b>1,189,952</b>	<b>1,153,541</b>	<b>-5,901</b>	<b>-7,479</b>
Reserve for payable amounts	21,409	25,810	-2,441	-
Mathematical reserves	1,120,385	1,072,192	-3,435	-7,447
Other reserves	48,158	55,539	-25	-32
<b>Total technical reserves</b>	<b>2,735,501</b>	<b>2,660,098</b>	<b>-63,568</b>	<b>-63,128</b>

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

The Life "Other reserves" item mainly refers to:

- €42,251 thousand for the reserve for deferred liabilities to policyholders (of which €47,322 thousand stemming from measurement at fair value of available-for-sale securities and €-5,071 thousand by provisioning made against subsidiaries' profit allocated to segregated accounts);
- €5,793 thousand for the operating expenses reserve.

## Overhead costs

### Insurance Business

#### Overhead costs – direct business

The total amount of insurance overhead costs – consisting of personnel costs, various general expenses, plus depreciation of tangible assets and amortisation of intangible assets, was €78,893 thousand, essentially in line with the figure for the same period of the previous year, amounting to €79,422 thousand.

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

	(€/000)		
<b>ANALYSIS OF COSTS</b>	<b>30/09/2017</b>	30/09/2016	<b>Change</b>
Personnel expenses	41,145	40,328	2.0%
Other costs	30,865	30,013	2.8%
Amortisation/Depreciation	6,883	9,081	-24.2%
<b>Total cost by nature</b>	<b>78,893</b>	<b>79,422</b>	<b>-0.7%</b>

The overhead costs as a percentage of total direct insurance premiums were 8.4% (8.8% in the same period of previous year).

### Real-estate business – Service Business

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

#### REAL ESTATE BUSINESS

	(€/000)		
<b>ANALYSIS OF COSTS</b>	<b>30/09/2017</b>	30/09/2016	<b>Change</b>
Personnel expenses	2,426	3,832	-36.7%
Other costs	5,030	5,563	-9.6%
Amortisation/Depreciation	727	627	16.0%
<b>Total cost by nature</b>	<b>8,183</b>	<b>10,022</b>	<b>-18.4%</b>

#### SERVICE BUSINESS

	(€/000)		
<b>ANALYSIS OF COSTS</b>	<b>30/09/2017</b>	30/09/2016	<b>Change</b>
Personnel expenses	238	538	-55.8%
Other costs	503	812	-38.1%
Amortisation/Depreciation	24	26	-7.7%
<b>Total cost by nature</b>	<b>765</b>	<b>1,376</b>	<b>-44.4%</b>

The overall reduction in the Service business costs, compared to the same period of the previous year is primarily due to the deconsolidation of the investment in Aspevi Roma S.r.l., following the sale to third parties of 51% in November 2016.

