

Ras spa

annual report
& financial statements 2003



2003 annual report and financial statements Ras spa

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Board of Directors, Independent Auditors and General Management

(from 1 May 2004)

Board of Directors

Giuseppe Vita
Chairman

Michael Diekmann
Deputy Chairman

Mario Greco
Chief Executive Officer

Detlev Bremkamp

Carlo Buora

Vittorio Colao

Nicola Costa

Rodolfo De Benedetti

Ferruccio De Bortoli

Klaus Dührkop

Pietro Ferrero

Francesco Micheli

Salvatore Orlando

Helmut Perlet

Giampiero Pesenti

Andrea Pininfarina

Gianfelice Rocca

Carlo Salvatori

Directors

Giuseppe Vita

Michael Diekmann

Mario Greco

Detlev Bremkamp

Pietro Ferrero

Gianfelice Rocca

Executive Committee

Aldo Andreoni

Secretary to the Board of Directors

Board of Statutory Auditors

Pietro Manzonetto
Chairman

Paolo Pascot
Giorgio Stroppiana
Standing Auditors

Michele Carpaneda
Franco Della Sega
Alternate Auditors

General Management

Massimo Arrighi

Mario Greco

Salvatore Militello

Pierluigi Riches

Paolo Vagnone

General Management

Daniele D'Abramo

Maurizio Devescovi

Diego Fumagalli

Claudia Motta

Roberto Notarbartolo di Villarosa

Alessandro Scarfò

Guido Sommella

Carlo Spasiano

Central Managers

Independent Auditors

KPMG S.p.A.

Savings Shareholders'

Representative

Gianfranco Negri Clementi

* Members of the Executive Committee.

** As regards the office and powers vested on individual Directors and the Executive Committee, see the specific section on Corporate Governance included in the consolidated financial statements.

Ordinary and extraordinary shareholders' meeting

28/29/30 April and 28/29 April 2004 at 10 am

Agenda

Extraordinary section

1. Proposal to change articles 5, 10, 11, 12, 13, 15, 17, 19, 22, 24, 28, 30 and 31 of the company's by-laws and add a new article on the meetings of the Board of Statutory Auditors, with consequent renumbering of the by-laws; related and subsequent resolutions;
2. Change to the Rules of Procedure for the Shareholders' Meetings following the change to the by-laws; related and subsequent resolutions.

Ordinary section

1. Financial statements as at and for the year ended 31 December 2003; Directors' report and report of the Board of Statutory Auditors; related and subsequent resolutions;
2. Resignation of Directors; determination of the number of Directors on the board and subsequent resolutions to appoint Directors and decide the Directors' fees;
3. Resignation of an Alternate Auditor; reintegration of the Board of Statutory Auditors;
4. Authorisation to purchase and sell own shares pursuant to article 2357 and subsequent articles and article 2359 bis of the Civil Code and article 132 of Legislative decree no. 58 of 24 February 1998.

Extraordinary section

Dear shareholders,

To implement new provisions of law and take advantage of some of the interesting streamlining opportunities offered by recent company law reform (Legislative decree no. 6 of 17 January 2003), the Board of Directors proposes you resolve upon making certain changes to the company's by-laws, with resulting changes to the Rules of Procedure for the Shareholders' Meetings. The changes are described below.

Also considering the many new institutions introduced by the reform, which will undergo subsequent examination and entail hands-on experience, the proposals made herein are based on principles of prudent updating the by-laws to better protect the company's interest and that of its shareholders in this delicate stage in which the reform is initially implemented.

In line with the above, we propose aligning the company's duration with that of human life, setting its expiration for 31 December 2038, its two-hundredth anniversary (article 5); introducing the terms for exercising any rights to withdrawal (article 10); updating the by-laws on the shareholders' meetings the new regulations (articles 11, 12, 13, 15 and 17); implementing new company law on the Board of Directors (articles 19, 22 and 24).

The new by-laws relating to the shareholders' meetings will also be implemented in the Rules of Procedure for the Shareholders' Meetings, as per the text provided below.

Furthermore, new provisions concerning the Board of Statutory Auditors are also introduced in the by-laws, encouraging the appointment of statutory auditors by minority shareholders (article 28). In particular, the minimum percentage of ownership of ordinary shares which shareholders - or groups of shareholders - are required to have to nominate candidates for the office of statutory auditor is reduced from 3% to 2%. The same concept of protecting minority shareholders has led to updated provisions for reintegrating the Board of Statutory Auditors as well.

In addition, one of the proposed changes provides that the Board of Statutory Auditors also be able to hold meetings via teleconference (with the introduction of a new article 29) and the prerequisites of professionalism for the appointment of a statutory auditors are specified more precisely (article 28).

Finally, there is a proposal to update the by-laws concerning company representation and signature (articles 31 and 32 of the new numbering) to align them with the company's organisation and hierarchy, in accordance with its traditionally strict principles of good conduct, while at the same enabling it to operate flexibly.

If you agree with the above, we submit for your approval the following resolution:

Having heard and approved the report of the Board of Directors, the shareholders of RIUNIONE ADRIATICA DI SICURTA' Società per azioni, in the extraordinary section of the meeting, resolve:

- *to change articles 5, 10, 11, 12, 13, 15, 17, 19, 22, 24, 28, 30 and 31, of the by-laws and insert a new article governing the meetings of the Board of Statutory Auditors, consequently renumbering the articles as follows:*

**RAS BY-LAWS
CURRENT TEXT**

Article 5

1. The duration of the company shall be until 31 December 2238 and may be extended by resolution of the shareholders, excluding the dissenting shareholders' right to withdraw.

Article 10

1. Shareholders shall comply with the provisions of the by-laws and resolutions adopted during general meetings, in accordance with the law and the company's by-laws.

**RAS BY-LAWS
PROPOSED TEXT**

Article 5

1. The duration of the company shall be until 31 December **2038** and **can** be extended by resolution of the shareholders during the general meeting, excluding the dissenting shareholders' right to withdraw.

Article 10

1. Shareholders shall comply with the provisions of the by-laws and resolutions adopted during general meetings, in accordance with the law and the company's by-laws.

2. The right of withdrawal is exercised within the terms and procedures prescribed by law through registered letter with notice of receipt sent to the company.
3. The right of withdrawal from the company takes effect on the fifteenth day after the date when the registered letter sent by the withdrawing shareholder is received, except for the provisions of the last paragraph of article 2437 bis of the Italian Civil Code.

Article 11

1. The shareholders' meetings are convened at the registered offices of the company or anywhere else in Italy.
2. The shareholders' meeting is either ordinary or extraordinary, or special for savings shareholders in accordance with the law.
3. The ordinary shareholders' meeting is called to approve the financial statements within 30 April of each year. This deadline may be extended to 30 June if specific requirements necessitate postponement or if the insurance company is authorised to perform reinsurance activities and does so to a large extent.

Article 12

1. The shareholders' meetings are convened in accordance with the law and the company's by-laws.

Article 11

1. The shareholders' meetings are convened at the registered offices of the company or anywhere else in Italy.
2. The shareholders' meeting is either ordinary or extraordinary, or special for savings shareholders in accordance with the law.
3. The ordinary shareholders' meeting is called to approve the financial statements at least once a year within 120 days of the year end; in cases allowed by law, this deadline can be postponed for up to 180 days.

Article 12

1. The shareholders' meetings are convened in accordance with the law and the company's by-laws.
2. The notice of convocation is published in the Official Journal of the Republic within the terms of law.
3. The notice may also be posted on the company's website and published in one more national newspapers.
4. The notice can include indication of where audio-visual equipment will be set up for shareholders to participate in the meeting, if arranged for by the company; In such case, the meeting will be considered as held where the Chairman and person responsible for drawing up the minutes are present.
5. The notice can also give shareholders the chance to participate via digital de-

2. Savings shareholders are not entitled to request that ordinary and extraordinary shareholders' meetings be called.

Article 13

1. The provisions of law and the company's by-laws apply to the participation of shareholders in the shareholders' meetings.

2. All shareholders with the right to participate in shareholders' meeting can be represented by proxy, in compliance with the provisions of law.

3. Savings shareholders do not have the right to participate or vote in ordinary and extraordinary shareholders' meetings.

vices, without being able to intervene or vote.

6. Savings shareholders are not entitled to request that ordinary and extraordinary shareholders' meetings be called.

Article 13

1. The provisions of law and the company's by-laws apply to the participation of shareholders in the shareholders' meetings.

2. Shareholders may exercise their right to participate in the meetings, pursuant to law, by filing communication of authorised proxies in respect of shares held in accordance with law, at least two days before the date scheduled for the meeting. The communication filed for the meeting on first call stands for second call as well.

3. Shares for which the above communication has been sent are unavailable until the meeting has been held.

4. All shareholders with the right to participate in shareholders' meeting can be represented by proxy, in compliance with the provisions of law

5. Savings shareholders do not have the right to participate or vote in ordinary and extraordinary shareholders' meetings.

6. Shareholders may participate in ordinary and extraordinary meetings in various venues arranged for by the company, whether near or far, connected via audio-visual equipment, on the following conditions, which should be noted in the related minutes:

- a) the Chairman and Secretary, who will prepare and sign the minutes, should be present where the meeting was called;
- b) the Chairman of the shareholders' meeting should be able to ascertain the identity and legitimacy of all participants, oversee the meeting and check the results of votes;
- c) the person drawing up the minutes should be able to gain adequate knowledge of the events of the meeting to be recorded in the minutes;

d) participants should be able to intervene in discussions and vote on the points on the agenda.

Article 15

1. The shareholders' meeting is chaired by the Chairman of the Board of Directors or, in absence thereof, by the Deputy Chairman or, in absence thereof, by another person appointed by the shareholders.
2. The Chairman invites the shareholders to appoint a Secretary, whom does not necessarily have to be a shareholder and who may appoint two scrutineers among the shareholders and statutory auditors present, where he/she deems it necessary.

Article 17

1. The Chairman is responsible for ascertaining that the shareholders' meeting has been regularly convened, verifying that those present are rightfully so, also through those entrusted by him/her. The Chairman shall also oversee and head the meetings and discussions and establish order and open voting procedures.

Article 19

1. The company is managed by a Board of Directors, composed of at least 10 but not more than 20 members appointed by the shareholders. Before appointing the Directors, the shareholders determine the number of Directors within the above limits.
2. If the number of Directors determined is lower than the maximum, the shareholders may increase the number during the Board's three-year term of office. The term of office of new Directors appointed in such a way will expire with the term of office of the other Directors on the Board.

Article 15

1. The shareholders' meeting is chaired by the Chairman of the Board of Directors or, in absence thereof, by the Deputy Chairman or, in absence thereof, by another person **appointed by majority vote**.
2. The Chairman invites the shareholders to appoint a Secretary **following the methods described above**, whom does not necessarily have to be a shareholder and who may appoint two scrutineers among the shareholders and statutory auditors present, where he/she deems it necessary.

Article 17

1. The Chairman is responsible for ascertaining that the shareholders' meeting has been regularly convened, verifying that those present are rightfully so **and ascertaining their identity**, also through those entrusted by him/her. The Chairman shall also oversee and head the meetings and discussions and establish order and open voting procedures, **and verify the results of votes**.

Article 19

1. The company is managed by a Board of Directors, composed of at least 10 but not more than 20 members appointed by the shareholders. Before appointing the Directors, the shareholders determine the number of Directors within the above limits.
2. If the number of Directors determined is lower than the maximum, the shareholders may increase the number during the Board's three-year term of office. The term of office of new Directors appointed in such a way will expire with the term of office of the other Directors on the Board serving when they are appointed.
3. **To be appointed and hold their office, Directors should meet the requirements of applicable regulations and this should be documented by those concerned.**

Article 22

1. The Board of Directors manages the company's business. It has all powers of ordinary and extraordinary management, as it is responsible for all matters except those that are expressly reserved to the shareholders by law and by the by-laws.
2. Directors with special duties or powers report to the Board of Statutory Auditors in a timely manner, at least quarterly and at the meetings of the Board of Directors and Executive Committee, on work performed and the most significant transactions carried out by the company or its subsidiaries with the highest impact on the balance sheet and profit and loss account. In particular, they report on transactions involving potential conflicts of interest.
3. In order to provide the savings shareholders' representative with adequate information on shareholding transactions that could affect the value of savings shares, the company's legal representatives shall promptly send the savings shareholders' representative communications on such matters.

Article 24

1. The meetings of the Board of Directors may be attended via teleconference or video conference, provided that all rightful participants can be identified and are able to follow the discussions, intervene verbally in real time in matters dealt with and view, receive and transmit documents.
2. Once the above conditions have been met, the Board of Directors is deemed to have met in the place where the Chair-

Article 22

1. The Board of Directors manages the company's business. It has all powers of ordinary and extraordinary management, as it is responsible for all matters except those that are expressly reserved to the shareholders by law and by the by-laws.
2. **The Board of Directors has the power to pass resolutions on the merger and spin-off of companies pursuant to articles 2505, 2505 bis and 2506 ter of the Italian Civil Code, set up or close branches, reduce the share capital following the withdrawal of shareholders, update the by-laws to irrevocable regulatory provisions, relocate the registered offices within Italy and issue non-convertible bonds, except where the law irrevocably reserves this power for the shareholders.**
3. **Directors with special duties or powers oversee that the company's organisational, administrative and accounting structure is in line with its nature and size. The Board of Directors and the Board of Statutory Auditors receive written and verbal reports pursuant to law, in a timely manner, at least information quarterly and at the meetings of the Board of Directors and Executive Committee.**
4. In order to provide the savings shareholders' representative with adequate information on shareholding transactions that could affect the value of savings shares, the company's legal representatives shall promptly send the savings shareholders' representative communications on such matters.

Article 24

1. The meetings of the Board of Directors may be attended via **telecommunications connection**, provided that all rightful participants can be identified, **are completely informed** and can follow the discussions and intervene verbally in the matters handled in real time.
2. Once the above conditions have been met, the Board of Directors is deemed to have met in the place where the Chair-

man is present and where the Secretary should also be in order to draw up and sign the minutes.

