
Parent Company 9 months report
2005



RIUNIONE ADRIATICA DI SICURTÀ'

Joint stock company established in Trieste in 1838
Share capital € 403,336,202.40 (fully paid-in)
Registered office: Corso Italia 23, 20122 Milan, Italy
Tel. (+39 02) 7216.1 – Telex 320065 RAS DG I - Telefax (+39 02) 7216.5020
Milan Register of Companies no. 57.501 Law Court of Milan
Authorised to operate as an insurance company
under Ministerial Decree dated 26.11.1984

Board of Directors, Board of Statutory Auditors and General Management

Board of Directors

Giuseppe Vita*
Chairman

Michael Diekmann *
Deputy Chairman

Paolo Vagnone *
Chief Executive Officer

Detlev Bremkamp *

Paolo Biasi

Carlo Buora

Vittorio Colao

Nicola Costa

Rodolfo De Benedetti

Klaus Dührkop

Pietro Ferrero *

Francesco Micheli

Salvatore Orlando

Andrea Pininfarina

Helmut Perlet

Giampiero Pesenti

Gianfelice Rocca *

Carlo Salvatori

Directors

Aldo Andreoni

Secretary to the Board

* Members of the Executive Committee

Board of Statutory Auditors

Pietro Manzonetto
Chairman

Paolo Pascot
Giorgio Stroppiana
Standing Auditors

Michele Carpaneda

Luigi Gaspari

Alternate Auditors

General Management

Pier Luigi Riches

Alessandro Scarfò

Paolo Vagnone

General Managers

Daniele D'Abramo

Maurizio Devescovi

Deputy General Managers

Valter Albini

Luca Allievi

Camillo Candia

Michele Colio

Diego Fumagalli

Roberto Notarbartolo di Villarosa

Mauro Re

Guido Sommella

Pierluigi Verderosa

Central Managers

Independent Auditors

KPMG S.p.A.

Savings shareholders' representative

Gianfranco Negri Clementi

This report has been drawn up to illustrate the accounting situation of Ras Spa at 30 September 2005, during current merger operations.

This document is a translation of the original Italian text. In case of any divergences the Italian original is prevailing.

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Parent Company Balance Sheet

Balance Sheet

Assets

	At 30 September 05 thousands of euro	At 30 September 04 thousands of euro	At 31 December 04 thousands of euro
A. Receivables from shareholders for subscribed share capital not paid	1 0	75 0	149 0
B. Intangible assets			
1. Acquisition costs to be amortised	2 15,444	76 5,142	150 10,526
2. Other assets	3 19	77 189	151 73
Total	4 15,463	78 5,331	152 10,599
C. Investments			
I Land and buildings	5 165,836	79 181,947	153 167,528
II Investments in Group companies and other companies			
1. Equities	6 4,200,172	80 4,105,508	154 4,172,491
2. Bonds	7 391,112	81 355,100	155 355,067
3. Loans	8 16,796	82 14,143	156 16,487
Total investment in Group companies and other companies	9 4,608,080	83 4,474,751	157 4,544,045
III Other financial investments			
1. Equities	10 928,635	84 573,923	158 670,485
2. Mutual fund units	11 95,841	85 107,607	159 116,284
3. Bonds and other fixed-income securities	12 9,923,220	86 9,473,293	160 9,264,901
4. Loans	13 32,966	87 29,848	161 31,173
5. Other	14 859,689	88 1,229,344	162 1,327,396
Total other financial investments	15 11,840,351	89 11,414,015	163 11,410,239
IV Deposits with ceding companies	16 271,844	90 279,886	164 278,421
Total	17 16,886,111	91 16,350,599	165 16,400,233
D. Investments benefiting Life policyholders bearing the risk thereof and investments arising from pension fund management			
I Investments relating to mutual-fund and index-linked policies	18 944,003	92 770,744	166 820,927
II Investments arising from pension fund management	19 94,537	93 66,601	167 74,744
Total	20 1,038,540	94 837,345	168 895,671
D _{bis} Reinsurers' share of technical reserves			
I Non-Life business	21 488,046	95 444,574	169 465,388
II Life business	22 322,273	96 386,636	170 374,540
III Life technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	23 0	97 0	171 0
Total	24 810,319	98 831,210	172 839,928
E. Receivables			
I Receivables, relating to direct insurance business	25 521,500	99 525,065	173 893,794
II Receivables, relating to reinsurance business	26 61,494	100 78,614	174 72,279
III Other receivables	27 481,456	101 327,629	175 535,652
Total	28 1,064,450	102 931,308	176 1,501,725
F. Other assets			
I Tangible assets and stock	29 13,735	103 16,079	177 15,689
II Cash and cash equivalents	30 55,717	104 37,675	178 46,751
III Own shares	31 34,048	105 12,893	179 7,870
IV Other assets	32 316,712	106 222,854	180 242,590
Total	33 420,212	107 289,501	181 312,900
G. Accrued income and prepaid expenses	34 178,145	108 148,765	182 174,079
TOTAL ASSETS	35 20,413,240	109 19,394,059	183 20,135,135

Balance Sheet

Liabilities and Shareholders' Equity

	At 30 September 05 thousands of euro		At 30 September 04 thousands of euro		At 31 December 04 thousands of euro	
A. Shareholders' equity						
I Subscribed share capital or equivalent fund	36	403,336	110	403,336	184	403,336
II Share premium reserve	37	1,178,861	111	1,200,016	185	1,205,040
III Legal reserve	38	87,554	112	87,554	186	87,554
IV Other reserves	39	2,535,390	113	2,468,392	187	2,463,368
V Retained earnings (accrued losses)	40		114		188	
VI Profit (loss) for the year	41	599,657	115	498,317	189	607,224
Total	42	4,804,798	116	4,657,615	190	4,766,522
B. Subordinated liabilities	43	0	117	0	191	0
C. Technical reserves						
I Non-Life business						
1. Premium reserve	44	1,004,335	118	970,349	192	1,170,047
2. Claims reserve	45	3,845,293	119	3,600,011	193	3,665,048
3. Other technical reserves	46	967	120	905	194	893
4. Equalisation reserves	47	28,891	121	22,554	195	25,431
Total Non-Life technical reserves	48	4,879,486	122	4,593,819	196	4,861,419
II Life business						
1. Actuarial reserves	49	7,416,388	123	6,750,138	197	6,911,144
2. Reserve for amounts payable	50	131,993	124	133,801	198	167,555
3. Other technical reserves	51	76,376	125	72,592	199	72,574
Total Life technical reserves	52	7,624,757	126	6,956,531	200	7,151,273
Total	53	12,504,243	127	11,550,350	201	12,012,692
D. Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management						
I Reserves relating to mutual-fund and index-linked policies	54	944,003	128	770,744	202	820,927
II Reserves arising from pension fund management	55	94,538	129	66,603	203	74,743
Total	56	1,038,541	130	837,347	204	895,670
E. Provisions for risks and charges	57	313,833	131	257,726	205	331,694
F. Deposits from reinsurers	58	351,727	132	415,582	206	391,335
G. Payables and other liabilities						
I Payables relating to direct insurance business	59	44,713	133	40,435	207	37,709
II Payables relating to reinsurance business	60	39,730	134	40,860	208	73,482
III Bond issues	61	0	135	0	209	0
IV Payables to banks and financial institutions	62	0	136	0	210	0
V Sundry loans and other financial payables	63	939,525	137	1,356,350	211	1,352,388
VI Staff severance indemnities	64	32,005	138	31,728	212	32,037
VII Other liabilities	65	317,452	139	205,275	213	239,656
Total	66	1,373,425	140	1,674,648	214	1,735,272
H. Accrued liabilities and deferred income	67	26,673	141	791	215	1,950
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	68	20,413,240	142	19,394,059	216	20,135,135
Guarantees, commitments and other memorandum accounts						
I. Guarantees provided	69	77,994	143	62,749	217	68,456
II. Guarantees received or provided by third parties on behalf of the company	70	168,260	144	62,038	218	181,356
III. Commitments	71	1,240,419	145	92,633	219	194,567
IV. Pension fund assets managed on behalf of third parties	72	488,619	146	82,477	220	185,443
V. Other	73	16,620,358	147	15,033,696	221	15,328,780
TOTAL MEMORANDUM ACCOUNTS	74	18,595,650	148	15,333,593	222	15,958,602



Parent Company Profit and Loss Account

Parent Company Profit and Loss Account

	At 30 September 05 thousands of euro	At 30 September 04 thousands of euro	At 31 December 04 thousands of euro
I. NON-LIFE BUSINESS TECHNICAL ACCOUNT			
1. Premiums for the year, net of outwards reinsurance	1 1,923,167	57 1,887,290	113 2,620,277
2. (+) Income from investments transferred from the non-technical account (item III.6)	2 216,970	58 173,743	114 233,053
3. Other technical income, net of outwards reinsurance	3 3,067	59 3,448	115 5,334
4. Charges relating to claims, net of recoveries and outwards reinsurance	4 1,461,338	60 1,392,121	116 1,947,781
5. Change in other technical reserves, net of outwards reinsurance	5 73	61 8	117 -4
6. Reversals and profit sharing, net of outwards reinsurance	6 0	62 0	118 0
7. Management expense:			
a) acquisition costs net of commissions and profit sharing received from reinsurers	7 335,331	63 341,741	119 512,463
b) administrative costs	8 100,118	64 107,151	120 144,066
Total	9 435,449	65 448,892	121 656,529
8. Other technical charges, net of outwards reinsurance	10 10,877	66 17,865	122 25,745
9. Change in equalisation reserves	11 3,461	67 295	123 3,172
10. Result of Non-Life business technical account	12 232,006	68 205,300	124 225,441
II. LIFE BUSINESS TECHNICAL ACCOUNT			
1. Premiums for the year, net of outwards reinsurance	13 974,461	69 841,634	125 1,283,618
2. Income from investments:			
a) income from equities	14 435,347	70 364,144	126 472,014
b) write-backs of investments	15 2,938	71 18,362	127 14,019
c) profit on sale of investments	16 80,269	72 29,187	128 34,720
Total	17 518,554	73 411,693	129 520,753
3. Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk thereof and investments arising from pension fund management	18 96,818	74 35,370	130 54,647
4. Other technical income, net of outwards reinsurance	19 14,753	75 12,205	131 16,937
5. Charges relating to claims, net of recoveries and outwards reinsurance	20 497,087	76 487,446	132 735,103
6. Change in actuarial reserves and other technical reserves, net of outwards reinsurance			
a) actuarial reserves, complementary insurance premium reserve and other technical reserves	21 528,669	77 364,469	133 539,054
b) technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management	22 142,872	78 100,652	134 158,975
Total	23 671,541	79 465,121	135 698,029
7. Reversals and profit sharing, net of outwards reinsurance	24 -81	80 -346	136 -526
8. Management expense:			
a) acquisition costs, net of commissions and profit sharing received from reinsurers	25 76,491	81 70,564	137 100,334
b) administrative costs	26 41,585	82 45,503	138 60,389
Total	27 118,076	83 116,067	139 160,723