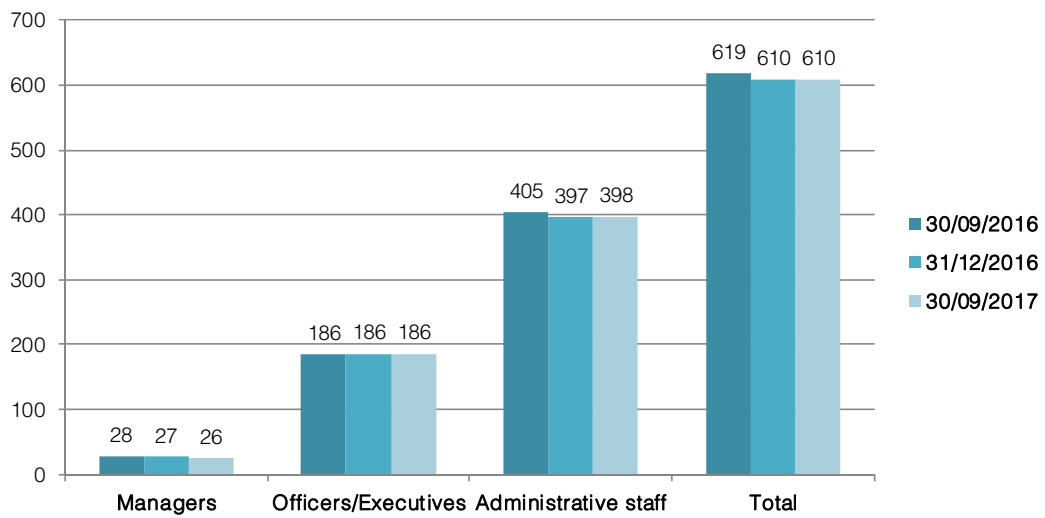


Personnel costs and general expenses are allocated to operating expenses (and specifically to “Other administrative costs”). Depreciation and amortisation costs are allocated to the “Other costs” item in the income statement.

## Employees

As at 30 September 2017 Vittoria Assicurazioni and fully consolidated companies had 597 employees vs. 609 as at 31 December 2016 and 615 as at 30 September 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 €3,424,794 thousand with an increase equal to 4.4% vs. 31 December 2016. The detailed breakdown is shown in the following table:

(€/000)			
INVESTMENTS - CASH AND CASH EQUIVALENTS - PROPERTY	30/09/2017	31/12/2016	Change
A <b>Investments in subsidiaries and associates and interests in joint ventures</b>	19,007	20,138	-5.6%
B <b>Held to maturity investments</b>	43,733	44,268	-1.2%
<b>Loans and receivables</b>	150,113	128,677	16.7%
- Reinsurance deposits	149	149	
- Other loans and receivables	149,964	128,528	
C <b>Financial assets available for sale</b>	2,300,722	2,208,766	4.2%
- Equity investments	105,285	103,058	
- OEIC units	353,707	82,430	
- Bonds and other fixed-interest securities	1,841,730	2,023,278	
<b>Financial assets at fair value through profit or loss</b>	70,710	56,872	24.3%
D <b>Financial assets held for trading</b>	10	6	66.7%
- Bonds and other fixed-interest securities held for trading	10	6	
E <b>Financial assets at fair value through profit or loss</b>	70,700	56,866	24.3%
- Investments where policyholders bear the risk	70,700	56,866	
<b>Cash and cash equivalents</b>	292,167	262,936	11.1%
F <b>Total Property</b>	619,042	627,290	-1.3%
<b>Investment property</b>	94,769	89,428	6.0%
<b>Property</b>	524,273	537,862	-2.5%
Property under construction	50,770	47,376	
Property held for trading	360,703	375,256	
Owner-occupied property	112,800	115,230	
<b>TOTAL INVESTMENTS</b>	3,495,494	3,348,947	4.4%
<b>of which</b>			
investments where the Group bears the risk	3,424,794	3,292,081	4.0%
investments where policyholders bear the risk	70,700	56,866	24.3%

### Investments where policyholders bear the risk

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

As at 30 September 2017 these investments amounted to €70,700 thousand, increasing by 24.3% YoY. Of this amount, €47,660 thousand related to unit linked policies and €23,040 thousand to the open-ended pension fund Vittoria Formula Lavoro.

Total net income amounted to €1,738 thousand (€-851 thousand as at 30 September 2016).

As at 30 September 2017 the status of the three segments of Vittoria Assicurazioni open-ended pension fund was as follows:

	Members		Assets (€/000)	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Previdenza Garantita	428	414	6,734	5,055
Previdenza Equilibrata	497	481	8,652	6,945
Previdenza Capitalizzata	395	394	7,654	6,980

## Investments where Group bears risk

Investments with risks borne by the Group totalled €3,424,794 thousand (€3,292,081 thousand as at 31 December 2016) with an increase of 4.0%.

### Investments property

#### F) Property

As at 30 September 2017, real estate assets totalled €619,042 thousand (-1.3% vs. 31 December 2016).