Article 28

1. By law, the shareholders appoint three standing statutory auditors and two alternate auditors and determines their fees.
2. Minority shareholders are entitled to appoint one standing and one alternate auditor. With the exception of paragraph 15 and following paragraphs of this article, the Board of Statutory Auditors is appointed on the basis of lists of candidates in progressive order presented by the shareholders. The lists include two sections: one section lists candidates for the office of standing auditor and the other lists candidates for the office of alternate auditor.
3. Shareholders who represent at least 3% of the company's share capital bearing voting rights in the ordinary shareholders' meeting alone or together with other shareholders have the right to present lists.
4. Shareholders and shareholders of the same group (i.e. the parent company, subsidiaries and subsidiaries of the parent company) and shareholders participating in a shareholders' agreement (including through subsidiaries) pursuant to article 122 of Legislative decree no. 58/1998 involving the company's shares, cannot present more than one list, nor may vote for different lists, even through proxies or trusts. If this clause is violated, all lists voted become invalid.
5. Each candidate may be nominated in one list only. Candidates appearing in more than one list are ineligible.
6. Candidates may not be put on lists if there are grounds for their ineligibility, if they are potentially in conflict of interest, if they do not meet the requirements of applicable regulations or if they already fill the office of standing auditor in more than five other Italian companies that have issued financial instruments on regulated Italian markets, with the exception of Ras parent companies and subsidiaries.

man is present and where the Secretary should also be in order to draw up and sign the minutes.

Article 28

1. By law, the shareholders appoint three standing statutory auditors and two alternate auditors and determines their fees.
2. Minority shareholders are entitled to appoint one standing and one alternate auditor. The Board of Statutory Auditors is appointed on the basis of lists presented by the shareholders listing candidates in progressive order. The lists include two sections: one section lists candidates for the office of standing auditor and the other lists candidates for the office of alternate auditor.
3. Shareholders who represent at least 2% of the company's share capital bearing voting rights in the ordinary shareholders' meeting alone or together with other shareholders have the right to present lists.
4. Shareholders and shareholders of the same group (i.e. the parent company, subsidiaries and subsidiaries of the parent company) and shareholders participating in a shareholders' agreement (including through subsidiaries) pursuant to article 122 of Legislative decree no. 58/1998 involving the company's shares, cannot present more than one list, nor may vote for different lists, even through proxies or trusts. If this clause is violated, all lists voted become invalid.
5. Each candidate may be nominated in one list only. Candidates appearing in more than one list are ineligible.
6. Only those candidates who are **chartered accountants** may be listed and **appointed**. Candidates may not be put on lists if there are grounds for their ineligibility, if they are potentially in conflict of interest, if they do not meet the requirements of applicable regulations or if they already fill the office of standing auditor in more than five other Italian companies that have issued financial instruments on

Outgoing statutory auditors may be reinstated.

In accordance with letters b) and c), paragraph 2 of article 1 and paragraph 3 of Ministerial decree no. no. 162 of 30 March 2000, the activities closely related to the company's business are those relating to the insurance, banking and financial sectors.

7. Once signed by the shareholders or shareholders (or proxies) presenting the lists, they are filed with the company's registered offices - to be made available to shareholders - at least ten days before the date scheduled for the shareholders' meeting in first call. Mention of the lists will be made in the notice of convocation.
8. Together with the filing of each of the lists, the shareholders should file the documentation required by current regulations for submission, certifying that they hold the minimum investment as per the third paragraph of this article and including a professional description of each candidate, as well as the statements in which the candidates accept their nomination and state, on their own responsibility, the non-existence of any reasons for ineligibility or conflicts of interest and their compliance with the regulatory requirements and by-laws.
9. Lists that do not meet all of the above provisions will be considered as if they have never been filed.

regulated Italian markets, with the exception of Ras parent companies and subsidiaries. Outgoing statutory auditors may be reinstated.

In accordance with letters b) and c), paragraph 2 of article 1 and paragraph 3 of Ministerial decree no. no. 162 of 30 March 2000, the activities closely related to the company's business are those relating to the insurance, banking and financial sectors.

7. Once signed by the shareholders or shareholders (or proxies) presenting the lists, they are filed with the company's registered offices - to be made available to shareholders - at least ten days before the date scheduled for the shareholders' meeting in first call. Mention of the lists will be made in the notice of convocation.
8. Together with the filing of each of the lists, the shareholders should file the documentation required by current regulations for submission, certifying that they hold the minimum investment as per the third paragraph of this article and including a professional description of each candidate, as well as the statements in which the candidates accept their nomination and state, on their own responsibility, the non-existence of any reasons for ineligibility or conflicts of interest and their compliance with the regulatory requirements and by-laws.
9. Lists that do not meet all of the above provisions will be considered as if they have never been filed.
10. **The term of office of the Statutory Auditors expires in the cases provided for by regulation and whenever the requirements for appointment set forth in the by-laws are no longer met.**

Appointment of Board of Statutory Auditors

Presentation of more than one list

10. The statutory auditors are appointed as follows:
 - a) two standing auditors and one alternate auditor from the list that re-

11. **If more than one list is presented, the statutory auditors are appointed as follows:**
 - a) two standing auditors and one alternate auditor from the list that re-

ceives the most votes on the basis of the progressive order in which the candidates are listed in the sections;
b) the other standing auditor and the other alternate auditor from the second list that receives the second most votes on the basis of the progressive order in which the candidates are listed in the sections.

11. In the event of a tie, the candidates on the tying lists go to a ballot vote by all shareholders at the meeting. The candidates who receive the most votes are appointed, excluding abstentions.

12. The Chairman of the Board of Statutory Auditors is the first person on the list that receives the most votes.

13. The term of office of the Statutory Auditors expires in the cases provided for by regulation and whenever the requirements for appointment set forth in the by-laws are no longer met.

14. Statutory auditors who step down are replaced by alternate auditors on the same list. If the Chairman is replaced, another standing auditor from the same list or, in absence thereof, the first alternate auditor from the same list, takes the chair.

ceives the most votes on the basis of the progressive order in which the candidates are listed in the sections;
b) the other standing auditor and the other alternate auditor from the second list that receives the second most votes on the basis of the progressive order in which the candidates are listed in the sections.

12. In the event of a tie, the candidates on the tying lists go to a ballot vote by all shareholders at the meeting. The candidates who receive the most votes are appointed, excluding abstentions.

13. The Chairman of the Board of Statutory Auditors is the first person on the list that receives the most votes.

paragraph moved to new paragraph 10

Presentation of one list

14. If only one list is presented, the shareholders resolve by majority vote, excluding abstentions, and the chairman is the first person in the section containing the list of candidates for standing auditor.

No lists are presented

15. If no lists are presented, the provisions of the Italian Civil Code apply and the shareholders resolve by majority vote, excluding abstentions. The candidates will have to make the statements as per paragraph 8 available within the date of the shareholders' meeting.

Reintegration of the Board of Statutory Auditors

If the Board of Statutory Auditors was appointed from more than one list

16. Statutory auditors who step down are replaced by alternate auditors on the same list. If the Chairman is replaced, another standing auditor from the same list or, in absence thereof, the first alternate auditor from the same list, takes the chair.

15. The shareholders appoint standing and/or alternate auditors and the Chairman to replace outgoing auditors and integrate the Board of Statutory Auditors as follows:

- when the Chairman or auditor(s) from the list that received the most votes have to be replaced, the provisions of the Italian Civil Code apply, and the shareholders resolve by majority vote, excluding abstentions;
- when the standing auditor and/or alternate auditor from the list that received the second most votes have to be replaced, the unappointed candidates for standing auditors and alternate auditor listed in the same sections of the same list are proposed. The candidate with the most votes is appointed. If there are no candidates to be nominated, the provisions of the Italian Civil Code apply and the shareholders resolve by majority vote, excluding abstentions;
- only those candidates who have made the statements as per paragraph 8 available by the date of the shareholders' meeting can be nominated as candidates.

16. If only one list is presented, the shareholders resolve by majority vote, excluding abstentions, and the chairman is the first person in the section containing the list of candidates for standing auditor.

If a standing auditor or the Chairman steps down, they are replaced by the alternate auditor and standing auditor, respectively, in the progressive order of the list in the corresponding section until the next shareholders' meeting. If the standing and/or alternate auditors and the Chairman have to be replaced, the provisions of the Italian Civil Code apply, and the shareholders resolve by majority vote, excluding abstentions. The candidates will have to make the statements as per paragraph 8 available within the date of the shareholders' meeting.

17. The shareholders appoint standing and/or alternate auditors and the Chairman to replace outgoing auditors and integrate the Board of Statutory Auditors as follows:

- when the Chairman or auditor(s) from the list that received the most votes have to be replaced, the provisions of the Italian Civil Code apply, and the shareholders resolve by majority vote, excluding abstentions;
- when the standing auditor and/or alternate auditor from the list that received the second most votes have to be replaced, the unappointed candidates for standing auditors and alternate auditor listed in the same sections of the same list are proposed. The candidate with the most votes is appointed. If there are no candidates to be nominated, the provisions of the Italian Civil Code apply and the shareholders resolve by majority vote, excluding abstentions;
- only those candidates who have made the statements as per paragraph 8 available by the date of the shareholders' meeting can be nominated as candidates.

paragraph moved to new paragraph 14

If the Board of Statutory Auditors was appointed from one list

18. **If a standing auditor or the Chairman steps down, they are replaced by the alternate auditor and standing auditor, respectively, in the progressive order of the list in the corresponding section until the next shareholders' meeting.**

The shareholders appoint the necessary standing and/or alternate auditors to integrate the Board of Statutory Auditors and leave the appointment of a standing and/or alternate auditor to the minority shareholders, on the basis of the candidate lists.

An alternate auditor appointed from a minority list replaces an outgoing standing auditor only if there is no standing auditor appointed from a minority list to replace him/her.

If the shareholders are replacing outgoing auditors and no lists are presented, the provisions of the Italian Civil Code apply and the shareholders resolve by majority vote, excluding abstentions. The candidates will have to make the statements as per paragraph 8 available within the date of the shareholders' meeting.

If more than one list is presented, paragraphs 2 to 9 apply and the standing auditor and/or alternate auditor necessary to integrate the Board of Statutory Auditors will be appointed from the minority list that receives the most votes. In the event of a tie vote, paragraph 11 applies.

17. The above rules apply even if only one list received shareholders' votes.

paragraph repealed

Board of Statutory Auditors appointed without lists

19. If the shareholders are replacing outgoing standing and/or alternate auditors or the Chairman and no lists were presented, the provisions of the Italian Civil Code apply and the shareholders resolve by majority vote, excluding abstentions. The candidates will have to make the statements as per paragraph 8 available within the date of the shareholders' meeting..

18. If no lists are presented, the provisions of the Italian Civil Code apply and the shareholders resolve by majority vote, excluding abstentions. The candidates will have to make the statements as per paragraph 8 available within the date of the shareholders' meeting.

paragraph moved to new paragraph 15

Article 29 (new article)

1. The Board of Statutory Auditors may meet by teleconference, provided that all rightful participants may participate, be identified, intervene in the matters discussed in real time and be completely informed.
2. The statutory auditors shall be reimbursed for costs incurred to perform their duties.

Article 29

Article 30 (renumbered)

Text unchanged

Article 30

1. The following persons are legal representatives of the company. Their powers of attorney are described in article 31:
 - a) the Chairman
 - b) the Deputy Chairman/Chairmen;
 - c) the CEOs;
 - d) the General Managers;
 - e) other Managers.
2. Legal representation is exercised by joint signature of two of the above people under the company's name, printed or handwritten.

Article 31

1. The Chairman, The Deputy Chairman/Chairmen, the CEOs and General Managers have joint signatory powers for all company business shared amongst them and with one of the Managers as per letter e) of the preceding article. The Managers have joint signatory powers amongst them limited to the ordinary management of the company, with the power to:

- 1.1) represent the company before courts for all legal purposes and, therefore, to file both judicial and administrative proceedings and petitions at all judicial levels, including appeal and cancellation suits, and to

Article 31

1. The following persons are legal representatives of the company. Their powers of attorney are exercised **within the limits of article 32:**
 - a) the Chairman
 - b) the Deputy Chairman/Chairmen;
 - c) **the CEO or CEOs;**
 - d) the General Managers;
 - e) **the Central Managers;**
 - f) other Managers.

2. Representation is exercised by joint signature of two of the above people under the company's name, printed or handwritten.

Article 32

1. The Chairman, the Deputy Chairman/Chairmen, **the CEO or CEOs** and General Managers **have joint signatory powers for all company business shared amongst them and with one of the Central Managers** as per letter e) of the preceding article.

2. **The Central Managers have joint signatory powers for the company's ordinary management amongst two of them or one of them with a proxy so authorised under paragraph 4. The other Managers as per letter f) of the preceding article have joint signatory powers with one of the individuals as per letters c), d) and e) of they preceding article. They may sign for the company's ordinary management in relation to the department/unit for which they are responsible. The Managers as per letter f) of the preceding article have joint signatory powers for the company's ordinary management in relation to the department/unit for which they are responsible amongst two of them or one of them with a proxy so authorised under paragraph 4.**

3. **The ordinary management powers mentioned above relate to the power to:**

- 3.1) represent the company before courts for all legal purposes and, therefore, to file both judicial and administrative proceedings and petitions at all judicial levels, including appeal and cancellation suits, and to

- defend the company in suits that may be filed against it, and to appoint attorneys at law to this end; to settle disputes by arbitration or friendly settlements; litigate;
- 1.2) carry out any kind of collection, withdrawal, as well as deposit, conversion and redemption of securities and values with the National Debt Administration, the Deposit and Loan Bank, the Revenue Office, the Post Office, the Rail Transport and any state or local Administration, private bodies or institutions as well as enterprises or individuals;
 - 1.3) consent to and accept registrations, cancellations and annotations of mortgages;
 - 1.4) buy and sell motor vehicles;
 - 1.5) confer special mandates for specific transactions and general powers of attorney, within the limits of its powers.

2. The Board of Directors may also give company officials representation powers, in the form of special powers of attorney for the line of business, service or unit for which they are responsible, limited to the current related acts, with joint signature with one of the Managers listed in letter e) of this article.

- defend the company in suits that may be filed against it, and to appoint attorneys at law to this end; to settle disputes by arbitration or friendly settlements; litigate;
- 3.2) carry out any kind of collection, withdrawal, as well as deposit, conversion and redemption of securities and values with the National Debt Administration, the Deposit and Loan Bank, the Revenue Office, the Post Office, the Rail Transport and any state or local Administration, private bodies or institutions as well as enterprises or individuals;
 - 3.3) consent to and accept registrations, cancellations and annotations of mortgages;
 - 3.4) buy and sell motor vehicles;
 - 3.5) repealed

paragraph repealed

4. The CEO's or CEOs' powers include the power to confer:
 - a) delegation of powers and powers of representation of the company, in respect of single acts or categories of acts, general and special powers of attorney to employees of the company and third parties, including the power of subdelegation. Procedures for the exercise of such powers and the use of the company signature shall be indicated in the power of attorney;
 - b) the representation with single signature to Managers and/or officers, limited to the Department/Unit to which they belong, in respect of those acts of ordinary correspondence which do not financially or legally bind the company. The powers of attorney will detail procedures and operations which the use of the single signature is allowed for.