	At 30 September 05 thousands of euro		At 30 September 04 thousands of euro		At 31 December 04 thousands of euro	
9. Capital and financial charges:						
a) investment management changes and interest expense	28	19,872	84	17,661	140	24,854
b) write-downs on investments	29	5,576	85	2,646	141	3,304
c) losses on sale of investments	30	4,423	86	3,769	142	5,003
Total	31	29,871	87	24,076	143	33,161
10. Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk thereof and investments arising from pension fund management	32	12,016	88	20,126	144	20,550
11. Other technical charges, net of outwards reinsurance	33	5,379	89	5,421	145	6,597
12. (-) Income from investments transferred to the non-technical account (item III.4)	34	98,872	90	81,188	146	102,030
13. Result of Life business technical account	35	171,826	91	307,103	147	120,290
III. NON-TECHNICAL ACCOUNT						
1. Result of Non-Life business technical account (item I.10)	36	232,006	92	205,300	148	225,440
2. Result of Life business technical account (item II.13)	37	171,826	93	101,802	149	120,290
3. Income from investments in Non-Life business:						
a) income from investments	38	765,710	94	602,251	150	817,466
b) write-backs of investments	39	1,135	95	6,968	151	9,883
c) profit on sale of investments	40	24,669	96	53,812	152	65,422
Total	41	791,514	97	663,031	153	892,771
4. (+) Income from investments transferred from the Life business technical account (item II.12)	42	98,872	98	81,188	154	102,030
5. Non-Life business capital and financial charges:						
a) investment management changes and interest expense	43	412,094	99	339,716	155	469,884
b) write-backs of investments	44	10,666	100	7,332	156	6,227
c) losses on sale of investments	45	3,631	101	22,068	157	25,435
Total	46	426,391	102	369,116	158	501,546
6. (-) Income from investments transferred to the Non-Life business technical account (item I.2)	47	216,970	103	173,743	159	233,053
7. Other income	48	61,594	104	64,924	160	89,240
8. Other charges	49	16,690	105	16,475	161	28,819
9. Profit (loss) of ordinary business	50	695,761	106	556,911	162	666,353
10. Extraordinary income	51	26,728	107	64,937	163	96,293
11. Extraordinary charges	52	13,490	108	1,830	164	8,775
12. Net extraordinary income (charge)	53	13,238	109	63,107	165	87,518
13. Result before tax	54	708,999	110	620,019	166	753,871
14. Income tax for the period	55	109,342	111	121,702	167	146,647
15. Net profit (loss) for the period	56	599,657	112	498,317	168	607,224



Comments on the Parent Company report

Report on operations

Profit and Loss Account

The nine-months Profit and Loss Account has been drawn up in accordance with ISVAP rulings, using the accounting policies adopted for the 2004 statutory financial statements.

Compared with the method adopted in the full-year statutory financial statements, the Non-Life claims reserve has been determined on a statistical basis. Application of objective parameters based on analysis of historical trends has not produced significant differences in the application of the criteria used for the annual report and in the amounts thus determined.

Net profit rose from 498.3 million euro to 599.7 million euro. The nine-months net result reflected an improvement in the Life and Non-Life technical result, from 344 to 444 million euro. The rise in net earned premiums from 2,574 to 2,731 million euro was accompanied by a deterioration in the claims rates. This was especially notable in the Life business, producing a negative trend on provisions, which increased from 364.5 to 528.7 million euro. The global contribution from financing operations was excellent, with ordinary income from investments increasing from 495 million euro in the same period of 2004 to 692 million euro. The other ordinary business parameters were stable, giving a profit on ordinary business of 696 million euro, compared with 557 million euro. Extraordinary income items were negligible (13 millions of euro).

The reclassified Profit and Loss Account at 30 September 2005 is set out below.

Profit and Loss Accounts (millions of euro)

	30/09/2005	30/09/2004	31/12/2004
Premium income from Life business	1002	877	1,343
Premium income from Non-Life business	1,949	1,919	2,953
Total premium income	2,951	2,796	4,296
Outwards reinsurance	-220	-222	-358
Net retained premiums	2,731	2,574	3,938
Change in premium reserves	163	155	-38
Net earned premiums	2,894	2,729	3,900
Claims, maturities, annuities and surrenders	-1,836	-1,888	-2,597
Change in claims and actuarial reserves	-794	-456	-783
Commissions, acquisition costs and other administrative costs (*)	-512	-535	-776
Income transferred to the technical account	692	495	522
Technical operating result	444	344	266
Other ordinary income and expense	5	11	9
Ordinary investment income	854	624	829
Net profit on the sale of short-term investments	97	57	70
Income transferred to the technical account	-692	-495	-522
Operating profit of ordinary business	708	542	652
Write-backs and write-downs, depreciation	-12	15	14
Profit of ordinary business	696	557	666
Net profit on the sale of real estate	0	-	-
Net profit on the sale of long-lived investments	23	25	39
Other extraordinary items	-10	38	49
Profit before tax	709	620	754
Income tax	-109	-122	-147
Net profit for the period	600	498	607

(*) Net of intragroup recoveries.

Premiums

Premiums are analysed in the following table. Direct business premiums totalled 2,887 million euro, of which 1,925 million euro in the Non-Life business and 962 million euro in the Life business.

Premium income by line of business, direct and indirect (thousands of euro)

Line of business	30/09/2005	30/09/2004	%
Personal Accident	130,429	124,786	4.52%
Health	83,221	73,968	12.51%
Motor hulls	175,879	190,222	-7.54%
Railway truck hulls	-	0	0.00%
Aviation hulls	6,389	5,489	16.41%
Watercraft hulls	10,615	10,425	1.83%
Cargo	15,072	14,680	2.67%
Fire and natural events	123,093	120,286	2.33%
Miscellaneous damage to property	125,053	128,106	-2.38%
Third-party motor liability	1,033,699	1,021,695	1.17%
Third-party aviation liability	4,513	2,583	74.71%
Third-party watercraft liability	2,844	2,679	6.14%
General liability	158,548	146,736	8.05%
Credit	2,428	51	4654.17%
Bonds	19,793	21,002	-5.76%
Pecuniary loss	11,985	5,857	104.62%
Legal protection	3,373	2,786	21.10%
Assistance	18,393	15,704	17.12%
Total Non-Life direct business	1,925,326	1,887,054	2.03%
Total Non-Life indirect business	23,782	31,828	-25.28%
Total Non-Life business	1,949,108	1,918,883	1.58%
Life and Capitalisation direct business	961,733	825,505	16.50%
Total Life indirect business	40,405	51,682	-21.82%
Total Life business	1,002,138	877,187	14.24%
Grand total	2,951,246	2,796,070	5.55%
Outwards reinsurance premiums	220,024	221,955	-0.87%
Net retained premiums	2,731,222	2,574,115	6.10%

Lines of business

Life business

Direct business premiums in Italy at 30 September 2005 totalled 962 million euro, up from 825 million euro a year earlier.

Premium breakdown (thousands of euro)

	30/09/2005	30/09/2004	% YoYo change Sept. 2004/2005	% spread Sept. 2005
<i>Direct Italy</i>				
Line I - Risks relating to human life	578,585	531,367	8.89%	60.16%
Line III - Mutual fund-linked policies	82,640	82,274	0.45%	8.59%
Line IV - Health insurance	26	32	-	0.00%
Line V - Capitalisation	283,821	197,587	43.64%	29.51%
Line VI - Pension funds	14,196	11,702	21.31%	1.48%
Supplementary accident coverage	2,465	2,543	-3.07%	0.26%
Total	961,733	825,505	16.50%	100.00%
<i>Direct abroad</i>				
	-	-	-	
Total direct business	961,733	825,505	16.50%	
Total indirect business	40,405	51,682	-21.82%	
Grand total	1,002,138	877,187	14.24%	

Premium income in Italy increased 16.5% from the same period of the previous year. This result arose mainly from improved performance on capitalisation policies (+43.6 %) and Risks linked to human life (+8.9%); financial policies remained stable.

The slowdown in indirect business premiums continued (-21.8% against the same period of 2004).

Technical payments

Direct business technical payments in Italy were as follows:

Direct Italy	30/09/2005		30/09/2004		Change %	
	numero	amount	numero	amount	numero	amount
Claims	1,747	18,356	1,840	19,981	-5.05%	-8.13%
Surrenders	32,247	268,605	30,845	261,043	4.55%	2.90%
Maturities	15,689	241,561	17,177	257,058	-8.66%	-6.03%
Annuities	5,513	6,203	5,114	6,048	7.80%	2.56%
Settlement costs		472	-	693	-	-31.89%
Total	55,196	535,197	54,976	544,823	0.40%	-1.77%

Non-Life Business

The technical result of the individual lines of business is the result before the transfer of envisaged under the current structure of the Profit and Loss account.

Personal accident

Net earned premiums 155 million euro (+3.7%).

Claims at 30 September:

- reported 46,726 for 124.3 million euro (-1.8%).
- settled 24,988, for 18 million euro.

Premiums for the first nine months increased thanks to the success of the new *Sistema Persona* product in the Personal segment, a health cover for the entire family. The performance of the *Guido Io* policy remained positive. Management expense was stable, while the claims rate increased, producing a minor decrease in the gross technical result from 29.3 million euro to 27 million euro.

Health

Net earned premiums 89.4 million euro (+6.9%).

Claims at 30 September:

- reported 270,920 for 72.7 million euro (-4.2%).
- settled 244,733, for 61.7 million euro.

The rise in premiums written was essentially due to the success of the two products introduced in the second half of 2004. *Codice Salute* accounted for 34.3% of total premiums written and *Sistema Persona* for 42.5%, the latter showing premium growth of 13.2%. The claims rate for the line deteriorated and management expense rose significantly, especially commissions. The gross technical result made a downturn from -5.5 million euro to -9.7 million euro.

Motor hulls

Net earned premiums 201.2 million euro (-5.3%).

Claims at 30 September:

- reported 78,151 for 113.7 million euro (+17.6%).
- settled 58,435, for 60 million euro.

The reduction in nine-month premiums written was due to the strategic measures introduced by the Ras Group during the second half of 2004, when several important contracts were distributed through the Group company Assicuratrice Italiana Danni, leading to a decrease in Parent Company premiums. If subsidiary premiums are included, first-half premiums for this line rose 2.2%. The rise in the value of reported claims (+3.4%) was largely due to the higher average cost of claims (2.5%) due to continual increases in the price of the spare parts most frequently used in vehicle repairs and to an increase in the hourly charge for skilled labour. Two new products were introduced in the first nine months of 2005: *Protezione in movimento*, which offers greater motor policy modularity and new covers for supplementary guarantees; *2 Ruote protette* for motorcycles, which aligns premiums with the characteristics of the vehicle and the insured, and automatically adjusts vehicle value on each annual renewal without the client having to request a specific policy update. Management expense decreased. The gross technical result remained positive, but reflected the combined effect of the above factors, to decrease from 76.3 million euro to 52.7 million euro.