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)					
<b>Balance as at 31/12/2016</b>	<b>89,428</b>	<b>47,376</b>	<b>375,256</b>	<b>115,230</b>	<b>627,290</b>
<b>Purchase and capitalised interests paid</b>					
- MILAN - Parco Vittoria (via Acacia 2000 S.r.l.)			625		625
- ROME - Lima Str. (via Vittoria Assicurazioni S.p.A.)	2,932				2,932
- TURIN - Pasteur Str. (via Vittoria Assicurazioni S.p.A.)	5,139				5,139
- SAN DONATO MILANESE (MI) - (via Vittoria Immobiliare S.p.A.)			24		24
- ROME - Guattani Str. (via Immobiliare Bilancia S.r.l.)			141		141
- PESCHIERA BORROMEO (MI) - (via VP Sviluppo S.r.l.)		1,358	40		1,398
- PESCHIERA BORROMEO (MI) - (via Immobiliare Bilancia I S.r.l.)			2,612		2,612
- FLORENCE - Michelangelo Str. (via Immobiliare Bilancia S.r.l.)			99		99
- ROME - Meliconi Str. (via Immobiliare Bilancia Prima S.r.l.)			39		39
- ROME - Della Vignaccia Str. (via VRG Domus S.r.l.)		212			212
- PARMA - (via Immobiliare Bilancia Prima S.r.l.)		1,824			1,824
- TURIN - (via Immobiliare Bilancia Prima S.r.l.)				688	688
- Miscellaneous			75	483	558
<b>Total purchase and capitalised interests paid</b>	<b>8,071</b>	<b>3,394</b>	<b>3,655</b>	<b>1,171</b>	<b>16,291</b>
<b>Sales:</b>					
- MILAN - Parco Vittoria (via Acacia 2000 S.r.l.)			(14,013)		(14,013)
- SAN DONATO MILANESE (MI) - (via Vittoria Immobiliare S.p.A.)			(745)		(745)
- TURIN - Barbaroux Str. (via Vittoria Immobiliare S.p.A.)			(1,179)		(1,179)
- ROME - (via Valsalaria S.r.l.)			(325)		(325)
- TORINO - Cairoli Str. (via Immobiliare Bilancia I S.r.l.)			(43)		(43)
- TURIN - Villarfocchiaro (via Vittoria Immobiliare S.p.A.)			(26)		(26)
- PESCHIERA BORROMEO (MI) - (via VP Sviluppo S.r.l.)			(1,661)		(1,661)
- MILAN - San Donato Milanese (via Vittoria Immobiliare S.p.A.)			(9)		(9)
- MILAN - San Donato Milanese (via Immobiliare Bilancia S.r.l.)			(1,241)		(1,241)
- FLORENCE - Michelangelo Str. (via Immobiliare Bilancia S.r.l.)			(3,132)		(3,132)
<b>Total sales</b>	<b>-</b>	<b>-</b>	<b>(22,374)</b>	<b>-</b>	<b>(22,374)</b>
Depreciations	(2,730)			(3,601)	(6,331)
Recognised gains			4,166		4,166
<b>Balance as at 30/09/2017</b>	<b>94,769</b>	<b>50,770</b>	<b>360,703</b>	<b>112,800</b>	<b>619,042</b>

The item "Investments in property" includes mainly properties held by Vittoria Assicurazioni and leased, such as those for office use in the Portello area, in Milan and two buildings in Turin purchased during 2017.

## Changes in financial assets

The following table illustrates the changes recorded up through 30 September 2017 in financial assets with the risk borne by Group Companies for equity investments, bonds and other fixed-income securities, and UCITS (Undertakings for Collective Investment in Italian Transferable Securities) and AIF (Alternative Investment Funds) 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	
<b>Carrying amount at 31/12/2016</b>	<b>44,268</b>	<b>103,058</b>	<b>82,430</b>	<b>2,023,278</b>	<b>2,208,766</b>	<b>56,866</b>	<b>6</b>	<b>2,309,906</b>
<b>Acquisitions and subscriptions</b>		-	285,749	378,878	664,627	21,539		686,166
<b>Sales and repayments</b>	-120	-	-10,525	-522,633	-533,158	-9,061		-542,339
<b>Other changes:</b>								
- effective interest adjustments	5			-19,070	-19,070			-19,065
- fair value adjustments	-		-2,766		-2,766	218	4	-2,544
- charged to P&L		1,624	-1,181	-12,198	-11,755			-11,755
- rate changes	-420			-6,525	-6,525			-6,945
- reclassification from/to associates and joint ventures	-	603	-	-	603			603
- other changes	-	-	-	-	-	1,138		1,138
<b>Carrying amount at 30/09/2017</b>	<b>43,733</b>	<b>105,285</b>	<b>353,707</b>	<b>1,841,730</b>	<b>2,300,722</b>	<b>70,700</b>	<b>10</b>	<b>2,415,165</b>