The above mentioned powers of attorney shall be conferred by the CEO or CEOs by joint signature with one of the persons indicated in the preceding Article 31.

3. The persons listed above may also disjointly exercise the power to represent the company in the shareholders' meetings of other companies, institutions or entities.
4. The Board of Directors shall decide how the representation powers are exercised by other management offices, branches and representative offices also abroad, on a case-by-case basis.

Article 32

Article 33

Article 34

Article 35

Article 36

5. The persons listed above may also disjointly exercise the power to represent the company in the shareholders' meetings of other companies, institutions or entities.

6. The Board of Directors shall decide how the representation powers are exercised by other management offices, branches and representative offices also abroad, on a case-by-case basis.

Article 33 (renumbered)

Text unchanged

Article 34 (renumbered)

Text unchanged

Article 35 (renumbered)

Text unchanged

Article 36 (renumbered)

Text unchanged

Article 37 (renumbered)

Text unchanged



- to change articles 1, 2, 3, 4 and 9 of the Rules of Procedure for the Shareholders' Meetings as follows:

**RAS RULES OF PROCEDURE
FOR THE SHAREHOLDERS' MEETINGS
CURRENT TEXT**

Introduction

The Ras by-laws do not provide for any rules of procedures for the shareholders' meetings.

However, Ras by-laws do provide that "The Chairman is responsible for ascertaining that the shareholders' meeting has been regularly convened, verifying that those present are rightfully so, also through those entrusted by him/her. The Chairman shall also oversee and head the meetings and discussions and establish order and open voting procedures" (article 17).

On the basis of the management and oversight powers given to the Chairman by the by-laws, the Chairman is exclusively responsible to this regard.

That being said, considering market practice and expectations, the Chairman finds it necessary to define the main methods by which to exercise his powers in managing and overseeing the shareholders' meetings, and requests the approval of the Board of Directors and that of the shareholders of the ordinary meeting.

Paragraph I
PRELIMINARY PROVISIONS

**Article 1
Scope**

1.1
Without prejudice to the provisions of law and the company's by-laws, these Rules of Procedure govern the ordinary and extraordinary shareholders' meetings and, to the extent they are compatible, the special shareholders' meetings and bondholders' meetings, if any.

1.2
These Rules of Procedure are available to shareholders at the company's registered offices and in shareholders' meeting venues.

**RAS RULES OF PROCEDURE
FOR THE SHAREHOLDERS' MEETINGS
UPDATED TEXT**

Introduction

Ras by-laws provide that "The Chairman is responsible for ascertaining that the shareholders' meeting has been regularly convened, verifying that those present are rightfully so and ascertaining their identity, also through those entrusted by him/her. The Chairman shall also oversee and head the meetings and discussions and establish order and open voting procedures, **and verify the results of votes**" (article 17).

On the basis of the management and oversight powers given to the Chairman by the by-laws, the Chairman is exclusively responsible to this regard.

That being said, **following the changes to the by-laws resolved by the shareholders on 28 April 2004, on the same date and pursuant to article 2364 of the Italian Civil Code, the shareholders hereby update the Ras Rules of Procedure for the Shareholders' Meetings as follows:**

Paragraph I
PRELIMINARY PROVISIONS

**Article 1
Scope**

1.1
unchanged

1.2
These Rules of Procedure are available to shareholders at the company's registered offices, **on the company's website** and in shareholders' meeting venues.

Article 2

Participation in shareholders' meetings

2.1

Shareholders and other holders of voting rights or their representatives may participate in shareholders' meetings.

2.2

Managers and employees of the company and Directors, Managers and employees of Group companies, as well as other people whose presence the Chairman of the shareholders' meeting considers helpful in relation to the matters to be handled or the discussion of the agenda may attend shareholders' meetings without voting rights.

2.3

In addition to those permitted by law, the independent auditors' representatives may attend the shareholders' meetings without voting rights.

2.4

With the Chairman's consent, financial analysts and journalists specialised in economics and finance may attend the shareholders' meeting without voting rights, once they have been identified.

Article 3

Verification of legitimate participation in the shareholders' meeting and access to rooms where meeting is held

3.1

The Chairman entrusts personnel to verify that those who want to participate in the shareholders' meeting are legitimately entitled to do so. Such personnel verifies legitimacy reasonably in advance of the time set for the shareholders' meeting, unless other term is set in the notice of convocation.

3.2

To facilitate the verification of their right to participate in the shareholders' meetings, shareholders, holders of voting rights or their

Article 2

Participation in shareholders' meetings

2.1

Shareholders and other holders of voting rights or their representatives may participate in shareholders' meetings **at the venues indicated in the notice of convocation, in accordance with the company's by-laws.**

2.2

unchanged

2.3

unchanged

2.4

With the Chairman's consent, financial analysts and journalists specialised in economics and finance may attend the shareholders' meeting without voting rights, once they have been identified.

The notice of convocation can also give anyone interested the chance to participate via digital devices, without being able to intervene or vote.

Article 3

Verification of legitimate participation in the shareholders' meeting and access to rooms where meeting is held

3.1

unchanged

3.2

unchanged

representatives can send the company documentation demonstrating their legitimacy before the meeting.

3.3

Unless the Chairman of the shareholders' meeting decides otherwise, no photographic or video devices can be used in the room where the meetings are held, nor may any recording devices of any kind or mobile telephones. Should the Chairman authorise the use of such devices, he/she will determine the conditions and limits for such use.

Article 4

Convening the shareholders' meeting and opening discussions

4.1

At the time set in the notice of convocation, the Chairman of the Board of Directors, or, in absence thereof, a Deputy Chairman, takes the chair of the shareholders' meeting, in accordance with the company's by-laws. The Chairman, or Deputy Chairman, may delay the meeting for not more than one hour.

If neither the Chairman nor a Deputy Chairman is present, the Chairman of the shareholders' meeting is appointed by the majority of share capital represented at the meeting.

4.2

The Chairman of the shareholders' meeting is assisted by a Secretary, who does not necessarily have to be a shareholder, appointed by the majority of share capital represented at the Chairman's proposal.

Where require by law, the Chairman chooses a notary to draw up the minutes.

The Secretary and the notary may call on the assistance of a trusted person.

4.3

The shareholders' meetings may be filmed and/or audio or audio/video recorded exclusively for it to be broadcasted or projected in the rooms where the meeting is being held or to support the recording of the minutes and prepare answers to shareholders' queries.

3.3

Unless the Chairman of the shareholders' meeting decides otherwise, **and given the provisions of subsequent article 4.3**, no photographic or video devices can be used in the room where the meetings are held, nor may any recording devices of any kind or mobile telephones. Should the Chairman authorise the use of such devices, he/she will determine the conditions and limits for such use.

Article 4

Convening the shareholders' meeting and opening discussions

4.1

At the time and place set in the notice of convocation, the Chairman of the Board of Directors, or, in absence thereof, a Deputy Chairman, takes the chair of the shareholders' meeting, in accordance with the company's by-laws. The Chairman, or Deputy Chairman, may delay the meeting for not more than one hour.

unchanged

4.2

unchanged

4.3

The shareholders' meetings may be filmed and/or audio or audio/video recorded exclusively for it to be broadcasted or projected in the rooms where the meeting is being held or to support the recording of the minutes and prepare answers to shareholders' queries. **They may also be recorded for digital transmission where arranged for.**
The Chairman informs all participants in



the shareholders' meeting of the procedures to follow to protect their right to confidentiality.

4.4 The Chairman may draw on the assistance of people authorised to participate in the shareholders' meeting, including external consultants invited for this purpose. 4.4 unchanged

4.5 The Chairman is responsible for ascertaining that those participating in the shareholders' meeting have the legitimate right to do so. The Chairman may entrust others to do this. 4.5 unchanged

4.6 The Chairman announces the total number of shareholders present with the right to vote and the shares and portion of share capital they represent. Once the Chairman has ascertained that the shareholders' meeting has been regularly convened, he/she opens the discussion of the points on the agenda. 4.6 unchanged

4.7 If not enough shareholders are present to convene the shareholders' meeting, the Chairman informs those present and can postpone the meeting for not more than one hour. After that, he/she must declare the shareholders' meeting as unattended. 4.7 unchanged

4.8 Those who plan to leave the shareholders' meeting before its end or before a vote, should inform the relevant personnel to update the votes present. They may have another shareholder or holder of voting rights or their representatives stand in for them by leaving a written proxy, checked and noted, for the minutes of the shareholders' meeting, by the relevant personnel. 4.8 unchanged

Paragraph III
DISCUSSION

Paragraph III
DISCUSSION

Article 5
Agenda

Article 5
Agenda

5.1 The Chairman, and, upon his/her request, those assisting the Chairman, describe the points on the agenda and the proposals sub- 5.1 unchanged



mitted for approval by the shareholders. In opening the points and proposals to discussion, the Chairman may follow an order other than that given in the notice of convocation and may decide that all or some of the points on the agenda should be discussed together.

5.2

Unless the Chairman deems it best or unless specific request is made and approved by the shareholders, the documentation lodged in advance and made available to those concerned, in accordance with the provision of law, is not read during the meeting.

5.2

unchanged

Article 6
Speeches and rebuttals

Article 6
Speeches and rebuttals

6.1

The Chairman of the shareholders' meeting oversees discussions and gives the floor to the Directors, Statutory Auditors and those who have requested it, in accordance with this article.

6.1

unchanged

6.2

Those with legitimated rights to vote, the savings shareholders' representative and bondholders may ask to take the floor on matters under discussion, making comments and requesting information. Those with legitimated rights to vote may also submit proposals. Requests can be made up until the Chairman announces that the discussion on the matter is closed.

6.2

unchanged

6.3

The Chairman decides how requests to speak should be made and the order of the speakers.

6.3

unchanged

6.4

The Chairman, or the person entrusted thereby, answers speakers at end of all speeches on the matters discussed, or after each speech.

6.4

unchanged

6.5

When all the speeches, responses and any rebuttals are finished, the Chairman declares the discussion closed.

6.5

unchanged

Article 7
Recess and postponement of the shareholders' meetings

Article 7
Recess and postponement of the shareholders' meetings

7.1
Where the Chairman sees it appropriate, during the meeting, he/she may call a recess, giving the reasons for this decision.

7.1
unchanged

Article 8
Powers of the Chairman

Article 8
Powers of the Chairman

8.1
To ensure that the meeting is correctly conducted, and that all speakers have the chance to exercise their right, the Chairman may take the floor from speakers who take the floor without having the right to do so or continue speaking beyond any limits set by the Chairman.

8.1
unchanged

8.2
After having issued a warning, the Chairman may take the floor from a speaker who discusses matters not pertinent to that under discussion.

8.2
unchanged

8.3
The Chairman may take the floor from a speaker whenever such speaker says inappropriate things or behaves inappropriately or insultingly, in the event of threats or incitements of violence and disorder.

8.3
unchanged

8.4
Should the behaviour of one or more speakers provoke clear a situation that is clearly hostile to the regular conduct of the meeting, the Chairman shall call the meeting to order and require compliance with the Rules of Procedure and take the measures he/she deems appropriate.

8.4
unchanged

Paragraph IV
VOTING

Paragraph IV
VOTING

Article 9

Article 9

Voting

Voting

9.1
Votes will be open.
The Chairman decides the order and methods for voting and records and counts the votes.

9.1
unchanged

9.2
The Chairman may appoint two scrutineers, whom may be shareholders or statutory auditors, where he/she deems it necessary.

9.2
unchanged

9.3
All those with voting rights may state the

9.3
unchanged



reasons for their vote in the shortest amount of time necessary.

9.4
The provisions of the by-laws apply to the list-based voting to appoint the Board of Statutory Auditors.

9.5
Once votes have been cast, they will be counted. Afterwards, the Chairman will announce the results of the vote to the shareholders, with the assistance of the Secretary or the notary if necessary.

Paragraph V
CLOSE

Article 10

Close of discussions and the minutes

10.1
Once all the points on the agenda have been dealt with and voted on, the Chairman declares the discussions of the shareholders' meeting closed.

10.2
The minutes of the shareholders' meeting reports the resolutions put to vote directly or in an annex; a summary of speeches and the replies given; a list of holders of voting rights who participated in the shareholder' meeting and voted; the outcome of the voting.

Paragraph VI
FINAL PROVISIONS

Article 11

11.1
On the basis of the powers conferred on the Chairman by the company's by-laws, the Chairman may make any integration, interpretation or exception that he/she deems appropriate to these Rules of Procedure to ensure the correct conduct of the shareholders' meetings and that all participants are able to exercise their rights.

- *to confer on the Chairman, the Deputy Chairman and the CEO all necessary disjointed powers to make formal changes, eliminations and additions to these resolutions, as required by the relevant authorities pursuant to law.*

9.4
unchanged

9.5
Once votes have been cast, they will be counted. Afterwards, the Chairman will ascertain and **announce the results of the vote to the shareholders, with the assistance of the Secretary or the notary if necessary.**

Paragraph V
CLOSE

Article 10

Close of discussions and the minutes

10.1
unchanged

10.2
unchanged

Paragraph VI
FINAL PROVISIONS

Article 11

11.1
unchanged

Milan, 11 March 2004
THE BOARD OF DIRECTORS

Ordinary section

Ras in the last three years (thousands of Euro)

Total premiums	2001	2002	2003
Non-life business	2,630,309	2,830,301	2,874,910
Life business	1,002,751	1,250,858	1,373,619
Total	3,633,060	4,081,159	4,248,529
Claims, maturities, annuities and surrenders			
Non-life business	1,987,564	1,985,103	2,039,405
Life business	709,387	775,219	825,436
Total	2,696,951	2,760,322	2,864,841
Technical reserves			
Non-life business	4,548,203	4,775,337	4,772,751
Life business	6,340,045	6,769,824	7,403,360
Total	10,888,248	11,545,161	12,176,111
Shareholders' equity			
Share capital	376,567	437,770	403,336
Equity reserves	3,451,950	3,703,582	3,701,861
Net profit for the year	581,135	1,059,121	456,787
Total	4,409,652	5,200,473	4,561,984
Solvency margins			
Required by law	672,378	729,147	754,401
Actually held	4,123,974	4,803,709	4,148,377

Dear shareholders,

2003 deeply scarred the credibility of Italian businesses, involving banks and entities responsible for supervising businesses. Increasingly rigorous rules are needed both within companies and on the market to ensure transparency and correct conduct.