Fire and natural events

Net earned premiums 152.4 million euro (+3.5%).

Claims at 30 September:

- reported 36,318 for 107.1 million euro (+52.9%).
- settled 28,171, for 41.3 million euro.

The premiums improvement reflected the combined effect of two contrasting trends. In the Personal segment, premiums written rose 4.5% thanks to the significant contribution of the *Full Casa* house cover (accounting for 51.3% of premiums in this line) and *Orario Continuato*. The second trend was a reduction in premiums written in the Corporate segment as a result of the expansion of the market offer and the cyclical downturn in insurance in a number of merchandise sectors. The claims rate made a sharp increase, largely as a result of a fire claim (15 million euro) reported by a multinational company whose cover was ceded almost in full to an overseas subsidiary. Net of this amount, the claims rate was satisfactory and in line with targets. In the Small and Medium Business segment, positive returns are expected from the launch of new structured multi-cover products to meet the needs of clients in the manufacturing industry, building construction and the tertiary sector. Overall, the gross technical result fell from 37.7 million euro to 7 million euro, a downturn reflected in all the main technical parameters except management expense, which decreased slightly.

Miscellaneous damage to property

Net earned premiums 143.7 million euro (+1.1%).

Claims at 30 September:

- reported 51,799 for 114.5 million euro (+32.4%).
- settled 39,614, for 44.6 million euro.

The line includes premiums from Damage to Property policies and Theft policies. In the Personal segment the growth in premiums written (+5.5%) was on policies for civil buildings and, for Theft guarantees, risks to family assets. In the Small and Medium Business segment, premium growth of 13.6% was achieved through development of multi-cover products for small enterprises in manufacturing, building and tertiary firms. These positive trends were offset by a decrease in premiums in the Corporate segment, where policies are one-off contracts arranged to cover specific large-scale construction and assembly risks. The rise in reported claims was mainly due, in the Personal segment, to retail theft covers (*Orario Continuato*) following the introduction of a new claims activation procedure and consequent rise in average reported claims. The aggregate gross technical result showed a decline from +18.8 million euro to -2.4 million euro, largely due to the higher claims rate and despite a slight rise in premiums and stable management expense.

Third-party motor liability

Net earned premiums 1069.8 million euro (+1.3%).

Claims at 30 September:

- reported 250,321 for 602.1 million euro (+4.3%).
- settled 155,104, for 235.7 million euro.

Premium growth was accompanied by a slight rise in the claims rate, with an increase in average reported amount and a decrease in frequency. The higher average cost of claims was largely due to the continuous rise in charges for repairs to damage caused by road accidents (spares and labour). The gross technical result improved significantly from –13 million euro to –2.7 million euro, thanks mainly to higher premiums and containment of management expense.

General liability

Net earned premiums 192.1 million euro (+7.1%).

Claims at 30 September:

- reported 46,507 for 140.5 million euro (-4.4%).
- settled 23,205, for 16.4 million euro.

An increase in nine-months premiums was reported on all segments, for both professional and family risks, and also in the Home and Retail areas, despite a higher claims rate and higher management expense. The gross technical result improved from –24.3 million euro to –19.1 million euro.

Bonds

Net earned premiums 17.6 million euro (-8.1%).

Claims at 30 September:

- reported 369 for 6.7 million euro (-12.9%).
- settled 64, for 2 million euro.

Premiums dropped sharply accompanied by a significant increase in the claims rate. The gross technical result consequently slipped from 13 million euro to 0.1 million euro.

Cargo

Net earned premiums 13.6 million euro (-8.9%).

Claims at 30 September:

- reported 3,799 for 8.9 million euro (+27.9%).

- settled 2,433, for 2.4 million euro.

The decrease in nine-month premiums was accompanied by a decrease in the claims rate due largely to meteorological phenomena. The gross technical result fell from 5.5 million euro to 2.3 million euro.

Minor lines of business

These lines include Credit (premiums of approximately 2.2 million euro), Aviation Hulls (5.8 million euro), Third-Party Aviation liability (3.6 million euro), Legal Protection (approximately 8.5 million euro), Pecuniary Loss (approximately 11.8 million euro) and Assistance (18.2 million euro). The aggregate gross technical result was 15.7 million euro (20 million euro at 30 September of 2004).

Claims and settlement rate Non-Life Business

The number of Non-Life claims reported rose at 30 September 2005, compared with the year earlier period, from 805,972 to 821,165, for amounts totalling 1,209.8 million euro, compared with 1,311.9 million euro, an increase of 8.4%. The number of claims settled was 603,307 (601,154 at 30 September 2004). Settlement payments amounted to approximately 491.2 million euro, up 3.3% from the year-earlier same period. In Third-Party Motor Liability, claims paid for the year to September 2005 numbered 155,104 compared with 162,027 in 2004 (-4.3%); the cost of settlements was 235.7 million euro (-1.2%).

Technical reserves provided at the end of 2004 were adequate overall, and the settlement rate on current claims improved compared with the previous period in Personal Accident, Health, Third-party Motor Liability and General Liability business.

The settlement rate is analysed in the table below.

Non-Life Business settlement rate

	Current year claims		Previous years claims	
	30/09/2005	30/09/2004	30/09/2005	30/09/2004
Personal Accident	34.90%	36.20%	54.90%	54.20%
Health	89.40%	90.90%	78.30%	71.10%
Motor hulls	73.40%	76.80%	65.70%	69.40%
Railway truck hulls	0.00%	100.00%	0.00%	33.30%
Aviation hulls	23.70%	26.00%	25.90%	26.80%
Cargo	57.00%	57.90%	21.70%	18.60%
Fire and natural events	76.10%	75.30%	52.10%	53.50%
Miscellaneous damage to property	73.30%	71.30%	53.10%	56.40%
Third-party motor liability	56.00%	56.90%	54.40%	55.20%
Third-party aviation liability	21.40%	34.00%	13.40%	18.10%
Third-party watercraft liability	38.00%	25.50%	42.90%	41.40%
General liability	38.10%	39.70%	20.90%	24.90%
Credit	0.00%	0.00%	3.10%	5.20%
Bonds	5.30%	5.20%	6.90%	6.50%
Pecuniary loss	73.20%	81.90%	60.30%	66.50%
Legal protection	1.80%	1.80%	7.50%	10.30%
Assistance	77.50%	81.60%	91.80%	87.40%
Total	70.10%	71.30%	49.50%	50.20%

Free provision of services in EU States and in other States

The Company makes occasional use of free provision of services within the European Union, mainly in the Watercraft Hulls line of business.

Reinsurance

Outwards reinsurance

On the latest renewal, there was evidence of an increase in reinsurance capacity on the market and continued rigour in underwriting policies among the main reinsurance groups. Outwards reinsurance protects Ras – in direct business underwriting and, to a lesser extent, in reinsurance acceptances – from exceptional peaks in claims rates and from catastrophic risks. All reinsurance covers are acquired at the best conditions available on the market, exclusively from reinsurers of proven financial stability, who are monitored constantly. Ras uses only traditional reinsurance contracts, with transfer of risk. In both the Life and Non-Life businesses, it uses proportional treaties (quota, surplus) and/or non-proportional treaties (claims excess). No significant events occurred in the first nine-months of 2005.

Inwards reinsurance

Ras inwards reinsurance is now concentrated almost exclusively among the Group's Italian companies. Exposures on reinsurance acceptances in the Life and Non-Life businesses are suitably protected by outwards reinsurance contracts.

Finance and real estate operations

Investment policy

The complexity of the international situation continued in the first nine months of 2005, with numerous political and military issues affecting both the real economy, beginning with raw material prices, especially energy, and finance. Within this general picture, signs of economic growth continued in the Asian area (despite the effects of the tsunami) and in North America, while the situation in Europe was more fragile, especially in Germany and Italy. In Italy, GDP fell for two consecutive quarters and the country is now technically in a recession, although government forecasts indicate this will end in the next quarter. The economic authorities of the main countries, primarily the USA, focused on monetary policy and interest rates to stimulate the recovery, control inflation and support structural production and employment parameters. In Europe, where conditions remained sluggish due to the weak economic situation and international tensions, the ECB kept its monetary policy lead rate steady, although some commentators see room for a reduction: government bond yields reached new lows at the end of the first half. The euro yield maturity curve remained positive. Despite unpromising conditions, the European equities markets maintained the recovery that began in mid-August 2004, driven by high liquidity and merger announcements rather than by fundamentals; volatility was moderate, but gradually improved.

There were contrasting trends on the North American and Japanese markets, which closed the first half well up and were influenced not only by the rate rise in the USA and the fall in the dollar against the main currencies, but also by business results that were not entirely expected, although satisfactory overall.

Investment in the Ras securities portfolio covering the Life segregated funds adopted a medium/long-term focus, to maintain a steady financial term. In the equities portfolio, there was a slight increase in the proportion of investments in European high-capitalisation stocks, with the preference on short- and medium current profitability. The Ras Non-Life securities portfolio re-balanced the bond portfolio by raising diversification and shortening the financial term in order to increase liquidity without undue sacrifice of current profitability. An Italian government index-linked issue was subscribed, exposure in corporate bonds and equities was slightly raised with a preference for high-capitalisation European stocks and short- and medium-term current profitability.

Investments and income from investments

Real estate

During the first nine-months of 2005, Ras carried out ordinary and extraordinary maintenance work on its real estate portfolio (held mainly for business use). No divestments took place, although planning of a targeted disposals programme to streamline the portfolio continued; an external company has been engaged to conduct a due diligence for a broad review of Ras property. Maintenance work also continued on the real estate portfolio held by the Ras Immobiliare srl subsidiary; a number of important refurbishments are due for completion by the end of the year.

Compared with 31 December 2004, the net book value of the Ras real estate assets decreased by approximately 1.5 million euro. This reflected:

- increases in capitalised costs of approximately 0.3 million euro;
- depreciation totalling 1.8 million euro.

Bonds

Long-lived and short-term investments in bonds stood at 10,314.3 million euro at 30 September 2005, an increase of 694 million euro on the 2004 closing figure. This included 6.8 million euro of write-downs and 0.6 million euro of write-backs. Unrealised net capital gains on bonds amounted to 741 million euro. Long-lived bonds at the end of September stood at 5,698.2 million euro. Gross income on bonds was 705 million euro.