The following transactions took place during the first 9 months of 2017:

### C) Financial assets available for sale:

- redemption of bonds for €512,764 thousand;
- purchase of equity SICAVs with a long/short strategy for €10,000 thousand;
- purchase of government bonds, local and supranational entities belonging to the Euro area for €284,765 thousand;
- purchase of corporate bonds belonging to the Euro area for €94,113 thousand and sale for €9,896 thousand;
- subscribed for €242,388 thousand in specialized funds (bank loan, infrastructure investments, private debt and direct lending) and received reimbursement for €2,150 thousand;
- subscribed of €1,956 thousand for recall in infrastructure funds and received reimbursement for €21 thousand euro;
- paid €7,658 thousand for capital recall related to of closed-end Italian funds managed by Yarpa Investimenti SGR SpA, an Italian subsidiary of the associated Yarpa SpA and received reimbursements for €7,565 thousand;
- paid €2,246 thousand in close-end Alternative Investment Funds fort capital recall and received reimbursement for €119 thousand;
- purchase of Euro area equity ETF for €20,000 thousand;
- purchase of Euro area bond ETF for €1,501 thousand;
- Atlante fund impairment for €2,766 thousand;

- received partial repayment of an investment in an Italian closed-end real estate fund for € 670 thousand;
- Reclassification of the investment in the company Spefin Finanziaria S.p.A. from "Investments in associates and joint ventures" under "Available-for-sale financial assets" following the transaction described in the comment on the changes in the scope of consolidation.

## 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	30/09/2017	31/12/2016	Change
<b>Financial liabilities where the investment risk is borne by policyholders and arising from pension fund management</b>	<b>70,700</b>	<b>56,866</b>	<b>24.3%</b>
- Financial liabilities where the investment risk is borne by policyholders relating to index- and unit-linked policies	47,659	37,870	
- Financial liabilities where the investment risk is borne by policyholders relating to pension funds	23,041	18,996	
<b>Othe financial liabilities</b>	<b>106,372</b>	<b>101,841</b>	<b>4.4%</b>
- Reinsurance deposits	12,933	12,933	
- Payables to banks	10,278	14,132	
- Other financial payables	1,152	1,294	
- Other financial liabilities	82,009	73,482	
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>177,072</b>	<b>158,707</b>	<b>11.6%</b>

## Gains and losses on investments, Cash & cash equivalents and Property

The following table shows the breakdown as at 30 September 2017 of net gains on investments.

(€/000)

Gains and losses on investments, Cash & cash equivalents and Property	Realised gains/ (losses)	Unrealised gains/ (losses)	30/09/2017 total net gains/(losses)	30/09/2016 total net gains/(losses)
<b>Investments</b>	<b>33,158</b>	<b>-3,766</b>	<b>29,392</b>	<b>50,776</b>
<b>From:</b>				
a investment property	2,448	-2,810	-362	70
b investments in subsidiaries and associates and interests in joint ventures	-967	-39	-1,006	-67
c held to maturity investments	1,312	-	1,312	1,320
d loans and receivables	483	-	483	534
e financial assets available for sale	29,990	-2,766	27,224	49,774
f financial assets held for trading	-	3	3	-4
g financial assets at fair value through profit or loss	-108	1,846	1,738	-851
<b>Other receivables</b>	<b>165</b>	<b>-</b>	<b>165</b>	<b>141</b>
<b>Cash and cash equivalents</b>	<b>157</b>	<b>-</b>	<b>157</b>	<b>88</b>
<b>Financial liabilities</b>	<b>-312</b>	<b>-1,738</b>	<b>-2,050</b>	<b>-768</b>
<b>From:</b>				
b financial liabilities at fair value through profit or loss	-	-1,738	-1,738	851
c other financial liabilities	-312	-	-312	-1,619
<b>Total gains and losses on financial instruments</b>	<b>33,168</b>	<b>-5,504</b>	<b>27,664</b>	<b>50,237</b>
<b>Real estate business</b>				
<b>From:</b>				
a Gains on property trading	4,166	-	4,166	2,386
b Rent income on owner-occupied property and property held for trading	895	-	895	648
<b>Total real estate business</b>	<b>5,061</b>	<b>-</b>	<b>5,061</b>	<b>3,034</b>
<b>Total gains and losses on investments</b>	<b>38,229</b>	<b>-5,504</b>	<b>32,725</b>	<b>53,271</b>