This Board of Directors believed it essential to give a strong signal of its transparency and correct conduct. Accordingly, in January 2004, it adopted a new Corporate Governance Code in line with the most recent and innovative Italian and international provisions. Some of the most important changes in the new code relate to enhancing the role of the Board and independent Directors. They also include broadening the limitations of conflict of interests, setting up a Risk Assessment Committee, creating specific provisions for Group company transaction in derivative financial instruments and new rules on the transparency of engagements assigned to the independent auditors. They increase disclosures to the market and shareholders on the web to give everyone the change to participate more actively and knowledgeably in the company, while better protecting minority interests. Today you will be asked, among other things, to resolve on reducing the threshold required to present minority lists to nominate the Statutory Auditors from 3% to 2%, so as to encourage wider representation of this supervisory body.

In a year marked by early signs of recovery on main international markets, the Italian insurance market has shown significant growth, although at a rate lower than in the previous year.

In the third-party motor liability business, the continuation of 2002 improvements in the technical result, along with favourable legislation initiatives culminating in an Agreement Protocol between the Italian government, Ania and consumers' associations, generated a significant overall freeze in tariffs. The effects of the above on premium income arose mainly during the second half of the year, given the substantial stability of circulating vehicles.

Other non-life business also saw a progressive downsizing of 2002 tariffs during the year, as a result of the reinsurance market situation. Furthermore, many insurers completed restructuring measures in 2003 to strengthen business areas with negative technical trends. Nevertheless, growth in premium income from non-life business outperformed that of the motor business, specifically given the trend recorded by industrial risks and third party liability insurance.

Life business grew at steady rates during 2003, but without matching the previous year. This slow-down particularly affected the individual policy segment, while growth in collective policies quickened compared to 2002. Pension-related products showed no signs of recovery at year end. This was partly due to the lack of regulatory measures in this respect.

After three years of decline, the financial services market saw growth in stock in 2003, partly due to the positive impact of improved financial markets. Inflows rose sharply from funds in particular, especially in the second and third quarters of the year, as consumer confidence in products with higher equity content gradually recovered and interest returned in investments types such as funds of funds and flexible funds.

The end of 2003 marked the successful conclusion of an important chapter in Ras history. It also signalled the beginning of another, paving the way towards just as ambitious challenges and future prospects. Ras not only achieved, but in some cases outperformed, the targets set in the 2001-2003 business plan. We have also unveiled our new plan for the three years from 2004 to 2006 to the financial community.

During 2003, gross consolidated premiums rose 10% on 2002 to Euro 16,570 million.

Premiums from the life business amounted to Euro 9,553 million, up 14.5%, with particularly strong growth of 18.0% in the domestic market, with premium income of Euro 7,461 million.

Total inflows from new life premiums and management and administrated assets in Italy through agents and financial advisors grew 29% to Euro 1,646 million in 2003, peaking sharply in the fourth quarter of the year.

New products were partially behind these results, as they made it possible to integrate the insurance offering with financial services, such as *Ras Bank Philosophy*, a unit-linked policy based on a total return concept, set up by Darta Saving, the Group's Irish life insurance company set up in April 2003.

The year just ended was also very important in terms of the progressive strengthening of Rasbank. The acquisition and integration of Commerzbank Asset Management Italia, BPVI Suisse (Lugano, Switzerland) were completed and a preliminary agreements was signed for the acquisition of BNL Investimenti. These transactions will give Rasbank the third largest network in Italy in terms of the number of financial advisors and assets under management and administration.

Premiums brought in through bankinsurance grew at constant and sustained rates of 22%, with premiums from new life products totalling Euro 5,221 million.

Premiums from the non-life business reached Euro 7,017 million, up 4.8%. In particular, in Italy, premiums totalled Euro 3,794 million, up 4.2% following positive trends in all lines of business. Genialloyd, the Group's direct sales company, performed especially well, with growth of 54% and premiums of Euro 170 million.

In terms of profitability, Ras successfully completed a buy-back transaction in 2003, leading to the distribution of roughly Euro 800 million to minority shareholders and the consequent cancellation of shares. As announced in the 2004-2006 business plan, Ras plans to exploit its risk capital optimisation expertise in forthcoming years, not only to finance its own growth, but also to create value for shareholders. In the meanwhile, Ras spa ended 2003 with a net profit for the year of Euro 457 million. In a difficult year for investors, Ras is pleased to propose a dividend of Euro 0.60 for ordinary shares and Euro 0.62 for savings shares to its shareholders. ■

Ras in 2003

The schedules of the statutory financial statements have been prepared in Euro, omitting decimals, while the notes to the financial statements have been prepared in thousands of Euro.

Profit and loss account

The profit of ordinary business amounted to Euro 590 million, up 83.8% on the Euro 321 million of 2002. This growth is due to the combined effect of a positive trend in earned premiums (+4.9%), substantial stability in the claims rate and a considerable improvement in income from financial transactions related to the technical sector (+72%). The pre-tax profit amounted to Euro 653 million, compared to Euro 1,410 million in 2002, while the net profit for the year totalled Euro 457 million, compared to Euro 1,059 million in 2002, which was boosted by the net profits on the spin-off of real estate. For further details on the spin-off, reference should be made to the related financial statements. In the framework of the recovery of financial markets, income from investments rose 23.9% from Euro 594 million to Euro 736 million.

Profit and loss account (in millions of Euro)

	2003	2002
Premium income from life business	1,374	1,251
Premium income from non-life business	2,875	2,830
Total premium income	4,249	4,081
Outwards reinsurance	-354	-347
Net retained premiums	3,895	3,734
Change in premium reserves	-29	-50
Net earned premiums	3,866	3,684
Claims, maturities, annuities and surrenders	-2,514	-2,400
Change in claims and actuarial reserves	-862	-712
Commissions, acquisition costs, other administrative costs and other technical items (°)	-715	-747
Income transferred to the technical account	547	318
Technical operating result	322	143
Other ordinary income and expense (°)(°°)	30	1
Ordinary income from investments	736	594
Write-backs and write-downs	10	-151
Net profit from the sale of short-term investments	39	52
Income transferred to the technical account	-547	-318
Profit of ordinary business	590	321
Net profit from the sale of real estate	-	-
Net profit from the sale of long-term investments	77	1,109
Other extraordinary items (°°)	-10	-16
Contribution to the Umana Mente Foundation	-4	-4
Pre-tax profit	653	1,410
Income taxes	-196	-351
Net profit for the year	457	1,059

(°) Items reclassified taking into account intercompany recoveries.
 (°°) Items reclassified in 2002, reallocating the accrual to the provision for risks relating to policies issued before and during World War II (Euro 20 million) from ordinary charges to extraordinary charges.

Premiums

Life and non-life premiums are analysed by line of business in the following table. Premiums relating to direct insurance totalled Euro 4,101 million, including non-life business premiums up 2.5% to Euro 2,800 million and life business premiums up 10.9% to Euro 1,301 million. The overall increase amounted to 5.0%.

tab. 1

Premium income by line of business in Italy and abroad (in thousands of Euro)

	Direct business	Indirect business	Total
Personal accident	216,668	3,598	220,266
Health	120,560	146	120,706
Motor vehicle hulls	290,369	3,113	293,482
Railway truck hulls	0	0	0
Aviation hulls	8,708	100	8,808
Watercraft hulls	7,881	497	8,378
Cargo	18,810	791	19,601
Fire and natural events	210,629	39,781	250,410
Miscellaneous damage to property	202,243	10,220	212,463
Third-party motor liability	1,407,699	9,681	1,417,381
Third party aviation liability	4,016	0	4,016
Third party watercraft liability	2,551	0	2,551
General liability	252,858	4,833	257,691
Credit	881	0	881
Bonds	24,400	793	25,193
Pecuniary loss	8,855	1,190	10,045
Legal protection	2,639	210	2,850
Assistance	20,190	0	20,190
Total non-life business	2,799,957	74,954	2,874,912
Life business and capitalisation	1,301,083	72,536	1,373,619
Total	4,101,040	147,490	4,248,532
% increase over 2002	4,98%	-15,51%	4,10%
Outwards reinsurance premiums	313,492	40,135	353,626
Net retained premiums	3,787,548	107,355	3,894,905

Claims

Overall, direct insurance technical payments of the life business increased 6.6% to Euro 770.8 million. In particular, this involved growth in payments for surrenders and contractual profit participation (Euro 347.2 million, up 32.4%) and annuities (Euro 8.2 million, up 27.7%). Settlement costs also rose slightly, up 3.9% to Euro 846 million. Payments for claims were down 9.8% from Euro 31.0 million to Euro 28.0 million, while those for maturities dropped 8.6% from Euro 422.9 million to Euro 386.6 million.

During the year, 1,231,459 claims were reported in relation to the non-life business, down 3.7%. Such claims totalled Euro 1,710.5 million, compared to Euro 1,753.0 million in 2002. The claims settlement rate reached 84.5%, against 83.0% in the previous year. Settled and on-payment claims in the third party motor liability line of business accounted for 78.7% in 2003, compared to 77.8% in 2002. The percentage of claims settled against claims provided for was 74.6%, compared to 80.0% in 2002.

Technical reserves

Gross technical reserves rose 5.5% from Euro 11,545 million in 2002 to Euro 12,176 million in 2003. Overall, the non-life business premium reserve grew from Euro 1,103 million to Euro 1,130 million, almost entirely due to the reserve for unearned premiums, which amounted to Euro 1,091 million in 2002. The claims reserve decreased 0.9% from Euro 3,652 million in 2002 to Euro 3,620 million. Life business reserves rose 9.4% from Euro 6,770 million in 2002 to Euro 7,404 million in 2003. The technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management amounted to Euro 737 million, up on the Euro 520 million of the previous year.

Commissions, acquisition costs, other administrative costs and other technical items

Commissions and profit participation were slightly up from Euro 443 million in 2002 to Euro 457 million in 2003. The impact on net retained premiums was 11.7%, compared to 11.9% in 2002.

Acquisition costs and other administrative costs, net of services to Group companies, decreased 2.5% from Euro 280 million to Euro 273 million, with an impact of 6.4% on net premiums, compared to 7.5% in the previous year.

Other technical items totalled Euro 16 million, compared to Euro -24 million in 2002, including Euro 32 million in relation to the life business and Euro -16 million to the non-life business.

Products and commercial activities

Life business: sales development and new products

In a progressively weakening economy and competitive context, life products performed well, with higher growth rates especially in the last few months of the year. In particular, the annual premium products that met with the most success on the market were *Rassicura Plan* and *Euras Plan*. Following the introduction of software that analyses customers' pension needs and the launch of a campaign to sensitise customers - which they appreciated - *IntegRas* sales rose. This pension product enjoys excellent tax appeal. Single premium guaranteed return products met with high customer satisfaction. The unit- and index-linked investment products that met with the most success during the year were *Quota Massima* and two index-linked investments that provided for capital protection and guaranteed returns. With respect to maturing life policies, actions were taken to recover and increase the loyalty of customers, with a focus on the *Quota Massima Serie Speciale Clienti Fedeli* product. During the second half of the year, marketing programmes were launched to make contact with customers more frequent, so as to boost their proclivity to reinvesting.

In October, *Cento per Cento* was marketed. It is the first Ras product that combines asset management and personal accident coverage in one contract. In December, *Rassicura Plus*, a new, single premium, revaluable product, was created and marketed. It comprises an innovative financial structure capable of guaranteeing some of the highest minimum returns on the market.

Non-life business: sales development and new products

The strong performance of the *Instrada* product characterised the year. Ras efforts to replace the portfolio and boost sales met with good results. Near the end of the year a new product targeting young people was launched - *Generazione Sicurezza* - with specific tariff reductions for 18- to 26-year-olds who have not caused claims in the previous two years following car or motorcycle accidents. New projects were begun to support certain other non-life business products, targeting cross-selling and portfolio restructuring. These initiatives specifically related to the *Full Casa* (total home coverage) and *Futuras* (personal accident) products, with an aim to rapidly replacing the portfolio. New insurance policy called *Guido Io* was also launched. It covers drivers against personal accidents.

Agency support activities

Marketing

During the year, marketing campaigns were carried out to assist agencies in managing relationships with customers. The aim was to increase the expenditure of current customers through cross-selling, localisation and portfolio restructuring. The main marketing activities included customer segmentation, promotional mailings on a mass and selective basis and the implementation of IT instruments for campaign management. The 2003 campaigns involved more than 200,000 customers. The sales network supported them in the health, pension and life insurance sectors, as well as with regard to financial products.

Information and recruitment

During the year, the Ras Business School expanded its range of training courses to meet the needs of the members of the agency sales force as they progress in their professional cycles. In particular, eight new courses were added. They deal with customer management, cross-selling and product training. In collaboration with the Technical Departments, seminars were organized for the agencies. In addition, to complete the Recruitment Project set in motion by the Sales Department, the Ras Business School has set up a training programme for junior insurance advisors and new team

managers. In January 2004, the second edition of the "Master Professione Agente" programme was completed and 44 agents received diplomas. The school also coordinated the organisation of courses created for the network of Rasbank's independent financial advisors.

The Recruitment Project began in 2003, geared towards finding, vetting and hiring new sales people. An ad hoc website was set up on the agents' portal to support this project. Overall, 1,399 new production units were set up in 2003. Ras has considered it a top research and development priority to find professional team managers for the agencies, capable of supporting the sales structure. 109 people were appointed team managers during the year. Specific attention was also devoted to finding an insurance consultant and pension advisor. In 2003, 852 new advisors joined the life business. At the same time, new life insurance product analysis tools were created. They are used to comprehensively monitor average production trends.

Internet

During 2003, the Internet as a sales channel was extended to include new content. The aim was to effectively provide complete information on products and guide customers' attention towards specific products on main national portals. *Full Casa* was the first product to be showcased as part of these initiatives, to boost its visibility both on the Ras website and on other external websites, such as search engines, financial and economic portals and entertainment sites. The Internet channel was also used to support the launch of two new products, *Cento per Cento* and *Generazione Sicurezza*. Given the strong results, similar initiatives will be developed more intensively on other products in 2004.

Structure

The reorganisation and streamlining of the agency network continued during the year. At 31 December 2003, Ras sales structure, which was subject to additional streamlining and integrating, counted 882 agencies (918 in 2002), 1,438 agents and 4,511 sub-agents. Almost all of the signs at Ras agencies were replaced with new signs bearing the new logo.