Investments in Group companies and other companies

Investments in this category at the end of September 2005 totalled 4,200.2 million euro, an increase of 28 million euro from 31 December 2004. The main transactions are listed below:

- allocation of 15 million euro for the future share capital increase at RB Vita spa;
- subscription of the Genialloyd share capital increase, for 5 million euro;
- subscription of the Ras Tutela Giudiziaria S.p.A. share capital increase, for 1.5 million euro;
- subscription of the Creditras S.p.A. share capital increase, for 1 million euro;
- allocation as non-reimbursable payment of Darta Saving Life Assurance, for 5 million euro.

Ordinary income from investments in subsidiaries, associates and other companies amounted to 383.3 million euro, up 25.2% from the year-earlier same period. Unrealised net capital gains at the end of September, determined on average share prices for the last six months, were 483.1 million euro, and related to other investments.

Mutual fund units

Total mutual fund assets amounted to 95.8 million euro at 30 September 2005, a decrease of 20.4 million from the beginning of the year. Unrealised net capital gains totalled 3.2 million euro.

Other financial investments in risk capital

Total investments in this category amounted to 928.6 million euro, an increase of 258.1 million euro from the end of 2004. The category included:

- voting trust shares for 182.8 million euro, an increase of 52.1 million euro from the beginning of the year, due largely to subscription of the Pirelli & C. S.p.A. share capital increase, with unrealised net capital gains (on average prices for the last six months) of 19.6 million euro;
- trading shares for 727.7 million euro. Unrealised capital gains (based on average prices in the last month for current assets and in the last six months for fixed assets) totalled 92.8 million euro. Net trading income was 88.7 million euro and arose mainly on Italian equities;
- other shares not held for trading for 18.1 million euro.

Other financial investments

Other financial investments stood at 860 million euro at the end of September 2005, a decrease of 467 million euro from the beginning of the year after an 18-month securities loan paid off with a leading counter-part.

Investments where risk is borne by policyholders and pension funds

Total investments in this category at the end of September amounted to 1,038.5 million euro, as follows:

- in respect of placement of the 28 unit-linked product lines, Gestivita and index-linked products, investments were 944.0 million euro, at market value;
- in respect of subscriptions of the 4 lines of each of the 2 open-end pension funds, investments totalled 94.5 million euro.

Transactions in derivatives

During the first nine months of 2005, Ras purchased derivatives for hedging purposes, in accordance with the Regulation on derivatives transactions adopted by the Board of Directors on 14 November 2003. The derivatives portfolio at 30 September 2005 consisted of 63 options on shares as well as of a swap option contract with a leading company, transacted in November 2004 with effective management objectives.

Income from investments

Net investments at 30 September 2005 stood at 16,568.4 million euro. Income on these investments was 853.8 million euro.

Structure of investments (thousands of euro)						
	30/09/2005	com. %	30/09/2004	com. %	31/12/2004	com. %
Real estate, net of accumulated depreciation	165,836	1.0	181,947	1.1	167,528	1.0
Bonds	10,314,332	62.3	9,828,392	61.6	9,619,967	60.1
Investments in Group and other companies	4,200,172	25.4	4,105,508	25.7	4,172,491	26.1
Mutual fund units	95,841	0.6	107,607	0.7	116,284	0.7
Other financial investments in risk capital	928,635	5.6	573,923	3.6	670,485	4.2
Other financial investments	859,689	5.2	1,229,344	7.7	1,327,396	8.3
Sundry loans, net deposits with insurance companies	-30,121	-0.2	-91,704	-0.6	-65,253	-0.4
Own shares	34,048	0.2	12,893	0.1	7,870	0
Total investments	16,568,432	100	15,947,910	100	16,016,768	100
Ordinary income from investments, net of related expense (thousands of euro) (*)						
Real estate	4,120	0.5	4,325	0.6	5,822	0.7
Bonds	305,800	35.8	301,092	44.2	404,856	46.1
Investments in Group and other companies	382,785	44.8	242,487	35.6	307,317	35
Mutual fund units	11,838	1.5	2,409	0.4	46,109	5.2
Other financial investments in risk capital	41,107	4.8	40,960	6	3,152	0.4
Other investments	23,440	2.7	17,746	2.6	27,486	3.1
Write-downs and write-backs	-12,169	-1.4	15,351	2.3	14,371	1.6
Net profit from the sale of short-term investments	96,884	11.3	57,161	8.4	69,705	7.9
Net ordinary income	853,806	100	681,531	100	878,818	100
Net profit from the sale of long-lived investments – other (thousands of euro)						
Land and buildings	-19	0	31,296	55	-	-
Equity investments and other shares	19	0.1	24,875	44	30,903	77.3
Bonds	22,886	125.8	-	-	8,305	20.8
Own shares	-4,676	-25.7	554	1.0	796	2.0
Office furniture and equipment	-11	-0.1	15	0.0	15	0.0
Total	18,199	100	56,740	100	40,019	100

(*) Figures do not include amounts for classes D.I and D.II of Balance Sheet assets and the Profit and Loss Account.

Dealings with subsidiary, affiliated, associated and parent companies

At 30 September 2005 Ras is directly controlled by Allianz AG of Munich (Germany), which heads one of the world's largest insurance groups. At the same date, Allianz ag controlled 55.51% of Ras ordinary shares.

During 2005, Ras continued normal group dealings with its subsidiaries and associates (and with affiliates that are also associates), and with the parent. These dealings include rendering of services charged at market prices. Other dealings with these companies, or with other related companies, consisted of property rents, securities brokerage, current account and financing transactions, and reinsurance and coinsurance transactions with insurance companies, all conducted on an arm's length basis. Ras insurance dealings with the Allianz Group are also conducted on an arm's length basis.

Own shares and parent company shares

In accordance with the authorisation to purchase and sell own shares granted by the ordinary shareholders' meeting of 29 April 2002, at 30 September 2005 Ras purchased 2,529,000 ordinary own shares, for an amount totalling 45.1 million euro, and sold 1,122,000 ordinary own shares, for an amount totalling 14.2 million euro. At 30 September 2005 the company held 1,907,000 own shares, for the equivalent of approximately 34 million euro.

Litigation

Antitrust - individual Third-Party Motor Liability disputes

The number of policyholders filing claims for reimbursement has continued to increase, mostly in the Italian regions of Campania and Calabria, especially in the provinces of Naples, Salerno and Catanzaro. Ruling no. 2207 of 4 February 2005 by a joint sitting of the Court of Cassation, on a lawsuit by a Company supported by the industry, upheld the decision by the Court of Appeal, pursuant to art. 33 of the fair trading regulations, for suits by policyholders in respect of the Anti-trust sanctions. The six appeals by Ras pending with the Supreme Court, concerning cases on which equity-based rulings were issued by Justices of the Peace, were all decided in confirmation with the aforementioned decision, which has so far resulted in a notable decrease in the number of lawsuits. Before the cases were decided they were brought before the Justices of the Peace. At 30 September 2005, Ras had recorded 11,197 summons before Justices of the Peace and 225 before the Court of Appeal, as a result of the abovementioned decision of the joint session of the Supreme Court. Ras is closely monitoring the situation and is building a defence case, with a large technical and legal component. At the same date, Ras had lost 4,597 cases and won 1,386 cases brought before the Justices of the Peace. With regard to the decisions of the Justices of the Peace, Ras has continued to examine and select unfavourable decisions carefully, only reserving judgements that seem to have weak and/or summary motivations, since they are more likely to be successful. The location of the competent Court of appeal is also important for the ruling. For the moment, Ras has filed 450 appeals cases, winning 79. An appeal made by another company received an unfavourable ruling from the court in Castellammare di Stabia and against this decision an appeal was made to the Court of Cassation (currently pending).

Tax inspections

Following receipt of a notice of assessment from the Trieste tax authorities in early 2003 in respect of 1996 income, a sentence was issued in favour of the company on 18 November 2003 and deposited on 16 December 2003. The tax authorities appealed on 16 February 2005; the President of the Tax Commission adjourned the hearing to 13 April, when the Commission appointed an assessor. On 15 December 2003, Ras received a notice of assessment from the Trieste tax authorities in respect of 1997 and 1998 income. An initial favourable ruling was issued on 14 December 2004, in line with the previous finding, except on a minor point, due to a simple material error, against which the company will appeal in due course. On 29 June 2004 Ras received an identical notice of assessment in respect of income for the years 1999-2001. The first hearing was held on 10 January 2005. On 22 February 2005, the Commission appointed an assessor.

The disputed amounts are significant, but the company believes its conduct to have been correct and consequently it reserves the right to appeal; nevertheless, it has prudently recorded accruals to the provisions for legal defence fees and any contingent liabilities.

Policies issued before and during World War II

The International Commission on Holocaust Era Insurance Claims (ICHEIC) continued its work regarding requests for compensation. Since October 2002, the Commission has worked in collaboration with the *German Foundation* and the GDV association of German insurance companies. By 16 September 2005, the ICHEIC had forwarded 88,648 compensation claims to the companies. At 30 September 2005, Ras had received 49,945 claims; it had examined 49,055 and made offers totalling 15,295,445.97 US dollars in respect of 1,252 policies. To date, the claimants have accepted offers in respect of 1,139 policies, for an amount of 13,866,270.78 dollars. The ICHEIC (International Commission on Holocaust Era Insurance Claims) has recently confirmed its objective that all claims will be examined in the first instance by the participating company by 31 December 2005. However, this is very unlikely for the majority of companies, largely due to inefficiency and delays by the ICHEIC in forwarding the claims (many claims have still to be forwarded) and relative supplementary documentation. As a consequence, it is likely that the claims process will continue into the first half of 2006, as will the appeals process. Since May 2003, by virtue of the agreement between the *German Foundation*, the ICHEIC and the GDV, all payments to claimants are made on behalf of the "German Companies" – including Ras – by the GDV, using funds provided by the *German Foundation* in accordance with the ICHEIC. As provided by the agreement of October 2002, the auditors engaged by the ICHEIC (Price WaterhouseCoopers) are finishing a further phase of controls on a sample of 200 cases to certify that Ras had consistently complied with all the rules and procedures established by the Commission. As a result of the audit compliance statement that has already been obtained, Ras decisions on claims are now approved and may be appealed through recourse to the independent

bodies set up by the ICHEIC and the German Foundation. At 30 September 2005, 360 appeals had been filed against Ras decisions, and rulings had been issued on 347 appeals; the rulings found for the company's initial decision in 202 cases, and for the claimants in the other 145 cases, involving formulation of an offer of payment based on mere allegations and purely circumstantial evidence. With regard to US litigation, the legal peace ensured by the *German Foundation's* agreement still stands and therefore Ras has no litigation pending at this time. The company has taken account of the contingent liabilities relating to these policies in its provisions.

Share capital

At 30 September 2005, Ras share capital stood at 403,336,202.40 euro, subdivided as follows:

- 670,886,994 ordinary shares;
- 1,340,010 savings shares;

for a total of 672,227,004 shares, all with a par value of 0.60 euro.