Net income with the risk borne by the Group decreased from €53,271 thousand to €32,725 thousand (-38.6%). This decrease compared to 30 September 2016 is due, in addition to the gains of €5,978 thousand realized in the first nine months of 2016, mainly on bonds, to the lower income earned following the sale of financial assets in November 2016, within the investment diversification strategy.

The result also includes impairment of the investment in the Atlante Fund of €2,766 thousand.

As up to 30 September 2017 the weighted average return on “Bonds and other fixed-income securities” was 1.7% as compared with 3.4% as at 30 September 2016, due to the investment diversification strategy.

## Equity

The breakdown of equity as at 30 September 2017 is shown in the following table:

(€/000)			
BREAKDOWN OF EQUITY	30/09/2017	31/12/2016	Change
<b>Total equity attributable to the shareholders of the parent</b>	<b>786,392</b>	<b>745,611</b>	<b>5.5%</b>
Share capital	67,379	67,379	0.0%
Equity-related reserves	33,874	33,874	0.0%
Income-related and other reserves	571,859	450,642	26.9%
Fair value reserve	54,771	58,612	-6.6%
Other gains or losses recognised directly in equity	-75	-263	n.v
Group profit for the year	58,584	135,367	-56.7%
<b>Total equity attributable to minority interests</b>	<b>187</b>	<b>194</b>	<b>-3.6%</b>
Share capital and reserves attributable to minority interests	194	199	-2.5%
Minority interests' profit for the year	-7	-5	n.v
<b>Total consolidated equity</b>	<b>786,579</b>	<b>745,805</b>	<b>5.5%</b>

## Significant events occurring after quarter-end and outlook

There were no significant events after the third quarter of 2017.

The Group expected performance is in line with the last communicated targets.

The Board of Directors

Milan, 14 November 2017





# Consolidated interim financial statements

(€/000)