Current lawsuits

Anti-trust

The Council of State confirmed the measure taken by the Anti-trust Authority against 17 insurance companies, including Ras. As a result, from June 2002, following the request of the Consumers' Rights Association, an increasingly large number of contracting parties began claiming reimbursement for a portion of premiums before Justices of the Peace, in the form of compensation for damage, unjust enrichment, recovery of undue payments, etc., as the policyholders believe they paid third party motor liability premiums which were approximately 20% higher than they should have been from 1995 to 2000, the years of the alleged misconduct subject to the Anti-trust Authority's measure. This is following the incorrect assumption that insurance companies created a cartel to agree on higher third-party motor liability tariffs. The phenomenon continues to concern above all the Italian regions of Campania and Calabria, and especially Salernitano and Catanzarese. At 8 March 2004, Ras had received 6,199 summons and, at the same date, had lost 1,456 cases and won 206. Law no. 63 of 7 April 2003 which modified Legislative decree no. 18 of 8 February 2003 (Emergency measures on equity-based rulings), reduced the scale of this situation. Such law stated that the cases had to be decided according to law rather than equity, meaning that the judges have to ascertain with certainty damage (increase in premium) as the specific effect of the alleged exchange of information. Following the application of this principle, Ras has both won and lost cases, although the latter continue to outnumber the former.

Tax inspection

Following receipt of a notice of assessment received from the Trieste tax authorities in early 2003 and relating to 1996, Ras appealed on 27 June 2003 before the Trieste Provincial Tax Commission. The last hearing was held on 18 November 2003. The Commission's sentence was favourable to the company. It was lodged on 16 December 2003. At this time, it is uncertain whether the tax

authorities will appeal or not. Finally, on 18 December 2003, Ras received a notice of assessment from the Trieste tax authorities for 1997 and 1998. The amounts under dispute are significant, but the company's conduct in the past is considered correct in this respect and, accordingly, it will appeal. However, in line with the principle of prudence, accruals have been made to cover legal defence costs and any contingent liabilities.

Tax amnesty

During 2003, Ras benefited from the tax amnesty under Law no. 289 of 27 December 2002. It integrated and settled direct taxes of previous years from 1997 to 2001 and automatically settled all indirect taxes of previous years from 1998 to 2001. Decree law no. 269/2003 (converted into Law no. 326 of 24 November 2003) extended the terms of the tax amnesty of both types of settlement to 2002 as well. Ras intends to take advantage of this extension in 2004, before the deadline.

Compulsory cessions

As discussed in the 2003 half year report, Ras and Consap reached a settlement agreement on 6 June 2003, definitively resolving their dispute on the January 1994 abolition of compulsory cessions in the life insurance sector. The agreement, which stands for the entire Ras Group, has provided that Consap pay Ras Euro 159.5 million. The effect of the agreement on Ras has been a gain of Euro 3.6 million. Ras collected the amount agreed on 4 July 2003. Accordingly, at 31 December 2003, its financial statements did not include any items relating to former compulsory cessions.

Third party motor liability price freeze

On 25 February 2003, the European Court of Justice accepted the appeal lodged by the European Commission against Italy for its third party motor liability price freeze under Legislative decree no. 70/2000, converted into Law no. 137/2000, the European Court of Justice maintained that Italy was non-compliant with EU directives on insurance under which member states are not allowed to impose conditions upon insurance companies or to fix prices.

Policies issued before and during World War II

The International Commission on Holocaust Era Insurance Claims (ICHEIC) continued its work regarding requests for the settlement of policies issued before and during World War II. Since October 2002, it has worked in collaboration with the German Foundation and GDV (association of German insurance companies). At the beginning of 2004, ICHEIC had assigned 57,269 requests for damages to insurance companies. The claims filing deadline was 31 December 2003, leading to a peak in the number of claims filed (ICHEIC announced it had approximately 13,000 awaiting processing and forwarding to the insurance companies concerned). In early 2004, ICHEIC sent the insurance companies 57,269 requests for damages. At 28 February 2004, Ras had received 39,948 requests and examined 38,233, approving 554 requests for a total of \$ 6,215,064.64. To date, applicants have accepted offers in relation to 463 requests, for \$ 5,216,382.03. After May 2003, following the October 2002 agreement between the German Foundation, ICHEIC and GDV, the latter makes the payments on behalf of the German insurance companies, including Ras, as part of the Allianz Group, using the funds provided by the German Foundation, with ICHEIC's guarantee. To date, Allianz ag has contributed to the German Foundation in its and its group name and will recharge Ras. ICHEIC is currently completing the definition of another audit stage, which is provided for in the 2002 agreement mentioned above. The purpose of the audit stage is to ascertain that the German companies have continuously complied with the rules ICHEIC has made for the processing and approval of claims. This means that in the near future, Price WaterhouseCoopers auditors will visit Ras to examine a sample of roughly 350 cases. Moreover, on the basis of the audit compliance statement obtained, Ras claims approvals and denials have been definitive for a year now and thus vulnerable to appeals before the independent bodies set by ICHEIC and the German Foundation. At year end, 184 appeals had been brought against Ras denials. Of those, 49 had already been decided (in 25 cases the company's first level decision was confirmed, while in the other cases, the ruling was in favour of the claimants, leading to the formulation of an offer of payment on the basis of mere biased allegations and purely circumstantial evidence). With regard to US litigation, the legal peace ensured by the German Foundation's agreement still stands. Accordingly, Ras has no pending litigation at this time. The company has provided for contingent liabilities related to these policies.

Privacy

A policy document on security was prepared and updated in line with the code on the protection of personal data. If necessary, the policy document will be updated by 30 June 2004, the legal deadline for the adoption of additional security measures not provided for by Presidential decree no. 318/99.

Administrative liability

In accordance with Legislative decree no. 231/2001 on the administrative liability of entities with regard to crimes, on 14 November 2003 and 30 January 2004, the Board of Directors implemented an organisational and management model as per article 6 of that decree, following the outcome of an analysis on the business areas and activities which run the risk of crimes being committed. Furthermore, the Board of Directors appointed a board to oversee the implementation of the model and the company's compliance with it. The board is also responsible for making sure it is updated. The model is also based on the guidelines set forth by ANIA and is currently undergoing partial review further to the Ministry of Justice's findings on such guidelines.

Share capital and stock market capitalisation

In accordance with the resolution of 28 October 2002, on 17 February 2003, a total of 57,778,318 own shares were cancelled, including 49,483,389 ordinary shares and 8,294,929 savings shares. Such shares were already held or had been acquired during the public offer bid. Following cancellation with effect from 17 February 2003, Ras share capital was reduced to Euro 403,102,758, split into

- 670,497,920 ordinary shares;
- 1,340,010 savings shares;

with a nominal value of Euro 0.60 each. Then, on 1 July 2003, in accordance with the resolution of the Board of Directors of 30 April 2003, Ras share capital was increased pursuant to article 2349 of the Civil Code by a nominal value of Euro 233,444.40, through the bonus issue of 389,074 ordinary shares worth Euro 0.60 each, bearing dividend rights from 1 January 2003. Therefore, from 1 July 2003, Ras share capital totals Euro 403,336,202.40 composed as follows:

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

for a total of 672,227,004 shares, each with a nominal value of Euro 0.60.

At 31 December 2003, shareholders' equity amounted to Euro 4,561,983,909.36 and the stock market capitalisation of Ras shares on the last trading day of the year totalled Euro 9,012.80 million, as per the official price list of the Milan Stock Exchange.

Relationships with subsidiary, affiliated, associated and parent companies and with related parties

Ras is directly controlled by Acif (Allianz Compagnia Italiana Finanziamenti) spa of Milan, a financial holding company in turn controlled by Allianz ag, based in Munich and listed on the New York Stock Exchange. Allianz ag heads one of the leading insurance and asset management groups in the world. At 31 December 2003, Allianz ag indirectly controlled Ras with approximately 55.51% of its ordinary shares. Ras carried out normal Group relationships during the year with its subsidiaries and associated companies (as well as its affiliated companies, which are also associated companies) and with its parent company Acif. Such relationships comprised of, inter alia, the provision of services on an arm's length basis. Other transactions with the above or other related companies related to building rents, securities brokerage, current account and financing transactions and, with insurance companies, reinsurance and coinsurance transactions. All the transactions were carried out on an arm's length basis. Ras carried out reinsurance transactions also with Allianz group, again on an arm's length basis, in accordance with Consob resolution no. 11971 of 14 May 1999 and subsequent modifications, governing transactions with related parties.

Similarly, Ras has certain real estate lease contracts in place with individuals who are related parties. These contracts provide for the special terms offered to current and retired Ras employees.

Receivables and payables at 31 December 2003 due from and to the parent companies Allianz ag and Acif and other Group companies and associated companies are set out in the section in the notes to the financial statements (Part B - Section 15). Furthermore, Annex 16, which is included in the supervisory forms accompanying the financial statements, details assets and liabilities relating to such companies, grouped by category.

Investments held by directors, statutory auditors and general managers

In accordance with Consob Resolution no. 11971 of 14 May 1999, at the end of this report there is a list of investments held by directors, statutory auditors and general managers, their spouses (unless legally separated) and minor children in Ras and its subsidiaries, directly or through subsidiary companies, trusts or nominees, as per the shareholders' ledger, communications received or other information received from the parties concerned.

Social orientation – Umana mente

Ras is the founding partner of Umana Mente and, in addition to the operating structures it has made available (offices, support structures, etc.), its genuine contribution lies in its annual financing (within the limits of tax deductibility) of not more than 2% of its reported net profit. As in 2002, the first year of operations, Ras made approximately Euro 3.6 million available to the foundation in 2003 to fund social and not-for-profit projects. ■

Lines of business

Life business

Premiums totalled Euro 1,373.6 million, up 9.8%.

The technical reserves increased 9.4% to Euro 7,403.3 million, and insured capital and annuities amounted to Euro 18.3 million (2002: Euro 21.3 million).

This increase is mainly related to the positive trend in premiums from unit-linked policies, which grew 26%, and capitalisation policies, up 10.3%, as well as to the 7.7% rise in traditional policies. Open pension funds also recorded growth of 20.7% and health insurance policies rose 28.1%, although the increase was contained in absolute terms.

Breakdown of life business premiums and technical payments

tab. 2

(thousands of Euro)	2003	2002	% increase	% distrib. 2003	% distrib. 2002
<i>Direct business - Italy</i>					
<i>Individual policies</i>					
first year premiums	68,305	68,194	0,2	5,0	5,5
subsequent years' premiums	473,080	490,930	-3,6	34,4	39,2
single premiums	217,856	194,484	12,0	15,9	15,5
Total	759,241	753,608	0,7	55,3	60,2
Group policies	537,780	415,283	29,5	39,2	33,2
Personal accident complementary insurance	4,062	4,765	-14,8	0,3	0,4
Total	1,301,083	1,173,656	10,9	94,7	93,8
<i>Indirect business - Italy</i>	7,516	7,938	-5,3	0,5	0,6
Total Italy	1,308,599	1,181,594	10,7	95,3	94,5
<i>Direct business - Foreign</i>	0	0	n/s	0,0	0,0
<i>Indirect business - Foreign</i>	65,020	69,264	-6,1	4,7	5,5
Total Foreign	65,020	69,264	-6,1	4,7	5,5
Total	1,373,619	1,250,858	9,8	100,0	100,0

Technical payments (in thousands of Euro)

<i>Direct business - Italy</i>					
Claims	27,918	30,945	-9,8	3,4	4,0
Surrenders and contractual profit participation	347,200	262,207	32,4	42,1	33,8
Maturities	386,609	422,875	-8,6	46,8	54,5
Annuities	8,200	6,420	27,7	1,0	0,8
Settlement costs	846	814	3,9	0,1	0,1
Total	770,773	723,261	6,6	93,4	92,2
<i>Direct business - Foreign</i>	102	175	-41,7	0,0	0,0
Total direct business	770,875	723,436	6,6	93,4	92,2
<i>Indirect business</i>	54,561	51,783	5,4	6,6	6,7
Total	825,436	775,219	6,5	100,0	100,0

The composition of the portfolio has changed. Traditional policies accounted for only 57.2% of the overall portfolio, compared to 58.5% in 2002. Capitalisation policies remained steady at 27.3% of the total portfolio, compared to 27.2% in 2002. Unit-linked policies rose to 14.1% of the portfolio from 12.4% in the previous year. However, the impact of premiums from other lines of business remained the same.

New individual products showed significant growth in terms of single premium unit-linked policies. They rose 232.0%, while single premium capitalisation policies dropped 60.2%. These trends are due to the change in the line-of-business classification used for index-linked issues, which have been reclassified from class V to class III. The trend seen in the previous year continued in 2003, with demand for traditional insurance products offering financial guarantees up 83.0% for single premium policies and 12.6% for annual premium policies. On the other hand, unit-linked insurance policies without financial guarantees decreased 11.9% on 2002.

Acquisition costs of Euro 80.2 million decreased by approximately Euro 10 million on the previous year, representing 6.2% of direct premium income in Italy, down on the 7.7%, or Euro 90.8 million, of 2002. In particular, acquisition commissions increased 8.2%, while premium collection commissions fell 5.8%. This reflects the combined effect of an increased focus on new products, favouring single premium policies, and the introduction of remuneration policies that privilege acquisition commissions. Other acquisition costs were down 34.4% on the previous year, while other administrative costs increased 31.5%, accounting for 4.7% of premiums, compared to 3.9% in 2002.

The technical performance of this line of business was positive for policyholders as well: special separately-managed businesses average growth in returns in 2003, which will be retroceded as benefits to policyholders to the extent indicated in the specific contractual terms. Insurance policies without revaluation clauses have benefited from the traditional free capital increases.

Non-life business

The technical result of each line of business is given before reinsurance but net of the transfer of income provided for by the current structure of the profit and loss account.

Personal accident

Direct insurance premiums slipped 0.9% to Euro 216.7 million. 61,191 claims were reported for a total of Euro 162.0 million, down 5.1%.

The slight decrease in premiums accounted for is due to the non-renewal of an important major account. Moreover, the corporate sector continues to feel the impact of a drop in demand given the difficult economic situation for companies, which mostly limit their insurance coverage to policies for employees required by national labour contracts. Premiums grew in the individuals business following the positive trends in for drivers' accident coverage, and because of restructuring activities underway.

The technical result, down on the previous year main due to the increase in the relevant claims rate, amounted to Euro 36.4 million, compared to Euro 47.2 million in 2002.

Health

Direct insurance premiums slipped 7.0% to Euro 120.6 million. 373,633 claims were reported for a total of Euro 99.8 million, down 5.1%.

Premiums accounted for decreased following the loss of an important contract with a public body. Premium income from the individual segment rose during the year, partly due to the increase in policies with health boards. This had a positive impact on the technical result. Premiums in the corporate segment also grew.

The gross technical result slightly weakened on 2002, dropped from a negative Euro 2.8 million to a negative Euro 3.0 million for the entire line business.

Motor vehicle hulls

Direct insurance premiums rose 0.1% to Euro 290.4 million. 97,534 claims were reported for a total of Euro 172.3 million, up 15.5%.