Significant post-nine-months events and foreseeable business outlook

As announced to the market and the authorities on 1 September, the governance bodies of Allianz and Ras have approved start-up of procedures for a transaction (the "Transaction") to form a European Company. The purpose of the Transaction is to integrate Ras fully with Allianz and implement an industrial project that optimises efficiency and makes new industrial, strategic and competitive synergies possible in the future.

The Transaction, which is subject to approval by the relevant Authorities, would involve a series of corporate changes, including:

- the spin-off of the assets and liabilities of Ras, including its entire insurance portfolio, to a new unlisted insurance company owned by Ras to ensure the continuance of Ras' current life and non-life insurance business and pensions business, with related capital equipment;
- the merger by incorporation of Ras with Allianz AG which would acquire the legal status of "European Company". The merger will be effected in accordance with EC Regulation no. 2157/2001 of 8 October 2001, enacted in Italy on 8 October 2004, and with the dispositions referred to therein, including those envisaged by the Italian Civil Code. As a result of the share swap, Ras minority shareholders would be assigned Allianz "European Company" ordinary shares. The Ras and Allianz Boards of Directors have already identified a swap corridor between a number of 0.153 to a number of 0.161 Allianz ordinary shares for each Ras ordinary or savings share held. The final exchange rate will be determined by the Ras and Allianz Boards of Directors at the meetings called to approve the Merger Project, after completion of the voluntary Public Tender Offer that Allianz will make on Ras ordinary and savings shares.

In fact, as a preliminary to the above spin-off and merger operations, Allianz has organised a voluntary Public Tender Offer for one hundred per cent of Ras ordinary and savings shares that are not held directly or indirectly by Allianz itself, in order to allow Ras minority shareholders who do not intend to take part in the Merger to cash in their investments immediately for collection of a consideration that includes a premium over the current Ras share price.

24 October 2005 saw the establishment of the company that is to benefit from the Spin-Off, Ras Italia S.p.A. ("Ras Italia"), whose share capital of 5 million euro is fully Ras-owned.

On 14 November 2005, Ras' Board of Directors approved the Spin-Off and established that it would take effect as from 1 January 2006. Furthermore, on 14 November 2005 the Ras Italia Board of Directors resolved to submit the capital increase to be released via the Spin-Off to the shareholders (i.e., Ras sole shareholder) for approval on 16 November 2005, and established that it would take effect on 1 January 2006.

Financial and business outlook

The main business indicators from now until the end of the year are expected to maintain the trends of the first nine months. Consequently, no significant changes are expected in underwriting policy and the claims rate, nor in the level of cover on commitments to policyholders.

No material variations are expected in the investment policy. Subject to currently unforeseen events, the financial structure will therefore remain substantially in line with the situation at 30 September.

Notes to the parent Company financial statements

Part B – Valuation Criteria

The measurement criteria used here are consistent with accounting policies adopted for the statutory financial statements, detailed in section 1, Part A of the Notes to the Financial Statements and reference is generally made to these.

Compared with the method adopted in the full-year statutory financial statements, the Non-Life claims reserve has been determined on a statistical basis. Application of objective parameters based on an analysis of historical trends has not produced significant differences in the application of the criteria used for the annual report and in the amounts thus determined.

Hereafter follows detailed information on significant balance sheet and profit and loss account items, information on the expected solvency margin to be covered at the end of the financial year and the type of assets available to cover an increase in technical reserves in the third quarter. The annexes required by ISVAP ruling no. 1207 – G of 6 July 1999 are also included.

All amounts are expressed in thousands of euro.

PART C – Notes to the Balance Sheet

Details of the assets, liabilities and shareholders' activity, guarantees, commitments and other memorandum accounts for Group and related companies

Information regarding the type and amount of individual items in the Balance Sheet is provided below, with reference to the major financial statements of Group and related companies:

ASSETS	Parent company	Subsidiary companies	Affiliated companies	Associated companies	Other related companies
Equities	-	3,315,593	-	5,336	879,243
Bonds	265,220	19,990	509	-	105,393
Loans	-	16,796	-	-	-
Class D investments	-	4,937	-	-	-
Deposits with ceding companies	19,171	200,667	39,198	2,199	-
Receivables relating to direct insurance business	198	2,432	5,797	-	-
Receivables relating to reinsurance business	1,865	208	5,947	535	-
Other receivables	140	87,401	58	93	-
Bank deposits	-	34,423	-	-	20,968
Other assets	49	-	-	-	-
Total	286,643	3,682,447	51,509	8,163	1,005,604
LIABILITIES AND SHAREHOLDERS' ACTIVITY	Parent company	Subsidiary companies	Affiliated companies	Associated companies	Other related companies
Deposits from reinsurers	16,096	6,256	464	-	-
Payables relating to direct insurance business	-	2,567	62	-	-
Payables relating to reinsurance business	12,101	1,735	1,559	-	-
Sundry loans	-	47,603	75	-	-
Other liabilities	6	-	1,425	-	-
Total	28,203	58,161	3,585	-	-
MEMORANDUM ACCOUNTS	Parent company	Subsidiary companies	Affiliated companies	Associated companies	Other related companies
Guarantees	-	1,043	-	-	52,416
Other memorandum accounts	-	13,822,503	-	-	1,001,814
Total	-	13,823,546	-	-	1,054,230

RELATED COMPANIES

Annex 1 provides a breakdown of related companies and their values at 30 September and the equities directly and indirectly owned.

BALANCE SHEET - ASSETS

B – INTANGIBLE ASSETS	15,463
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Intangible assets are as follows:

1 Acquisition commissions to be amortised	15,444
3 Start-up and expansion costs	19

Intangible assets include acquisition costs to be amortised for an amount of 15,444 thousand euro. These costs refer to acquisition commissions settled in advance when the contract is underwritten, for the most part on traditional policies with annual premiums. They are amortised contract by contract over the life of the contract itself, for a maximum of 10 years

Start-up and expansion costs amounting to 19 thousand euro consist entirely of share capital increase costs to be amortised.

C – INVESTMENTS	16,886,111
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C.I Land and buildings	165,836
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These assets are as follows:

	Real estate	Accumulated depreciation	Net real estate after depreciation
Opening balance:			
Real estate used in business	83,864	29,048	54,816
Real estate used by third parties	101,639		101,639
Farming business	11,073	-	11,073
Total	196,576	29,048	167,528
In summary, the change on 31/12/2004 is due to:			
Improvement costs	256	-	256
Improvements			0
Sales	-114		-114
Depreciation	-	1,834	-1,834
Closing balance	196,718	30,882	165,836

C.II Investments in Group companies and other related companies	4,608,080
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Annex 2 details the amount and nature of investment increases and decreases in Group companies and other related companies, with Life and Non-Life business shown separately.

A summary of movements is set out below:

	Equities C.II.1	Bonds C.II.2	Loans C.II.3	Total
Opening balance as at 31/12/2004	4,172,491	355,067	16,487	4,544,045
Increases:				
-acquisitions	7,758	36,958		44,716
-write-backs	-	-		0
-other increases	20,494	78	309	20,881
Decreases:				
-sales or redemptions	-407	-77		-484
-write-downs	-164	-738		-902
-other decreases	-	-176		-176
Closing balance	4,200,172	391,112	16,796	4,608,080

These investments are classified as either long-lived or short-term investments in accordance with the guidelines established by the Board of Directors' resolution of 30 January 2002.

With regard to item C.II.2, bonds issued by UniCredito Italiano for a nominal amount of 91,753 thousand euro are not classified as long-lived investments since they are not issued by Group companies.

Transactions to 30 September 2005 concerning long-lived assets in class CII.1, are as follows:

Acquisitions, disbursements

- subscription to the share capital increase at Genialloyd SpA (5,000 thousand euro);
- subscription to the share capital increase at Ras Tutela Giudiziaria (1,500 thousand euro);
- subscription to the share capital increase at Creditras Assicurazioni (1,000 euro);
- acquisition from third parties Allianz Subalpina (241 thousand euro);
- acquisition by third parties Investitori Holding (17 thousand euro)

Sales, redemptions:

- sale to third parties Investitori Holding (107 thousand euro);
- partial repayment Dart Investment Funds equities (300 thousand euro).

Other increases and decreases:

- capital injection for future share capital increase at RB Vita (15,000 thousand euro);
- Dart Saving Life Assurance non-reimbursable payment (5,000 thousand euro);
- payment to cover losses for 2004 financial year at Preindustria (164 thousand euro);
- payment to cover losses for 2003-2004 financial year at Previt (157 thousand euro);
- payment to cover losses for 2004 financial year at Borgo S. Felice (149 thousand euro);
- payment to cover losses for 2003-2004 financial year at Ras Alternative Investments (24 thousand euro).

"Bonds issued by companies" and "Loans to companies" showing, respectively, the issuer and the beneficiary are set out below:

Bonds issued by companies – Item C.II.2	Issuer	Amount
Allianz AG 4.1% 19/12/2003-21/12/2009	Allianz AG	105,122
Allianz AG 4.7% 11/12/2003-2013	Allianz AG	88,762
Allianz AG 3.75% 8/7/2004-2008	Allianz AG	47,148
UniCredito Italiano TV 27/11/2001-2011	Unicredito	28,560
UniCredito Italiano 5% 27/11/2001-2011	Unicredito	25,573
UniCredito Italiano TV 30/6/2005-2030	Unicredito	24,235
Allianz AG 4.50% 8/7/2004-2012	Allianz AG	24,187
Creditras TV 30/12/2003-2049	Creditras Vita	19,990
UniCredito Italiano 6.10% 28/2/2002-2012	Unicredito	14,490
UniCredito Italiano TV 15/6/2005-2015	Unicredito	11,983
Allianz Finance 5% 25/3/1998-2008	Allianz Finance	509
Credito Italiano TF 1996-2011	Unicredito	398
Credito Italiano TF 1996-2016	Unicredito	155
Total		391,112

Loans to companies – Item C.II.3	Maturity	Amount
GE.SI	2005	12,722
Investitori Holding	2005	4,074
Total		16,796

Changes in respect of 31 December 2004 arose from the capitalisation of accrued interest.

C.III	<i>Other financial investments</i>	11,840,351
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Movements in respect of the first half year are set out below:

	Equities C.III.1	Mutual fund units C.III.2	Bonds C.III.3	Loans C.III.4	Other-financial investments C.III.7
Opening balance	670,485	116,284	9,264,900	31,174	1,327,396
Increases:					
- acquisitions, disbursements	910,523	304,238	2,767,711	1,979	762,244
- write-backs	3,445	45	577		6
- other increases	1,655	515	15,448		-
Decreases:					
- sales, redemptions	-651,876	-322,186	-2,108,052	-187	-1,225,000
- write-downs	-5,446	-1,957	-6,103		-
- other decreases	-151	-1,098	-11,262		-4,956
Closing balance	928,635	95,841	9,923,219	32,966	859,690

Annex 3 details movements according to their use as short or long-lived investments, classifying them as corporate equities, mutual fund units, bonds and other fixed-income securities, other financial investments, with relative fair values.