<b>Income Statement</b>	<b>30/09/2017</b>	<b>30/09/2016</b>	<b>31/12/2016</b>
Net premiums	926,852	909,905	1,233,106
<i>Gross premiums</i>	950,416	929,585	1,266,110
<i>Ceded premiums</i>	23,564	19,680	33,004
Commission income	374	341	901
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	3	-4	-4
Gains on investments in subsidiaries and associates and interests in joint ventures	496	537	567
Gains on other financial instruments and investment property	36,594	56,142	132,063
<i>Interest income</i>	22,185	43,186	53,558
<i>Other income</i>	14,377	5,803	8,113
<i>Realised gains</i>	32	7,112	70,351
<i>Unrealised gains</i>	-	41	41
Other income	18,757	15,761	23,093
<b>TOTAL REVENUE</b>	<b>983,076</b>	<b>982,682</b>	<b>1,389,726</b>
Net charges relating to claims	659,108	650,879	872,542
<i>Amounts paid and change in technical reserves</i>	680,152	662,166	893,769
<i>Reinsurers' share</i>	-21,044	-11,287	-21,227
Commission expense	38	35	53
Losses on investments in subsidiaries and associates and interests in joint ventures	1,502	604	4,450
Losses on other financial instruments and investment property	7,927	5,834	9,358
<i>Interest expense</i>	312	1,619	2,193
<i>Other expense</i>	2,013	1,652	2,085
<i>Realised losses</i>	26	1	9
<i>Unrealised losses</i>	5,576	2,562	5,071
Operating costs	209,699	198,613	278,946
<i>Commissions and other acquisition costs</i>	171,623	156,366	221,162
<i>Investment management costs</i>	1,280	1,121	1,552
<i>Other administrative costs</i>	36,796	41,126	56,232
Other costs	21,839	25,796	35,788
<b>TOTAL COSTS</b>	<b>900,113</b>	<b>881,761</b>	<b>1,201,137</b>
<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>	<b>82,963</b>	<b>100,921</b>	<b>188,589</b>
Income taxes	24,236	30,332	53,227
<b>PROFIT FOR THE YEAR</b>	<b>58,727</b>	<b>70,589</b>	<b>135,362</b>
<b>GAIN (LOSS) ON DISCONTINUED OPERATIONS</b>	<b>-150</b>	<b>-</b>	<b>-</b>
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>58,577</b>	<b>70,589</b>	<b>135,362</b>
<b>of which attributable to the shareholders of the parent</b>	<b>58,584</b>	<b>70,589</b>	<b>135,367</b>
<b>of which attributable to minority interests</b>	<b>-7</b>	<b>0</b>	<b>-5</b>
Basic EARNINGS per share	0.87	1.05	2.01
Diluted EARNINGS per share	0.87	1.05	2.01

Vittoria Assicurazioni S.p.A.

Consolidated financial statements as at 30 September 2017

(€/000)

<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>30/09/2017</b>	<b>30/09/2016</b>	<b>31/12/2016</b>
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>58,577</b>	<b>70,589</b>	<b>135,362</b>
<b>Other comprehensive income, net of taxes without reclassification to profit or loss</b>	<b>188</b>	<b>-313</b>	<b>-165</b>
Changes in the equity of investees	-	-	-
Changes in intangible asset revaluation reserve	-	-	-
Changes in tangible asset revaluation reserve	-	-	-
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	-	-	-
Actuarial gains and losses and adjustments related to defined benefit plans	188	-313	-165
Other items	-	-	-
<b>Other comprehensive income, net of taxes with reclassification to profit or loss</b>	<b>-3,841</b>	<b>-3,957</b>	<b>-66,570</b>
Change in translation reserve	-	-	-
Gains or losses on available for sale investments	-3,841	-3,957	-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	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-3,653</b>	<b>-4,270</b>	<b>-66,735</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME (LOSS)</b>	<b>54,924</b>	<b>66,319</b>	<b>68,627</b>
<b>of which attributable to the shareholders of the parent</b>	<b>54,931</b>	<b>66,319</b>	<b>68,632</b>
<b>of which attributable to minority interests</b>	<b>-7</b>	<b>0</b>	<b>-5</b>

Vittoria Assicurazioni S.p.A.  
Consolidated financial statements as at 30 September 2017