Premiums in this line of business did not increase on the previous year as a result of the drop in the number of new vehicle registrations, which this type of coverage main targets. The result was also affected by restructuring to balance out the general motor liability portfolio.

The gross technical result rose from Euro 95.7 million to Euro 97.0 million.

Fire and natural events

Direct insurance premiums rose 1.9% to Euro 210.7 million. 46,785 claims were reported for a total of Euro 121.1 million, down 25.0%.

Premiums in the individual lines of business grew most, since they reaped the benefits of the portfolio restructuring and the multi-guarantee "Full Casa" product, which covers the entirety of the home. Premiums also grew significant in the small and medium-sized businesses segments, where the "Universo Impresa" and "Universo Albergo" met with excellent results. The growth in premiums in the corporate and major accounts segments was less significant, in line with the policy of selecting risks and eliminating loss areas, in a market that now competes on a technical basis. Two new multi-guarantee products were launched in the second half of the year: "Orario Continuato" (for commercial business in the individual segment) and "Universo Agricoltura" (for farmers).

The gross technical result rose to Euro 5.3 million from a negative Euro 1.5 million in 2002.

Miscellaneous damage to property

Direct insurance premiums rose 2.8% to Euro 202.2 million. 83,504 claims were reported for a total of Euro 132.6 million, down 12.1%.

With regard to the theft component, growth in premiums was positive in the individual, small and medium-sized business and corporate segments. In general, all segments put in a strong technical performance, including the engineering component. Premiums in the hail segment decreased slightly due to a careful policy of spreading out risks geographically. This policy led to the highest technical result in the last ten years.

As a whole, the gross technical result of this business was down slightly from Euro 35.2 million to Euro 28.8 million, mainly due to the relevant claims rate.

Third-party motor liability

Direct insurance premiums rose 3.6% to Euro 1,407.7 million from Euro 1,358, 8 million in 2002. 456,482 claims were reported for a total of Euro 773.8 million, up 3.9%.

The overall growth in premiums was affected by the non-renewal of certain group policies which showed negative technical results. In the individual segment, *Instrada* continued to perform well on the market. It provides for particularly innovative tariff formulas (single driver, discounts for families). The claims rate was contained during the year, partially offset by an increase in the average cost of claims, especially with regard to property damage. Moreover, the insurance company has introduced further innovations to increase the transparency of the policy regulations and better protect consumers (e.g. by considering policyholders' driving experience, even when they change from motorcycles to cars, or providing discounts for young drivers who have not caused any accidents).

Although negative, the gross technical result improved considerably, from a negative Euro 99.0 million to a negative Euro 19.8 million.

General liability

Direct insurance premiums rose 12.8% to Euro 252.9 million. 63,581 claims were reported for a total of Euro 189.6 million, down 12.5.

The increase in premiums was seen mainly in the individual segment (with the strong growth in the multi-guarantee product *"Full Casa"*, for families, and the success of the portfolio restructuring activities) and the small and medium-sized business segment (with considerable development in the multi-guarantee products *"Universo Impresa"* and *"Universo Albergo"*). Portfolio restructuring continued in the public bodies, corporate and major accounts segments with the aim of eliminating loss areas and improving technical and contractual conditions. These activities (along with more calibrated offers for new risks) had a positive impact on this line of business. Two new multi-guarantee products are slated to be launched: *"Orario Continuato"* (for commercial businesses in the individual segment) and *"Universo Agricoltura"* (for farmers). They are expected to boost performance in 2004.

Although negative, the gross technical result improved from a negative Euro 131.8 million to a negative Euro 40.1 million, given the containment of the claims rate.

Assistance

Direct insurance premiums rose 11.1% to Euro 20.1 million. 31,834 claims were reported for a total of Euro 3.5 million, down 2.9%.

The growth in premiums is partly due to the success on the market of household policies, although the majority of this segment relates to accessory motor coverage.

The gross technical result improved from Euro 8.7 million to Euro 10.3 million.

Bonds

Direct insurance premiums rose 4.2% to Euro 24.4 million. 596 claims were reported for a total of Euro 15.2 million, up 29.7%.

The growth in premiums was due to the careful risk underwriting policy that Ras has pursued for many years, so as to avoid peaks in the claims rate as a result of companies currently in states of insolvency.

The gross technical result amounted to Euro 7.0 million, down on the Euro 18.8 million of the previous year, mainly due to the negative trend in premium income and the claims rate.

Watercraft hulls

Direct insurance premiums dropped 37.8% to Euro 7.9 million. 823 claims were reported, for a total of Euro 9.7 million, up 8.6%.

The decrease in premiums was concentrated in the non-recreational watercraft hulls, due to the heavy handed underwriting policy aimed at excluding coverage of non-Italian watercraft which was completed during the year. However, premiums for policies related to recreational watercraft increased considerably during the year.

The gross technical result dropped from Euro 12.8 million to a negative Euro 4.9 million, mainly due to the negative trend in the claims rate.

Cargo

Direct insurance premiums dropped 15.6% to Euro 18.9 million. 6,617 claims were reported for a total of Euro 13.1 million, down 15.3%.

The decrease in premiums was due to the non-renewal of certain important contracts with negative technical results. Competition has become especially fierce in this segment in recent years, progressively heightening pressure with an effect on the technical performance of this line of business.

The gross technical result improved from Euro 7.5 million to Euro 10.3 million, mainly due to the trend in the claims rate.

Pecuniary loss

Direct insurance premiums dropped 25.8% to Euro 8.9 million. 6,778 claims were reported for a total of Euro 5.6 million, down 40.1%.

The decrease in premiums was mainly due to the elimination of certain contracts as part of the more cautious risk underwriting policy that aims to avoid insuring non-Italian watercraft.

The gross technical result rose from a negative Euro 2.1 million to a positive Euro 6.2 million, mainly due to the positive trend in the claims rate, partially offset by a drop in premium income.

Minor lines of business

The aviation hulls line of business recorded premiums of Euro 8.7 million, credit insurance Euro 1 million, third party aviation liability Euro 4 million and legal protection Euro 2.7 million.

Inwards and outwards reinsurance

Inwards reinsurance

Non-life business

Inwards reinsurance premiums totalled Euro 74 million, down on the Euro 97 million of 2002. 90% refer to premiums pertaining to the previous year. The company began reducing inwards reinsurance activities on 1 January 2003 to just a few transaction with Group companies. The overall technical result was largely affected by the worsening of technical results of inwards contracts concluded in previous years.

Life business

Inwards premiums totalled Euro 73 million, down on the Euro 77 million of the previous year. Those transferred from Group companies amounted to Euro 36 million, while those from third parties totalled Euro 37 million. The technical result was a positive Euro 6 million.

Outwards reinsurance

Outwards reinsurance protects Ras from exceptional increases in claims rates and risks of a catastrophic nature arising from both direct insurance and inwards reinsurance, at best market conditions. Proportional and non-proportional reinsurance treaties are used. Reinsurers used have proven financial stability.

Non-life business

The company is protected by non-proportional treaties, supplemented with proportional treaties for covers relating to fire and natural events, technological risks, bonds, hail, permanent disablement caused by illness and related to accident policies, as well as optional policies for special risks. Outwards reinsurance premiums totalled Euro 262 million.

Life business

The company is protected by a proportional structure that is supplemented by a non-proportional programme aimed at protecting against possible accumulation risks. Outwards reinsurance premiums totalled Euro 52 million, down on the Euro 55 million of 2002. 72% of outwards reinsurance premiums (Euro 37 million) related to the run-off of the Vitariv treaty.

Finance and real estate

The securities market

Internationally, 2003 saw many difficulties slowing growth rates despite recovery. In the US, the combined effect of monetary and tax measures boosted considerable recovery during the year, with growth rates of 3.1%. In the fourth quarter, the increase in US GDP was sustained by high consumer spending, an increase in investments and an improvement in foreign demand. In Asia, 2003 saw the rapid expansion of the Chinese economy, following the sharp increase in exports and trends in domestic demand. Euroland countries showed very limited growth, with a partial recovery in the second half of the year, bringing growth rates out of the negative. The economic recovery was led by exports and consumer spending, despite the bearish and uncertain situation due to low employment rates and more than 2% inflation.

The investment policy of the securities portfolio to cover special separately-managed life businesses is based on careful risk control in relation to the various asset classes, given the generally low interest rate levels. As early as the first half of the year, this encouraged diversification in bonds of selected corporate issuers, rather than increasing equities. The same policy was applied through the entire year to the non-life business bond portfolio.

Investments and income from investments

Real estate

During 2003, Ras continued carrying out ordinary and extraordinary maintenance as part of the ordinary management of its real estate portfolio and that of the portfolio it holds through the subsidiary Ras Immobiliare srl. No real estate was sold during the year. The long-term investment policy in this segment has seen the participation of Ras, in collaboration with Generali Properties (Generali Group), Progestim (Fondiarria-Sai Group), Lamaro Group and Lar Desarrollos Residenciales Group, in the tender for the Milan trade fair area which the fair authority has put up for sale. A demonstration of interest in this area was made on 30 June 2003 and the group was admitted to the next stage, which will culminate in bidding on 31 March 2004, with final awarding scheduled for July. The net book value of the real estate assets owned by Ras decreased by Euro 5.0 million on the previous year, as follows:

- increases due to capitalised costs of roughly Euro 0.5 million, mainly relating to the renovation and improvement work on certain buildings: Milan, in Corso Italia; Trieste, in Piazza della Repubblica, Rome, in Piazza S. Silvestro;
- depreciation totalling Euro 5.5 million.

Farming

Investments in the agricultural tourism sector are currently undergoing rationalisation, as their structures are concentrated. On 15 July 2003, this led to the resolution approving the merger of Perolla S.r.l. into Agricola San Felice S.p.A..

Bonds

Total investments in bonds, both long and short-term, amounted to Euro 10,025 million at the end of year, up on the Euro 872 million of the beginning of 2003. The average financial duration significant increased in the non-life business, while remaining substantially the same in the life business. Both portfolios, although the non-life business to a greater extent, diversified further in non-government bonds. Total investments in bonds include write-downs of Euro 3.6 million and write-backs of Euro 6.0 million. Unrealised net capital gains on bonds amounted to Euro 334 million. Investments bonds amounted to Euro 4,842 million at year end. The Board of Directors decided to reallocate certain bonds from short-term to long-term, for a total of Euro 7.8 million. It also reclassified bonds held against the index-linked portfolio totalling Euro 33.3 million to the D.I. class. As required by ISVAP circular no. 475/D of 27 February 2002, the related details are disclosed in the notes.

Gross income from bonds increased 15.5% to Euro 485 million.

Investments in Group and other companies

At year end, total investments in this category amounted to Euro 3,990 million, up Euro 109 million. The following transactions were carried out:

- purchase and sale of Unicredito shares for a counter value of Euro 290 million and Euro 198 million, respectively, to hedge the value of the shares against market fluctuations. Overall, the transaction did not change the quantity of shares held by Ras;
- subscription of the share capital increase of the Irish company Dartá Saving Life Assurance, for approximately Euro 3 million. Ras made a capital injection of Euro 3 million;
- sale of the investment in Ras Investimenti Sim for approximately Euro 1.3 million;
- subscription of the Ras Tutela Giudiziaria share capital increase for Euro 1.5 million;
- loans to increase the share capital of Ge.S.I. for Euro 11 million;
- write-downs of investments in Consortium srl and Solvet srl for Euro 7.6 million;
- write down of the investment in the Oncology Institute by Euro 0.9 million.

Ordinary income from investments in subsidiaries, associated companies and other related companies, including tax credits, amounted to Euro 241 million, up on the Euro 201 million of 2002. Unrealised net capital gains calculated on the basis of average prices over the last six months - average December prices for assets forming part of working capital - amounted to nearly zero for subsidiary and associated companies and Euro 418 million for other investments, mainly in Unicredito.

Mutual funds

Mutual funds totalled Euro 120 million, down Euro 45 million on 2002, considering write-downs of Euro 1.3 million and write-backs of Euro 3.6 million. Higher returns were recorded by the fund specifically operating in Europe and America, while investments mainly related to monetary funds and the fund specifically operating in America. Unrealised net capital gains amounted to Euro 1 million. The net trading profit totalled Euro 3.8 million.

Other financial investments in risk capital

Total investments amounted to Euro 596 million, up 11.6% on 2002. This category included the following:

1. shares assigned to a voting trust amounting to Euro 202 million. Unrealised net capital gains (on the basis of the average price over the last six months) totalled Euro 21 million. Ordinary income, including tax credits, amounted to Euro 7.8 million,
2. trading shares amounting to Euro 368 million, up approximately Euro 17 million on 2002, considering write-downs of Euro 19 million. Unrealised capital gains (on the basis of the average price of the last month) amounted to Euro 19 million and trading income totalled Euro 14 million. Dividends received amounted to Euro 67 million;
3. other shares held for investment purposes totalling Euro 26 million, down Euro 4 million on 2002. Dividends received amounted to Euro 1 million.

Other financial investments

Other financial investments increased from Euro 371 million to Euro 725 million. The increase was due to the repayment of previous loans and a securities lending transaction entered into with a leading counterparty. The duration of the transaction is 18 months and its purpose is to optimise profitability.

Investments where risk is borne by policyholders and related to pension funds

This category totalled Euro 736 million at year end, as follows:

- investments in respect of placement of the 19 unit-linked product lines (Euro 588.4 million);
- investments in respect of the placement of six index-linked product lines and management pursuant to article 30 (Euro 91.8 million);

- investments in respect of subscriptions of the eight lines of the two open pension funds (Euro 56 million).

Loans to Group companies, other loans and net deposits with companies

Other loans increased from Euro 25 million to Euro 26 million. Deposits with ceding companies decreased to Euro 295 million from Euro 311 million in 2002. Deposits from reinsurers fell to Euro 439 million from Euro 533 million in 2002. Loans to Group companies decreased to Euro 14 million from Euro 26 million in 2002.

Transactions involving derivative instruments

Ras purchased and sold put and call options during the year for an acquired countervalue totalling Euro 49.2 million, relating to transactions relating mainly to Unicredito, Eni and Enel securities and a sold countervalue of Euro 120.6 million. Additional details are provided in Section 17, Part B of the notes to the financial statements.

Own shares

In various transactions at different times during the year, Ras acquired 42,676,389 own ordinary shares for Euro 597 million. When the share capital was reduced, on 17 February 2003, 49,483,389 own ordinary shares were cancelled, for a countervalue of Euro 685 million, and 7,973,929 savings shares were cancelled, for a countervalue of Euro 112 million. Similarly, 8,294,929 savings shares were eliminated for a countervalue of Euro 111.6 million. Additional information is provided in the section on share capital.