The following table details movements to 30 September 2005 for the long-lived investments component:

	Equities C.III.1	Mutual fund units C.III.2	Bonds C.III.3	Other financial investments C.III.7	Total
Opening balance	178,069	-	5,531,508	-	5,709,577
Increases:					
- acquisitions, disbursements	88,804		467,440		556,244
- write-backs				0	
- other increases			8,551		8,551
Decreases:					
- sales, redemptions	-65,313	-	532,415		-597,728
- write-downs					0
- other decreases			-9,961		-9,961
Closing balance	201,560	-	5,465,123	-	5,666,683

Main movements to 30 September 2005 for Item C.III.1 are detailed below:

Increases:

- Pirelli & C. SpA subscription to increase in share capital (57,929 thousand euro) and increase in equity investment following exercise of warrants (5,288 thousand euro);
- Banco Popular Español SA acquisition from third parties (13,188 thousand euro);
- GIM SpA ord. subscription to increase in share capital (8,981 thousand euro) and acquisition (2,723 thousand euro);
- Warrant GIM 2005-2008 acquisition from third parties (247 thousand euro);
- Istituto europeo di Oncologia acquisition from third parties (448 thousand euro).

Decreases:

- Pirelli & C. SpA attribution of rights for share capital increase (13,338 thousand euro);
- Warrant Pirelli 2004-2006 deduction of equity investment following share conversion (5,288 thousand euro).

The majority of bonds shown in Item C.III.3 were issued or are guaranteed by governments or international bodies (approximately 79.49%). Significant investments (exceeding 24 million euro) in corporate bonds are summarised below:

Issuer - Guarantor	
Bank of England	107,524
Telecom Italia	93,533
Bank Nederlandse Gem.	57,632
Freddie Mac	54,807
Ifil	54,250
SNCF	51,361
SCIP	48,700
Generali Finance	47,708
Fondo Immobili Pubblici	47,500
Banca Intesa	43,899
Banche Popolari Unite	37,845
SCCI	36,400
San Paolo-IMI	36,212
Caisse D' Amort. Dette Soc.	35,317
Infrastructure	32,497
Enel	31,486
Banca Monte Paschi	30,701
Poste Italiane	29,903
Banca Agrileasing	29,827
Banco Popolare di Verona	27,452
Edison	26,426
British Telecom	25,594
Telefonica	25,381

Issue and trading discounts and premiums recorded to 30 September are as follows:

	Positive	Negative	Total
Issue	3,502	-2,193	1,309
Trading	1,128	-9,113	-7,985
Total	4,630	-11,306	-6,676

Item C.III.7 "Other financial investments" includes the "Repurchase transactions" detailed below:

Securities loan without collateral on a nominal value of 750 million euro	750,000
Unipol capitalisation contract	97,436
Purchase of World 112 PUT option on UniCredito shares for a nominal value of 130 million euro	12,244
Purchase of World 112 exotic option on a nominal value of 0.3 million euro	10
Total Item C.III.7	859,690

The amount of 750 million euro, with a balancing entry in liabilities under "Sundry loans and other financial payables" refers to a 15-month securities loan without collateral with a leading counter-party.

C.IV	Deposits with ceding companies	271,844
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The decrease from 31/12/2004 is 6,577 thousand euro.

D - INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK THEREOF AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT

1,038,540

The following table sets out changes to 30 September:

	Investments relating to unit-linked funds and index-linked policies	Investments arising from pension fund management
Opening balance:	820,927	74,744
Increases:		
- acquisitions and subscriptions	597,862	97,733
- write-backs and upward revaluations	57,408	5,687
- issue premiums	93	
Decreases:		
- sales and redemptions	-529,048	-82,848
- change in other net assets	-2,032	-691
- write-downs and downward revaluations	-1,158	-88
- issue discounts	-49	
Closing balance	944,003	94,537

D bis -REINSURERS' SHARE OF TECHNICAL RESERVES

810,319

D bis I - Non-Life Business

488,046

A full breakdown of the item is set out below:

	Reinsurance	Retroceded	9-2005	2004	Change
Premium reserve	107,905	3,565	111,470	109,975	1,495
Claims reserve	309,207	67,369	376,576	355,413	21,163
Total	417,112	70,934	488,046	465,388	22,658

A full breakdown of the item is set out below:

	Reinsurance	Retroceded	9-2005	2004	Change
Actuarial reserves	259,698	50,777	310,475	356,573	-46,098
Amounts payable	7,528	3,961	11,489	17,638	-6,149
Profit sharing	-	309	309	329	-20
Reserves classes DI DII	-	-	-	-	-
Total	267,226	55,047	322,273	374,540	-52,267

E - RECEIVABLES

1,064,450

Movements in singles items from 31/12/2004 are set out below:

		9-2005	2004	Change
I	Receivables relating to direct insurance business			
	1 – Policyholders	206,868	440,312	-233,444
	2 – Insurance brokers and agents	264,886	395,304	-130,418
	3 – Current account companies	28,964	39,767	-10,803
	4 – Amounts to be received from policyholders and third parties	20,782	18,411	2,371
II.	Receivables relating to reinsurance business			
	1 – Insurance and reinsurance companies	47,906	54,567	-6,661
	2 – Reinsurance brokers and agents	13,588	17,712	-4,124
III.	Other receivables	481,456	535,652	-54,196
	Total	1,064,450	1,501,725	-437,275

Amounts receivable from policyholders in respect of current and prior-year premiums have been written down per line of business, on a lump-sum basis, based on statistical collection trends in previous years.

Value at 30 September 2005 is as follows:

Balance at 30/09/2005 including provision for bad debts:	221,111
Provision for bad debts at 30/09/2005:	14,243
- opening balance	24,050
- uses during the year	-20,587
- accrual at 30/09/2005	10,780
Balance at 30/09/2005 net of provision for bad debts:	206,868

The amount of premiums receivable at 31/12/2004 (including the provision for bad debts) and relative amounts collected to 30 September 2005 are detailed below, with Life and Non-Life business shown separately:

	Gross closing balance	Amounts collected to September
- Non-Life business	352,996	281,177
- Life business	111,366	80,128
Total	464,362	361,305

The following table details amounts for "Premiums receivable" and "Amounts receivable from brokers and agents", classified in Item E.I, with Life and Non-Life business shown separately:

	Receivables from policyholders	Receivables from insurance
- Non-Life business	131,692	185,662
- Life business	75,176	79,224
Total	206,868	264,886

Breakdown of Item E.III:

<i>E.III</i>	<i>Other receivables</i>	481,456
	- bills in portfolio	266
	- tax receivables	113,490
	- tax credits as per Decree Law 209/2002	48,352
	- deferred tax assets	83,107
	- outstanding rent	2,519
	- sundry loans and advances	2,791
	- accrued interest and dividends	4,872
	- receivables from clients	14,706
	- receivables from Consap for compensation paid in advance on behalf of the Road Victims Fund	83,307
	- current accounts with insurance companies	113
	- current accounts with non-insurance companies	2,233
	- receivables from Consap for advance contribution to the Road Victims Guarantee Fund	9,241
	- cheques not yet collected awaiting credit	4,435
	- receivables from internal agencies	8,812
	- receivables in respect of tax consolidation	66,512
	- sundry receivables	36,700

Deferred tax assets of 83,107 thousand euro are analysed below:

Opening balance	76,117
Increase for year	35,011
Uses for year	-25,135
Other increases	2,338
Other decreases	-5,224
Closing balance	83,107

F - OTHER ASSETS**420,212**

Movements on single items, from 31/12/2004, are set out below:

	9-2005	2004	Change
I Tangible assets and stock	13,735	15,689	-1,954
II Cash and cash equivalents	55,717	46,751	8,966
III Own shares	34,048	7,870	26,178
IV Other assets	316,712	242,590	74,122
Total	420,212	312,900	107,312

A breakdown of items F.II, F.III e F.IV is set out below:

<i>F.II</i>	<i>Cash and cash equivalents</i>	55,717
	- Cash balance	54
	- Deposits with banking establishments	55,663

In compliance with the Shareholders' resolution of 29 April 2005, the company traded its own shares during the year. Own shares in portfolio maybe used to service stock options plans for directors and managers.

At 30 September the company held 1,907,000 ordinary shares for the equivalent of 34,048 thousand euro.

<i>F.IV</i>	<i>Other assets</i>	316,712
	- LIFE/NON-LIFE inter-business linking account	48,609
	- claims suspense accounts	13,829
	- sundry suspense accounts	142,620
	- premiums verified	78,395
	- balancing entry - tax to be paid on actuarial reserves as per Decree Law 209/2002	19,328
	- ageing indemnity insurance policies	42
	- receivables on deposit from reinsurance companies for deferred payments	50
	- receivables on deposit from reinsurance companies for claims paid in cash	260
	- other assets	13,579

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY

B - SUBORDINATE LIABILITIES

Ras does not have any subordinate liabilities.

C - TECHNICAL RESERVES **12,504,243**

C.I NON-LIFE BUSINESS *4,879,486*

A full breakdown of this item is set out below:

	9-2005	2004	Change
Premium reserve	1,004,335	1,170,047	-165,712
Claims reserve	3,845,293	3,665,048	180,245
Other technical reserves	967	893	74
Equalisation reserves	28,891	25,431	3,460
Total	4,879,486	4,861,419	18,067

Breakdowns of the premium and the claims reserves are set out below, with direct and indirect business shown separately:

1. Premium reserve, of which		1,004,335
Direct business	999,149	
Indirect business	5,186	
2. Claims reserve, of which		3,845,293
Direct business	3,690,127	
Indirect business	155,166	

The amount reflected at item C.I.4 "**Other technical reserves**" refers to the ageing premium reserve. This is calculated on a lump-sum basis (10%) on medical insurance policies in the Italian direct portfolio that have a long-term duration or are one-year policies that the insurer is required to renew on expiration, when premiums are determined, for the entire duration of the policy, in relation to the age of the policyholder when the contract is signed, pursuant to Legislative Decree no. 175 of 17 March 1995.

"**Equalisation reserves**" include the equalisation reserve for natural disasters pursuant to art. 12 of Decree Law no. 691 of 19 December 1994, converted with amendments into Law no. 35 of 16 February 1995, and the equalisation reserve of the Credit line of business as per art. 24 of Legislative Decree no. 175 of 17 March 1995 as replaced by art. 80, letter b of Legislative Decree no. 173 of 26 May 1997 in respect of the Italian direct portfolio.