Income statement by business and business line	Non-life business		Life business		Real estate business		Service business		Intersegment eliminations		Net gains and costs/losses	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Net premiums	810,511	783,758	116,341	126,147	-	-	-	-	-	-	926,852	909,905
Gross premiums	833,223	802,589	117,193	126,996	-	-	-	-	-	-	950,416	929,585
Ceded premiums	22,712	18,831	852	849	-	-	-	-	-	-	23,564	19,680
Commission income	-	-	374	341	-	-	-	-	-	-	374	341
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-	-	3	-4	-	-	-	-	-	-	3	-4
Gains on investments in subsidiaries and associates and interests in joint ventures	100	401	-	-	410	533	450	61	-464	-458	496	537
Gains on other financial instruments and investment property	7,913	29,169	28,808	27,045	102	147	36	-	-265	-219	36,594	56,142
Other income	13,111	11,387	145	288	6,823	4,708	1,922	4,059	-3,244	-4,681	18,757	15,761
<b>TOTAL REVENUE</b>	<b>831,635</b>	<b>824,715</b>	<b>145,671</b>	<b>153,817</b>	<b>7,335</b>	<b>5,388</b>	<b>2,408</b>	<b>4,120</b>	<b>-3,973</b>	<b>-5,358</b>	<b>983,076</b>	<b>982,682</b>
Net charges relating to claims	534,030	517,262	124,882	133,537	-	-	-	-	196	80	659,108	650,879
Amounts paid and change in technical reserves	552,774	527,800	127,182	134,286	-	-	-	-	196	80	680,152	662,166
Reinsurers' share	-18,744	-10,538	-2,300	-749	-	-	-	-	-	-	-21,044	-11,287
Commission expense	-	-	38	35	-	-	-	-	-	-	38	35
Losses on investments in subsidiaries and associates and interests in joint ventures	1,229	413	-	-	234	191	39	-	-	-	1,502	604
Losses on other financial instruments and investment property	5,738	2,324	2,072	2,187	382	1,533	-	9	-265	-219	7,927	5,834
Operating costs	192,772	179,395	10,766	13,194	7,456	9,395	741	1,350	-2,036	-4,721	209,639	198,613
Other costs	17,182	20,236	2,917	2,089	692	1,080	1,048	2,391	-	-	21,839	25,796
<b>TOTAL COSTS</b>	<b>750,951</b>	<b>719,630</b>	<b>140,675</b>	<b>151,042</b>	<b>8,764</b>	<b>12,199</b>	<b>1,828</b>	<b>3,750</b>	<b>-2,105</b>	<b>-4,860</b>	<b>900,113</b>	<b>881,761</b>
<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>	<b>80,684</b>	<b>105,085</b>	<b>4,996</b>	<b>2,775</b>	<b>-1,429</b>	<b>-6,811</b>	<b>580</b>	<b>370</b>	<b>-1,868</b>	<b>-498</b>	<b>82,963</b>	<b>100,921</b>

(€'000)

Vittoria Assicurazioni S.p.A.  
Consolidated financial statements as at 30 September 2017  
**Detail of insurance technical items**

(€/000)

	30/09/2017			30/09/2016		
	Gross amount	Reinsurer's share of amount	Net amount	Gross amount	Reinsurers' share of amount	Net amount
<b>Non-life business</b>						
<b>NET PREMIUMS</b>	<b>833,223</b>	<b>22,712</b>	<b>810,511</b>	<b>802,589</b>	<b>18,831</b>	<b>783,758</b>
a Premiums written	811,728	17,415	794,313	772,709	18,499	754,210
b Change in premiums reserve	-21,495	-5,297	-16,198	-29,880	-332	-29,548
<b>NET CLAIMS COSTS</b>	<b>552,774</b>	<b>18,744</b>	<b>534,030</b>	<b>527,800</b>	<b>10,538</b>	<b>517,262</b>
a Amounts paid	505,879	11,442	494,437	467,479	12,130	455,349
b Change in claims reserves	60,468	7,315	53,153	69,842	-1,304	71,146
c Change in recoveries	13,573	13	13,560	9,521	288	9,233
d Change in other technical reserves	-	-	-	-	-	-
<b>Life business</b>						
<b>NET PREMIUMS</b>	<b>117,193</b>	<b>852</b>	<b>116,341</b>	<b>126,996</b>	<b>849</b>	<b>126,147</b>
<b>NET CLAIMS COSTS</b>	<b>127,182</b>	<b>2,300</b>	<b>124,882</b>	<b>134,286</b>	<b>749</b>	<b>133,537</b>
a Amounts paid	86,433	3,878	82,555	95,730	80	95,650
b Change in reserve for amounts to be paid	-4,401	2,441	-6,842	-4,732	335	-5,067
c Change in mathematical reserves	45,685	-4,012	49,697	44,076	339	43,737
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	-535	-7	-528	-788	-5	-783

## 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 24<sup>th</sup> 1998 n.58, that the accounting disclosure contained in this Consolidated quarterly report at 30 September 2017 matches documentary evidence, corporate books and accounting records.

Milan, 14 November 2017

Luca Arensi  
*The Corporate Financial  
Reporting Manager*