Income from investments

Net investments totalled Euro 14,776.5 million at year end, up 7.0% on 2002. The related net ordinary income, which has recovered following the turnaround on financial markets, rose 33.0% on the previous year to Euro 755.9 million.

tab. 3

Breakdown of investments (thousands of Euro)

	2003	% of total	2002	% of total
Real estate, net of depreciation	138,196	0.9	143,238	1.0
Bonds	10,025,190	67.9	9,152,927	66.3
Investments in Group and other companies	3,990,396	27.0	3,880,888	28.1
Mutual funds	120,438	0.8	164,644	1.2
Other financial investments in risk capital	596,539	4.0	534,376	3.9
Other loans and net deposits with insurance companies	-104,430	-0.7	-171,016	-1.2
Own shares	10,178	0.1	100,461	0.7
Total investments	14,776,507	100	13,805,518	100

tab. 4

Ordinary income from investments, net of related charges (thousands of Euro)

	2003	% of total	2002	% of total
Real estate	4,760	0.6	3,815	0.7
Bonds	387,822	51.3	395,239	69.5
Investments in Group and other companies	240,195	31.8	200,305	35.2
Other financial investments in risk capital	75,608	10.0	61,716	10.9
Mutual funds	2,703	0.4	464	0.1
Other investments	-3,521	-0.5	6,370	1.1
Write-backs and write-downs	9,600	1.3	-151,270	-26.6
Net profit from the sale of short-term investments	38,729	5.1	51,836	9.1
Net ordinary income	755,896	100.0	568,475	100.0

NOTES
(* Figures do not include amounts relating to items D.I and D.II in the balance sheet assets.

Post balance sheet events

Ras finalised the acquisition of Banca Bnl Investimenti on 25 March 2004, after having obtained authorisation from the Bank of Italy and Anti-Trust Authority. Following the transaction, Banca Bnl Investimenti will join RasBank, making the Ras Group's network the third largest in Italy, with financial advisors numbering roughly 3,400 and assets under management and administration exceeding Euro 19 billion.

Given the upward trend in new traditional products, the focus in the first half of 2004 has been on restyling the entire life insurance offer, to optimise Ras risk management parameters. The indicators related to the performance of the non-life business and lines involved in the reinsurance policy are stable. ■

Ras Group

Companies either directly or indirectly controlled by Ras numbered 84 at year end. The Group was made up as follows: 28 insurance companies, 29 companies operating in finance, trust, banking and asset management services and 28 companies involved in real estate, farming and various services. In terms of geographical location, 32 companies were based in Italy, 34 in other EU countries, 16 other European countries and three in countries outside Europe.

Holding and financial companies

Ras International nv

The company's authorised share capital amounted to Euro 453,781,000 at year end, including Euro 342,650,000 paid-up. Shareholders' equity at 31 December 2003 increased to Euro 2,394 million from Euro 2,427 million at the end of 2002. There were no significant changes in the investment portfolio during the year.

Agf Ras Holding BV, Amsterdam

The company's authorised share capital amounts to Euro 500 million. The subscribed and paid-up share capital totalled Euro 236,450,544 at year end, held on a 50/50 basis by Ras International nv and certain Agf group companies. The company controls the Spanish operations of both Ras and Agf groups. It holds 96.46% of the share capital of Allianz Seguros y Reaseguros, 51.0% of Eurovida and 49.0% of Europensiones.

Holding and financial companies (thousands of Euro)

tab. 5

Company	Registered offices	Local currency	Total income	% increase	Shareholders' equity (*)	Net profit (loss) for the year
Bernese Assicurazioni Finanziaria	Rome	Euro	-1	-150.0	3,702	-62
Investitori Holding	Milan	Euro	12	-99.9	12,810	-823
Agf Ras Holding bv ⁽¹⁾	Amsterdam	Euro	35,270	4.5	624,739	36,005
Allianz Sociedad de Valores ⁽¹⁾	Madrid	Euro	1,629	-44.4	2,648	722
Allianz Investmentbank	Vienna	Euro	11,225	-13.4	21,189	-
Allvor (formerly Elfitas)	Zurich	Swiss franc	-	-	105	-2
Amaya	Bern	Swiss franc	-	-	99	1
El Fénix Español ⁽¹⁾	Madrid	Euro	-	-100.0	751	-5
Elmonda ⁽²⁾	Zurich	Swiss franc	7,808	7.4	215,441	16,453
Empresa de Inversiones	Lima	New Sol	-	-	62	-4
Nereus ⁽²⁾	Munich	Euro	-	-27.6	20	0
Organisacion Goa	Lima	New Sol	-	-	-1	-4
Pallas ⁽²⁾	Munich	Euro	-	-	16	0
Ras International nv	Amsterdam	Euro	56,351	-40.7	2,394,470	57,455
Sabesac Investimentos ⁽³⁾	Sao Paulo	Real	-	-	-	-
Société Financière du Leman	Lausanne	Swiss franc	13	-27.3	728	54

(*) including the profit for the year.

(1) figures are proportionate to the percentage of ownership.

(2) figures are proportionate to the percentage of ownership (50%). Through Elvia Reise (including the US group World Access, Inc) and Sacnas Groups, Elmonda controls 55 companies included in the consolidation of Ras spa.

(3) liquidated.

Insurance companies

The following table shows the most significant figures for each Group company: premiums, investments, income from assets and net profit/loss for the year: Group aggregated premiums totalled Euro 16,667 million, including Euro 4,249 million relating to the parent company, against Euro 15,149 million in 2002. Reference should be made to the consolidated financial statements for greater details on the results of the main Italian insurance companies.

Insurance companies (thousands of Euro)

Company	Registered offices	Local currency	Gross premiums	% increase	Investments	Income from investments	Net profit (loss) for the year	tab. 6
Allianz Subalpina	Turin	Euro	984,233	7.7	2,650,931	104,662	55,474	
Bernese Assicurazioni	Rome	Euro	86,262	11.4	86,545	3,977	-1,791	
Bernese Vita	Rome	Euro	23,737	40.9	139,192	4,774	3,547	
CreditRas Assicurazioni	Milan	Euro	45,415	49.7	37,071	883	686	
CreditRas Vita	Milan	Euro	5,320,092	21.6	3,535,031	157,336	4,928	
Genialloyd	Milan	Euro	170,098	53.7	265,801	6,479	3,463	
L'Assicuratrice Italiana Danni	Milan	Euro	422	727.5	4,925	144	15	
L'Assicuratrice Italiana Vita	Milan	Euro	65,526	-43.8	225,335	10,644	2,045	
Ras Tutela Giudiziaria	Milan	Euro	31,137	13.7	23,778	584	1,776	
RB Vita	Milan	Euro	367,271	-20.4	2,829,365	137,845	18,353	
Alba Allgemeine Versicherung	Basel	Swiss franc	105,836	4.4	284,403	23,827	4,000	
Allianz Elementar Lebensversicherung	Vienna	Euro	350,465	0.3	2,677,050	116,891	-	
Allianz Elementar Versicherung	Vienna	Euro	906,390	6.2	1,471,973	61,196	30,000	
Allianz Pensionskasse	Vienna	Euro	36,587	81.9	7,278	350	0	
Allianz Portugal	Lisbon	Euro	393,893	17.4	746,575	36,946	13,076	
Allianz Suisse Lebensversicherung	Zurich	Swiss franc	1,766,067	3.2	11,678,423	557,391	21,194	
Allianz Suisse Versicherung	Zurich	Swiss franc	1,698,769	2.5	4,723,621	224,065	100,417	
Allianz, Compañía de Seguros y Reaseguros ⁽¹⁾	Madrid	Euro	1,016,166	12.0	2,475,076	137,641	60,007	
Amaya, Compañía de Seguros y Reaseguros	Madrid	Euro	6,819	-7.0	96,272	5,968	4,644	
CAP Protection Juridique	Zug	Swiss franc	38,121	3.1	77,257	7,145	2,510	
Darta Saving Life Assurance ⁽²⁾	Dublin	Euro	186,255	-	2,832	139	697	
Eurovida ⁽¹⁾	Madrid	Euro	37,030	14.1	114,850	6,738	4,340	
Fénix Directo ⁽¹⁾	Madrid	Euro	18,552	6.1	48,375	3,009	1,709	
Phénix Compagnie d'Assurances ^(**)	Lausanne	Swiss franc	39,006	-	55,973	3,169	728	
Phénix Compagnie d'Assurances sur la Vie ^(**)	Lausanne	Swiss franc	43,022	-	260,198	13,124	2,763	
Unipensao	Lisbon	Euro	221	-6.5	1,040	46	27	

(1) figures are proportionate to the percentage of ownership.
(*) first year of activity.
(**) acquired in 2003.

Financial service companies

The turnaround on financial markets in 2003, with lower volatility levels and less uncertainty, had a positive impact on the asset management sector. Assets under management as mutual funds in Italy grew 9% on the previous year, reaching Euro 508,997 million. Net inflows amounted to Euro 25,153 million, with equity funds contributing Euro –1,240 million, balance funds Euro –5,759 million, bond funds a considerable Euro 10,692 million, liquid investments Euro 15,468 million and flexible funds Euro 5,992 million. These figures show that investors are still exercising caution, directing their investments towards short-term solutions.

Total net inflows of the Group mutual funds amounted to Euro 180 million, mainly arising from equity and bond funds. Total assets managed by Ras Group in mutual funds rose to Euro 9,229 million at year end, while the Group market share remained 1.8%.

Financial service companies (thousands of Euro)

Company	Registered office	Local currency	Total income	% increase	Shareholders' equity (*)	Net profit (loss) for the year
Investitori sgr	Milan	Euro	3,263	165.0	14,323	-425
Rasbank	Milan	Euro	297,966	5.7	166,453	-26,596
Allianz Asset Management	Zurich	Swiss franc	7,757	15.2	931	369
Allianz Finanzinvest Beratungs	Vienna	Euro	52	19.5	60	-
Allianz Gestion ⁽¹⁾	Madrid	Euro	1,961	-25.7	1,528	455
Allianz Invest Kapitalanlage	Vienna	Euro	1,187	7.3	831	-
Investitori Suisse	Lugano	Swiss franc	10	-	1,214	-256
Ras Asset Management Lux	Luxembourg	US dollar	4,243	30.8	3,079	765
RasBank Suisse ^(**)	Lugano	Swiss franc	1,622	-	11,157	-1,865
Ras Asset Management Sgr	Milan	Euro	161,634	3.7	31,747	10,317

(*) including net profit for the year.
 (***) formerly BPVi (Suisse) Bank SA, acquired in 2003.
 (1) figures are proportionate to the percentage of ownership.

Real estate, farming, services and other companies

The merger of Azienda Agricola Perolla srl in Agricola San Felice spa was finalised in a deed signed on 20 November 2003, with effect for statutory purposes from 1 December 2003. In accordance with the merger plan, the transactions of the merged company have been recorded in the financial statements of Agricola San Felice spa from 1 January 2003.

The following table sets out the key figures (income, net equity and net profit/loss for the year) of the main Group companies operating in these sectors.

Real estate, farming, services and other companies (thousands of Euro)

Company	Registered offices	Local currency	Total income	% increase	Shareholders' equity (*)	Net profit (loss) for the year
Agricola S. Felice	Milan	Euro	15,543	7.5	33,336	706
Agrigest	Milan	Euro	42	20.0	161	-
Assimediass	Milan	Euro	3,686	-32.5	30	-
Azienda Agricola Perolla ⁽⁵⁾	Milan	Euro	-	-	-	-
Borgo S. Felice	Siena	Euro	3,284	-6.4	1,069	-191
Solvat ^(**)	Milan	Euro	11	-99.7	1,646	-116
Ge.Si.	Milan	Euro	123,459	-0.8	15,768	35
Intermediass	Milan	Euro	473	463.1	35	9
Prevint	Milan	Euro	731	-31.6	818	-32
Previndustria	Milan	Euro	78	-22.0	526	-
Ras Immobiliare	Milan	Euro	11,537	1.5	127,176	1,690
Ras Service	Milan	Euro	104,631	22.1	240	38
Villa La Pagliaia	Siena	Euro	3,416	-13.2	1,120	-22
Allianz Agencia de Seguros ⁽¹⁾	Madrid	Euro	1,189	-12.5	-358	-841
Allianz Elementar Werkkuchenbetriebs	Vienna	Euro	1,407	0.4	116	10
Allianz Kundenserice	Vienna	Euro	40,469	21.2	17,731	-
Allianz Risiko Service	Vienna	Euro	2,263	85.0	15,042	-
Allianz Suisse Immobilien	Volketswil	Swiss franc	3,941	-10.3	18,158	2,260
Allianz Suisse Personal Financial Services	Zurich	Swiss franc	2,215	75.1	2,098	33
Braun & Co.	Vienna	Euro	795	3.6	5,625	-
Gesellschaft für Vorsorgeberatung ^(***)	Berna	Swiss franc	3,264	240.2	1,160	613
Informatica Y Ser. Fin. ⁽¹⁾	Madrid	Euro	173	-34.6	321	99
Inmobiliaria Inverfénix ⁽⁴⁾	Madrid	Euro	-	-	-	-
ITB Immobilientreuhand	Vienna	Euro	1,245	-2.3	36	-
Logistikwerkstatt Assistance ^(****)	Vienna	Euro	2,545	-	25,035	-
MVK Datenmanagement ^(****)	Vienna	Euro	1,341	-	33	6
Opernring-Hof-Bau und Betriebs	Vienna	Euro	3,235	-12.2	3,194	0
Pemse ⁽¹⁾	Madrid	Euro	-	-	2,565	70
Providentia Vermögens ⁽³⁾	Vienna	Euro	-	-	-	-
Ras Hellas ⁽²⁾	Athens	Euro	-	-100.0	296	10
SHA Seminarhotel	Unterägeri	Swiss franc	6,809	1.5	356	55
TopReport Schadenbesichtigung ^(****)	Vienna	Euro	0	-	35	-

(*) including net profit for the year.

(**) formerly Finmatic.

(***) first year of activity.

(****) set up in 2003.

(1) figures are proportionate to the percentage of ownership.

(2) in liquidation.

(3) merged into Opernring-Hof-Bau und Betriebs.

(4) liquidated.