C.II LIFE BUSINESS *7,624,757*

A full breakdown of the item is set out below:

	9-2005	2004	Change
Actuarial reserves	7,416,388	6,911,144	505,244
Amounts payable reserve	131,993	167,555	-35,562
Other technical reserves	76,376	72,574	3,802
Total	7,624,757	7,151,273	473,484

A breakdown of the above-mentioned reserves is set out below, with direct and indirect business shown separately:

1. Actuarial reserves, of which		7,416,388
Direct business	7,167,024	
Indirect business	249,364	
2. Reserves for amounts payable, of which		131,993
Direct business	98,074	
Indirect business	33,919	
3. Other technical reserves		76,376

"Other technical reserves" refers to:

Italian direct business: provisions for future management costs (69,885 thousand euro) and supplementary personal accident reserve (1,211 thousand euro);
indirect business: profit sharing reserve (5,280 thousand euro).

PROVISIONS FOR RISKS AND CHARGES	313,833
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Comprising:

	9-2005	2004	Change
1 Staff pensions and similar obligations	7,493	7,493	-
2 Tax provision	257,855	274,585	-16,730
3 Other provisions	48,485	49,616	-1,131
Total	313,833	331,694	-17,861

„Other provisions" are set out as follows:

Provision for accruals as per art. 7 Law 738/78	4,226
Provision for risks	44,259

G - PAYABLES AND OTHER LIABILITIES	1,373,425
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Movements on the single items under this heading are detailed below:

	9-2005	2004	Change
I Payables relating to direct insurance business	44,713	37,708	7,005
II Payables relating to reinsurance business	39,730	73,482	-33,752
VI Sundry loans and other financial payables	939,525	1,352,388	-412,863
VII Staff severance indemnities	32,005	32,037	-32
IX Other payables	317,452	239,656	77,796
Total	1,373,425	1,735,271	-361,846

Components of the single items are detailed below:

G.I Payables relating to direct insurance business		44,713
- Payables due to brokers and agents, of which		24,194
NON-LIFE BUSINESS	17,595	
LIFE BUSINESS	6,599	
- Current account companies		15,356
- Policyholders for deposits and premiums		3,265
- Guarantee funds in favour of policyholders		1,898

<i>G.II</i>	<i>Payables relating to reinsurance business</i>	39,730
	- Insurance and reinsurance companies	37,151
	- Reinsurance brokers and agents	2,579
<i>G.VI</i>	<i>Sundry loans and other financial payables</i>	939,525
	- tax payable by policyholders	70,157
	- other tax	24,213
	- due to social security and pension authorities	7,381
	- guarantee deposits	845
	- amounts due to suppliers, collaborators and producers	3,757
	- supplier invoices paid in the following year	94
	- amounts due by internal agencies	8,837
	- dividends payable to shareholders	270
	- amounts due to transparent company	615
	- amounts due in respect of tax consolidation	25,177
	- securities loans without collateral	750,000
	- other payables	48,179

The item "Securities loans without collateral" refers to the counter-party of the operation recorded as an asset at item C.III.7.

<i>G.IX</i>	<i>Other liabilities</i>	317,452
	- LIFE/NON-LIFE inter-business linking account	48,609
	- reserve for commissions on collectable premiums	29,308
	- sundry suspense accounts	173,927
	- commissions on collectable premiums	25,849
	- claims suspense accounts	200
	- receivables on deposit from reinsurance companies for deferred payments	3,910
	- sundry liabilities	35,649

RECEIVABLES AND PAYABLES

"Secured loans" (C.III.4 a) refers to portions of principal to be collected on mortgages for the sale of buildings, for amounts totalling 27 thousand euro, due within one year.

"Receivables relating to direct insurance business" includes compensation due from agents totalling 88,144 thousand euro, of which 533 are due within one year, 65,161 are due within 5 years and 22,450 are due after 5 years.

"Other receivables" includes deferred tax assets amounting to 83,107 thousand euro, of which 33,070 are due within one year, 35,089 are due within 5 years and 14,948 are due after 5 years.

"Sundry loans and other financial payables" of 750,000 thousand euro refers to the balancing entry for the unsecured securities loan, due within 5 years.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS 18,595,650

<i>Guarantees provided (item I)</i>	77,994
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Guarantees provided include personal savings books for limits made available to third parties for claims amounting to 74,743 thousand euro (an increase of 9,565 thousand euro). They also include payment obligations undertaken on behalf of Ras Immobiliare (ex Gaggiano s.r.l. and ex B.I.S. s.r.l.) in favour of the VAT tax authorities to guarantee credit surpluses offset in Group settlements totalling 1,043 thousand euro. Ras has also undertaken a payment obligation on behalf of **Genilapoint** to the tax authorities for 2,206 thousand euro. Lastly, a surety was provided in favour of the Milan regional office for 2,000 euro.

<i>Guarantees provided by third parties on behalf of the company (item II)</i>	168,260
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Guarantees received relate to a pledge for 57,530 thousand euro received from the Consorzio Alta Velocità Torino-Milano and sureties received from banks for tenant guarantee deposits amounting to 176 thousand euro for the Life business and 248 thousand euro for the Non-Life business.

Guarantees provided by third parties on behalf of the company include letters of credit issued by UniCredito Italiano in place of reinsurance deposits for an amount of 37,958 thousand euro in the Life business and 5,578 thousand euro in the Non-Life business, other letters of credit totalling 393 thousand euro, and sureties provided by UniCredito Italiano in favour of the direct compensation agreement to guarantee obligations and charges amounting to 14,077 thousand euro. The item also includes a surety in favour of the Fiera agency for amounts in respect of the Non-Life business for 52,300 thousand euro.

<i>Commitments (item III)</i>	1,240,419
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Commitments comprise securities trading transactions conducted in September to be settled in October totalling 510 thousand euro. They also include put options sold on fixed-income securities totalling 51,376 thousand euro (Life business) and put options on shares totalling 1,099,107 thousand euro (285,768 thousand euro for Life business and 813,339 for Non-Life business) and future coupons to be transferred to counter-parties in respect of swap agreements for 34,145 thousand euro. The item also includes rights assigned and not exercised for 2,981 thousand euro. An amount of 52,300 thousand euro refers to an indemnity agreement of Manleva with Mediobanca.

<i>Pension fund assets managed on behalf of third parties (item IV)</i>	488,619
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The amount reflects pension fund net assets managed by Ras, specifically Foncer, for 20,600 thousand euro, Mediafond for 10,201 thousand euro, Previp for 26,364 thousand euro, Fondenergia for 9,663 thousand euro, Fon.te for 31,315 thousand euro, Telemaco for 42,672 thousand euro, eurofer for 30,512 thousand euro, Previvolo for 44,892 thousand euro, Fondapi for 28,284 thousand euro, Priamo for 20,325 thousand euro, Teatro Scala for 12,496 thousand euro, Cariloreto for 399 thousand euro, Cometa for 200,993 thousand euro and Prevaer for 9,903 thousand euro.

<i>Other memorandum accounts (item V)</i>	16,620,358
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Third-party assets include deposits to guarantee bonds provided for credit and bond insurance policies for an amount of 409 thousand euro, Rasbank current account no. 198884 "10 January", used to pay a claim for which the company is the delegate (3,835 thousand euro) and another Rasbank current account used for rights assigned and not exercised on Ras shares (1,838 thousand euro).

This item includes securities owned by Ras and deposited with banks and issuing bodies for 15,332,573 thousand euro (of which 9,238,468 thousand euro for the Life business and 6,094,105 thousand euro for the Non-Life business). Of these amounts, 13,852,851 thousand euro refer to subsidiary companies, specifically: Rasbank 11,809,920 thousand euro, Ras International N.V. 2,006,910 thousand euro, and Banco Portugues de Investimento 36,021 thousand euro.

The item also includes securities pledged by letters of credit for 324,161 thousand euro, future coupons to be collected from counter-parties for swap agreements for 49,823 thousand euro, exotic options acquired for 611,919 thousand euro, open swap positions for 283,556 thousand euro and put/call options on UniCredito shares acquired for 12,244 thousand euro.

DERIVATIVE FINANCIAL INSTRUMENTS

With reference to art. 7 paragraph 3 of ISVAP ruling no. 297 of 19 July 1996, for bonds included under "Structured Products", during 2005 Ras carried out 3 redemptions for 74,617 thousand euro, 4 sales amounting to 80,010 thousand euro, 13 purchases and 7 subscriptions amounting to 440,985 thousand euro. At 30.9.2005 there were 39 open positions. Of these, one is reflected in part in the net assets in the "Ras Equity World 110" unit-linked bond, and 2 are listed in the unit-linked portfolio, and are consequently classified in section D.I of the financial statements. The remaining positions are included in the Class C.III portfolio.

At 30.09.2005 the carrying amount of the above securities was 15,041 thousand euro in Class D and 639,635 thousand euro in Class C.

No new index-linked products were issued, with respect to the positions in derivatives underlying the existing index-linked products. It should be noted that some of these were partially closed in advance in order to bring them into line with the technical reserves.

Specifically, 6 exotic bonds were unwound for a nominal value of 2,663 thousand euro, 5 put options were unwound for a nominal value of 1,496 thousand euro and 8 swaps were unwound for a nominal value of 2,147 thousand euro.

At 30/09/2005 the following positions were open: in section D, 6 exotic options for a global carrying amount of 6,109 thousand euro, 8 swaps for a carrying amount of 1,434 thousand euro and 5 put options purchased for a nominal value of 51,376 thousand euro; in section C, 1 exotic option for a carrying amount of 10 thousand euro, 2 swaps for a carrying amount of 11 thousand euro, 1 recouping swap for a nominal value of 200,000 thousand euro and 5 put options sold for a nominal value of 51,376 thousand euro.

In July-August 2005 Ras opened positions on UniCredito shares: it purchased, 21 put options and simultaneously sold 21 call options and 21 put options.

Shares in portfolio amounting to 130,000 thousand euro were hedged through these transactions. At 30/9/2005 the positions were still all open.

In the Life business, the swap position for the Piano Alto Multimix product in place at 31/12/2004 was still open at 30/9/2005, with a nominal value of 6,508 thousand euro and a zero carrying amount.

In the Non-Life business, 2 global return swaps for a nominal value of 169,960 thousand euro linked to ENI Spa ordinary shares, generated net cashflow of 398 thousand euro.

Prior to 30/9/2005 Ras had performed 89 derivatives operations, as listed below, pursuant to the guidelines established by the Board of Directors prohibiting speculative operations.

Instruments	Number of operations
Global return swap on ENI shares	2
UniCredito put options purchased	21
UniCredito call options sold	21
UniCredito put options sold	21
Exotic options unwound	6
Purchased put options unwound	5
Sold put options unwound	5
Swaps unwound	8

Results to 30 September for transactions on derivative financial instruments, show an increased income of 398 thousand euro relative to the above transactions. Unwind operations on derivatives related to index-linked policies, which were performed in order to realign the assets with the technical reserves, showed a negative result amounting to 34 thousand euro.

At 30 September, Ras had performed 20 purchases/subscriptions for obligations classified as "Structured products" for 440,985 thousand euro, and 7 sales/redemptions totalling 154,627 thousand euro.

At 30 September 2005, the following positions were open:

Section	Type of derivative	No. positions	Nominal value	Carrying amount
D.I	Exotic options on indices	6	91,937	6,109
D.I	Swap	8	76,815	1,434
D.I	Put options on bonds - purchased	5	51,376	0
C	Exotic options on indices	1	307	10
C	Put options on bonds - sold	5	51,376	0
C	Put/call options on UniCredito shares	63	130,000	12,244
C	Swaps	2	6,741	11
C	Recouping swaps	1	200,000	0

Ras did not carry out any other transactions on derivative financial instruments and at 30 September had no other positions open other than those listed above.

PART D – Notes to the Profit and Loss Account

NET PREMIUMS FROM NON-LIFE BUSINESS

Breakdowns of the premiums and changes to the premium reserve are detailed below, with direct and indirect business shown separately:

	Direct business	Indirect business	Total
Gross premiums written	1,925,326	23,782	1,949,108
- Amount ceded to reinsurers	-177,334	-15,013	-192,347
Change in premiums reserve	162,717	3,548	166,265
- Reinsurers' share	-1,618	1,759	141
Net premiums for the period	1,909,091	14,076	1,923,167

The breakdown of gross premiums by business line is provided in Part A of the Annual Report.

NET PREMIUMS - LIFE BUSINESS

A breakdown of premiums by business line is detailed below, with direct and indirect business shown separately:

	Direct business	Indirect business	Total
I Whole and term life insurance	580,811	40,405	621,21
III Unit-linked insurance	82,880		82,880
IV Health insurance	26		26
V Capitalisation transactions	283,821		283,821
VI Management transactions for pension funds	14,195		14,195
Total gross premiums	961,733	40,405	1,002,138
Total outwards premiums	-18,900	-8,777	-27,677
Total net premiums	942,833	31,628	974,461

CHARGES RELATING TO CLAIMS IN NON-LIFE BUSINESS

The breakdown of claims paid and changes in the claims reserve is detailed below, with direct and indirect business shown separately:

	Direct business	Indirect business	Total
Gross amounts paid	1,397,007	15,066	1,412,073
Reinsurers' share	-77,993	-4,442	-82,435
Change in gross recoveries	-20,610		-20,610
Reinsurers' share	-1,080		-1,080
Change in gross claims reserve	174,550	-632	173,918
Reinsurers' share	-20,933	405	-20,528
Charges relating to claims	1,450,941	10,397	1,461,338

A summary of gross amounts paid follows:

	Direct business	Indirect business	Total
Settlements and direct expenses	1,299,304	15,066	1,314,370
Contribution to Road Victims Fund	25,392		25,392
Paid settlement costs	72,311		72,311

OTHER TECHNICAL INCOME AND CHARGES

The main components of the item "Other technical income net of reinsurance" are detailed below, with Life and Non-Life business shown separately:

Life Business	9-2005	9-2004
Unit-linked fund management commissions	7,793	6,569
Pension fund management commissions	1,252	769
Retroceded unit-linked commissions	5,335	4,519
Reversal of commissions on write-offs of premiums in arrears	166	224
Other technical income	207	124
Total	14,753	12,205

Non-Life Business	9-2005	9-2004
Commission write-offs relating to premiums written off as bad debts	2,985	3,337
Positive CID adjustments, catastrophic claims agreements, Ufficio Centrale Italiano	82	111
Total	3,067	3,448

The following table provides details of the main components of the item "Other technical charges net of reinsurance", with the Life and Non-Life business shown separately:

Life Business	9-2005	9-2004
Write-downs on unrecoverable premium receivables	825	1,595
Write-offs of premiums in arrears	-	86
Unit-linked fund management commissions	2,055	1,748
Pension fund management commissions	81	60
Retroceded unit-linked commissions	2,041	1,848
Other	377	84
Total	5,379	5,421

Non-Life business	9-2005	9-2004
Write-downs on unrecoverable premium receivables	9,955	15,514
Write-offs of premiums in arrears	533	1,346
Negative CID adjustments and catastrophic claims agreements	302	529
Contribution to the Hunting Casualties Fund	4	4
Contribution to ANIA Foundation	-	472
Reversal of commissions on write-offs of premiums in arrears	83	-
Total	10,877	17,865

INVESTMENT INCOME AND CHARGES

Income from investments	Life business	Non-Life business	Total
Land and buildings	-	10,325	10,325
Investments in Group and related companies	165,678	229,299	394,977
Equities	18,908	24,658	43,566
Bonds	232,544	86,900	319,444
Sundry financial investments	18,217	414,528	432,745
Total	435,347	765,710	1,201,057

Write-backs			
Equities	2,559	886	3,445
Bonds	352	224	576
Sundry financial investments	27	25	52
Total	2,938	1,135	4,073

Profit on sale of investments			
Equities	71,521	22,560	94,081
Bonds	3,681	763	4,444
Sundry financial investments	5,067	1,346	6,413
Total	80,269	24,669	104,938
Total Income	518,554	791,514	1,310,068

Charges relating to investments	Life business	Non-Life business	Total
Land and buildings	-	6,205	6,205
Investments in Group and related companies	5,564	2,912	8,476
Equities	1,280	1,179	2,459
Bonds	9,824	7,534	17,358
Sundry financial investments	3,204	394,264	397,468
Total	19,872	412,094	431,966
Write-downs			
Amortisation of real estate	-	1,834	1,834
Investments in Group and related companies	892	-	892
Equities	2,301	3,145	5,446
Bonds	1,403	4,699	6,102
Other financial investments	980	988	1,968
Total	5,576	10,666	16,242
Loss on sale of investments			
Equities	4,397	1,604	6,001
Bonds	26	192	218
Other financial investments	-	1,835	1,835
Total	4,423	3,631	8,054
Total charges	29,871	426,391	456,262

OTHER INCOME AND CHARGES

The main items in "Other income" and "Other charges" are detailed below:

Other income	9-2005	9-2004
From receivables relating to direct insurance business	420	496
From receivables relating to reinsurance business	80	735
From other receivables	2,282	2,892
From other assets	3,309	3,080
Write-backs on own shares	-	53
Recovery of administrative costs and charges	726	84
Recovery of service costs from Group companies	39,983	37,248
Realised translation gains	714	4,204
Unrealised translation gains	4,329	1,028
Retroceded business commissions	236	726
Recovery of costs for the Road Victims Fund	4,121	3,959
Use of the risk provision	1,265	-
Other income and recoveries	4,129	10,419
Total	61,594	64,924
Other charges		
For payables relating to direct insurance business	473	646
For payables relating to reinsurance business	59	37
For amounts due to banks and financial institutions	27	288
For payables and other liabilities	1,455	859
Third-party administrative costs and charges	726	85
Commissions for third-party guarantees	66	35
Losses and write-downs on receivables	2,006	195
Amortisation of intangible assets	53	351
Accrual to the risk provision	134	2,000
Realised translation losses	2,514	2,851
Other charges	9,177	9,128
Total	16,690	16,475

EXTRAORDINARY INCOME AND CHARGES

"Extraordinary income" and "Extraordinary charges" are detailed below:

Extraordinary income	9-2005	9-2004
Capital gains from the disposal of long-lived investments:		
Office furniture and machines	1	44
Investments, other shares and bonds	22,905	24,875
Profit from sale of own shares	48	885
Reversal of accumulated depreciation on real-estate used by third parties	-	31,296
Adjustments to deferred tax assets	2,683	-
Prior-year income and roundings up	1,091	7,838
Total	26,728	64,938

Extraordinary charges	9-2005	9-2004
Capital losses on the sale of long-lived investments:		
Office furniture and machines	12	29
Land and buildings	19	-
Loss from sale of own shares	4,724	330
Prior-year charges and roundings down	7,725	1,314
Contributions to sundry institutions and entities	1,010	140
Prior-year tax	-	17
Total	13,490	1,830

INCOME TAX

Income tax was as follows:

	9-2005	9-2004
IRES/IRPEG	91,705	103,523
IRAP	17,637	18,180
Total	109,342	121,703

Details are set out below:

	IRES	IRAP	Total
Current tax	104,173	19,138	123,311
Deferred tax:			
- use of deferred tax assets	22,364	2,771	25,135
- use of deferred tax liabilities	-9,386	-852	-10,238
- deferred tax for the year	5,447	698	6,145
- deferred tax income for the year	-30,893	-4,118	-35,011
Total	91,705	17,637	109,342

PART E – Other information

SOLVENCY MARGIN

Given the financial trends for the semester and provisional results for the current financial year, detailed below is the likely amount for the solvency margin required at the end of the financial year, with relative components, listed separately for the Life and Non-Life business.

Solvency margin	Non-Life Business	Life Business
Non-Life business (Legislative Decree no. 307, 3 November 2003)	467,744	-
Life business (Legislative Decree no. 307, 3 November 2003)	-	351,510
Components	2,632,688	1,531,746
Surplus in respect of legal requirements	2,164,944	1,180,236

TECHNICAL RESERVES AND ASSETS ALLOCATED THERETO

The technical reserves requiring coverage at the end of the 3rd quarter, for the Non-Life and Life businesses respectively, are as follows:

	Non-Life Business	Life Business
Premium reserves	999,149	-
Equalisation reserves	28,891	-
Other technical reserves	967	-
Claims and settlements costs reserve	3,666,461	-
Actuarial reserves net of compulsory transfers	-	7,238,120
Amounts payable	-	98,075
Net technical reserves – Class DI	-	944,003
Net technical reserves – CLASSE DII	-	94,538
Total reserves at 30/09/2005	4,695,468	8,374,736
Total reserves at 31/12/2004	4,678,072	7,758,891
Additional technical reserves	17,396	615,845

The above reserves are entirely covered by Ras assets.

The following table provides a breakdown of assets allocated to cover Life business reserves at 30 September, as per the schedule of cover stated in ISVAP ruling no. 2254 of 4 March 2004:

	Life Business
A – Investments	7,051,889
B – Receivables	269,164
C – Other assets	13,900
D – Bank deposits	1,242
Assets covering reserves Class DI, DII	1,038,541
Total	8,374,736

With respect to the Non-Life business, the reserve increase at 30 September 2005 (17,396 thousand euro) compared with the reserves listed in the schedule is entirely covered by item "A - Investments".

DIVIDEND ADVANCES PAID OR ASSIGNED

To 30 September, Ras had not paid or assigned dividend advances.