(5) merged into Agricola San Felice spa.

tab. 8

Net profit for the year

The net profit for the year totalled Euro 456,786,892 million and may be broken down as follows:

– Life business net profit	168,022,386
– Non-life business net profit	288,764,507
<hr/>	
which we propose be allocated as follows:	
Net profit for the year of	456,786,892
Allocation to the legal reserve until it reaches one-fifth of the share capital	
Legal reserve of life business	0
Legal reserve of non-life business	0
<hr/>	
Residual	456,786,892
Preferred dividend of Euro 0.03 to each of the 1,340,010 ^(*) savings shares, equal to 5% of their face value	40,200
<hr/>	
Residual	456,746,692
Dividend of Euro 0.60 to each of the 670,093,994 ^(*) ordinary shares	402,056,396
An additional dividend of Euro 0.59 to each of the 1,340,010 ^(*) savings shares	790,606
<hr/>	
Residual	53,899,690
<hr/>	
Allocated to the extraordinary reserve	

(*) In compliance with relevant legislation, shares held by the company on 4 March 2004 were excluded from the calculation of shares with rights to dividends. Where, on the date on which the coupon is detached, the number of own shares held by the company is higher or lower than the current number, dividend distribution will be recalculated with the appropriate allocation to or withdrawal from the extraordinary reserve.

A full tax exemption is attributed to the dividends shown above.

If you agree with our proposal, we invite you to approve the directors' report, the financial statements (consisting of a balance sheet, profit and loss account and notes thereto) and the proposal for the allocation of the net profit for the year. We also propose that you schedule the start date for dividend payments for 27 May 2003, with coupon detachment on 24 May 2004.

Milan, 11 March 2004
BOARD OF DIRECTORS



Investments held by directors, statutory auditors and general managers (pursuant to article 79 of CONSOB resolution no. 11971 of 14 May 1999)

Name	Company in which shares are held	Number of shares held at the end of the previous year	Number of shares acquired	Number of shares sold	Number of shares held at the end of the current year
Vita Giuseppe		0	0	0	0
Schulte-Noelle Henning		0	0	0	0
Diekmann Michael		0	0	0	0
Greco Mario	RAS S.p.A. (ordinary)	155	⁽¹⁾ 75	0	230
Arcelli Mario		0	0	0	0
Barilla Guido Maria		0	0	0	0
Bremkamp Detlev		0	0	0	0
Buora Carlo Orazio		0	0	0	0
Colao Vittorio		0	0	0	0
Costa Nicola		0	0	0	0
Dührkop Klaus		0	0	0	0
Falck Alberto		0	0	0	0
Ferrero Pietro		0	0	0	0
Marchiò Angelo		0	0	0	0
Micheli Francesco		0	0	0	0
Orlando Luigi		0	0	0	0
Perlet Helmut		0	0	0	0
Pesenti Giampiero		0	0	0	0
Rocca Gianfelice		0	0	0	0
Rondelli Lucio		0	0	0	0
Salvatori Carlo Sante Antonio		0	0	0	0
Santa Maria Alberto		0	0	0	0
Manzonetto Pietro		0	0	0	0
Haellmayr Adolf		0	0	0	0
Pascot Paolo		0	0	0	0
Stroppiana Giorgio		0	0	0	0
Arrighi Massimo	RAS S.p.A. (ordinary)	155	⁽¹⁾ 75	0	230
Militello Salvatore	RAS S.p.A. (ordinary)	36,155	⁽¹⁾ 75	5,399	30,831
Riches Pierluigi	RAS S.p.A. (ordinary)	15,155	⁽¹⁾ 75	2,250	12,980
Vagnone Paolo	RAS S.p.A. (ordinary)	22,955	⁽¹⁾ 75	0	23,030

In compliance with Borsa Italiana spa internal dealing regulations, the schedule does not consider shares issued as part of individual portfolio management in which investors do not have the power to give investment instructions.

1) This figure relates to the 389,074 Ras ordinary shares allocated in relation to the free allotment plan for Ras ordinary shares involving all Italian employees of Ras and its subsidiaries on 1 July 2003.

Board of Directors

Dear shareholders,

Last November marked a saddening event, as Director Alberto Falck passed away. He had run the important industrial group of the same name and, since 1984, had actively collaborated with Ras, sitting on the Board of Directors and serving on the Executive Committee and other advisory committees. Once again, all of Ras remembers Director Falck and offers his family its most sincere condolences.

At the end of 2003, Director Luigi Orlando resigned for reasons of health and his age. The company extends a heartfelt thanks to him for his active work in the Board of Directors since 1988 in developing Ras and the Ras Group and boosting their growth.

In early 2004, Director Angelo Marchiò informed the company of his intention to step down as Director, due to his advanced age. His term ends with the approval of the 2003 financial statements. The company expresses its sincere appreciation for Director Marchiò's support during his more than 30 years with Ras, in the highest of offices, from General Manager to Chairman and CEO.

Furthermore, in January, Director Guido Maria Barilla resigned following his increasing responsibilities with the Barilla Group. We wish him all the best in the future.

Finally, Director Mario Arcelli informed the company in January that he would also be stepping down as Director of Ras, for serious health reasons. He and his family will remain in our thoughts.

Ras was able to find replacements during the time from the death of Mr. Falck to the resignation of Mr. Orlando. It considered Andrea Pininfarina and Salvatore Orlando best qualified to replace the two directors, given their high standing and excellent professionalism. They were co-opted to the Board of Directors in January 2004.

However, their term expires with this shareholders' meeting. Accordingly, we invite you to resolve on reinstating them as directors of the company, until the three-year term of the entire Board of Directors expires in April 2006.

Both candidates, from Pininfarina and SMI-GIM, leading industrial groups, respectively, demonstrate the qualities of honourableness and professionalism required by the regulations of the Civil Code and insurance sector. They also qualify as independent directors in accordance with the current Ras Corporate Governance Code and the recommendations of the Italian Stock Exchange.

Given the short period of time since the resignation of the other directors, the Board of Directors has postponed the resolution for the reintegration of the Board to this meeting.

Accordingly, we invite you to decide on the number of directors for the board and pass the consequent resolutions, including that on the remuneration of the board.



Board of statutory auditors

Dear shareholders,

During the ordinary section of your meeting, we ask you to resolve on the reintegration of the Board of Statutory Auditors following the resignation of Alternate Auditors Franco Dalla Sega.

During the extraordinary section of the meeting, you were shown the company's preference of having minority shareholders nominate members of the board of statutory. To this regard, the new by-laws, submitted to you for your approval, now require that nominating shareholders hold only 2% of Ras ordinary share capital, rather than the previous 3%.

Considering the company's orientation towards favouring minority shareholders and in line with the new by-laws, majority shareholder Acif spa has announced that, in the event that shareholders or groups of shareholders representing 2% of Ras ordinary share capital nominate a candidate for the office of alternate auditor, Acif spa will abstain from voting, thus encouraging the appointment of the minority candidate.

In accordance with the proposals to change the by-laws, in the event that a standing auditor steps down, the minority alternate auditor thus appointed will take his or her place.

Authorisation to purchase and sell own shares

Dear shareholders,

30 October 2004 will mark the expiry of the power conferred by the shareholders on 30 April 2003 on the Board of Directors to purchase a maximum of 60,000,000 own shares.

We believe it is in the company's interest that such authorisation be renewed, under the same terms, to as to enable Ras to continue in the forthcoming eighteen months to enjoy a power that could become helpful for management purposes and in boosting the value of the company itself. The authorisation that we request herein also includes the power to allocate own shares in portfolio to stock option plans offered to Ras directors and managers of Ras and the Ras Group in Italy.

Accordingly, we propose the following resolution:

At the ordinary meeting of 28 April 2004, the shareholders of Riunione Adriatica di Sicurtà Società per Azioni, having acknowledged the proposal put forth by the Board of Directors,

resolve to:

- *revoke the unexercised portion of the authorisation to purchase and sell own shares conferred on the Board of Directors, pursuant to article 2357 and following articles of the Civil Code, by the shareholders at the ordinary meeting of 30 April 2003;*
- *authorise, pursuant to article 2357 and following articles and article 2359 bis of the Civil Code, and article 132 of Legislative decree no. 58 of 27 February 1998, the Board of Directors to purchase a maximum of 60,000,000 own ordinary and/or savings shares, all with a nominal value of Euro 0.60 in the next eighteen months, through Public Offer or on the stock exchange, under the terms to be agreed with Borsa Italiana S.p.A.. Pursuant to the provisions of article of 2357 of the Civil Code, the nominal value of shares acquired shall not in any case exceed one tenth of Ras share capital, also considering any shares held by subsidiaries. Pursuant to the provisions of article 2357 ter of the Civil Code, the company will increase its currently unavailable "Reserve per own shares" by the amount of the shares acquired, by withdrawing such amount from the available "Share premium reserve" carried in the financial statements at 31 December 2003, which are the last approved, at Euro 1,202 million. The price per share of ordinary and savings shares purchased on the stock exchange shall be no more than 10% more or less than the reference price listed for shares of the same category in the trading day preceding each transaction;*
- *authorise the Board of Directors, pursuant to article 2357 ter of the Civil Code, to sell all or a portion of the securities purchased on one or more occasions, even before the purchases have been completed. In the event that the Board of Directors sells all or a portion of the own shares acquired, the unavailable reserve set up in accordance with article 2357 ter of the Civil Code will flow back to the available "Share premium reserve" in proportion to the shares sold. The Board of Directors is also authorised to transfer shares to employees and/or directors and/or consultants or Ras and its subsidiaries in Italy, as part of any present or future stock option plans it resolves upon.*
- *confer on the Chairman, Deputy Chairman and Chief Executive Officer, all necessary powers - including separately - to purchase and sell shares and implement resolutions, also through proxies, in compliance with the requirements of the relevant authorities.*

Milan, 11 March 2004
BOARD OF DIRECTORS



					<u>181</u>	<u>0</u>
		<u>182</u>	<u>0</u>			
<u>183</u>	<u>0</u>					
<u>184</u>	<u>0</u>	<u>185</u>	<u>0</u>			
		<u>186</u>	<u>0</u>			
		<u>187</u>	<u>1,014,289</u>			
		<u>188</u>	<u>0</u>			
		<u>189</u>	<u>0</u>		<u>190</u>	<u>1,014,289</u>
		<u>191</u>	<u>57,613,036</u>			
		<u>192</u>	<u>74,552,421</u>			
		<u>193</u>	<u>11,072,878</u>			
		<u>194</u>	<u>0</u>			
		<u>195</u>	<u>0</u>	<u>196</u>	<u>143,238,335</u>	
<u>197</u>	<u>0</u>					
<u>198</u>	<u>3,090,381,390</u>					
<u>199</u>	<u>0</u>					
<u>200</u>	<u>4,346,951</u>					
<u>201</u>	<u>786,159,589</u>	<u>202</u>	<u>3,880,887,930</u>			
<u>203</u>	<u>0</u>					
<u>204</u>	<u>0</u>					
<u>205</u>	<u>506,280</u>					
<u>206</u>	<u>0</u>					
<u>207</u>	<u>72,381,156</u>	<u>208</u>	<u>72,887,436</u>			
<u>209</u>	<u>0</u>					
<u>210</u>	<u>25,927,519</u>					
<u>211</u>	<u>0</u>					
<u>212</u>	<u>0</u>					
<u>213</u>	<u>0</u>	<u>214</u>	<u>25,927,519</u>	<u>215</u>	<u>3,979,702,885</u>	

31 December 2003

			brought forward		540,280
C. Investments (continued)					
III - Other financial investments					
1. Equity investments					
a) Listed shares	36	570,487,408			
b) Unlisted shares	37	12,634,847			
c) Quotas	38	13,416,826	39	596,539,081	
2. Mutual fund units			40	120,438,436	
3. Bonds and other fixed-income securities					
a) listed	41	8,949,223,319			
b) unlisted	42	64,192,528			
c) convertible bonds	43	161,112	44	9,013,576,959	
4. Loans					
a) secured loans	45	99,226			
b) loans on policies	46	25,041,321			
c) other loans	47	607,836	48	25,748,383	
5. Shares of investment pools					
6. Deposits with banks					
7. Other financial investments					
			51	725,007,811	52
					10,481,310,670
IV - Deposits with ceding companies				53	295,431,522
					54
					15,205,825,506
D. Investments benefiting life policyholders bearing the risk and investments arising from pension fund management					
I - Investments relating to unit-linked and index-linked policies					
				55	680,256,184
II - Investments arising from pension fund management					
				56	56,440,361
					57
					736,696,545
D bis. Reinsurers' share of technical reserves					
I - Non-life business					
1. Premium reserve			58	104,112,952	
2. Claims reserve			59	397,280,044	
3. Profit participation and reversal reserve			60	0	
4. Other technical reserves			61	0	62
					501,392,996
II - Life business					
1. Actuarial reserves			63	393,508,256	
2. Complementary insurance premium reserve			64	0	
3. Reserve for amounts payable			65	27,465,631	
4. Profit participation and reversal reserve			66	386,639	
5. Other technical reserves			67	0	
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management			68	0	69
					421,360,526
					70
					922,753,522

to be carried forward

16,865,815,853

brought forward

1,014,289

216	<u>504,783,572</u>			
217	<u>10,294,827</u>			
218	<u>19,297,478</u>	219	<u>534,375,877</u>	
		220	<u>164,643,664</u>	
221	<u>8,614,982,246</u>			
222	<u>94,117,030</u>			
223	<u>116,205</u>	224	<u>8,709,215,481</u>	
225	<u>153,715</u>			
226	<u>24,188,586</u>			
227	<u>813,976</u>	228	<u>25,156,277</u>	
		229	<u>0</u>	
		230	<u>0</u>	
		231	<u>370,825,454</u>	
		232	<u>9,804,216,753</u>	
		233	<u>310,774,690</u>	234
				<u>14,237,932,663</u>
		235	<u>481,661,122</u>	
		236	<u>38,235,136</u>	237
				<u>519,896,258</u>
238	<u>99,170,151</u>			
239	<u>466,747,529</u>			
240	<u>0</u>			
241	<u>0</u>	242	<u>565,917,680</u>	
243	<u>497,005,985</u>			
244	<u>0</u>			
245	<u>76,976,191</u>			
246	<u>782,495</u>			
247	<u>0</u>			
248	<u>24,757</u>	249	<u>574,789,428</u>	250
				<u>1,140,707,108</u>

to be carried forward

15.899.550.318

31 December 2003

			brought forward		<u>16,865,815,853</u>
E. Receivables					
I - Receivables relating to direct insurance business					
due from:					
1. Policyholders					
a) premiums of the year	71	<u>456,109,019</u>			
b) premiums of previous years	72	<u>12,216,929</u>	73	<u>468,325,948</u>	
2. Insurance brokers and agents			74	<u>381,667,768</u>	
3. Current company companies			75	<u>60,144,245</u>	
4. Amounts to be recovered from policyholders and third parties			76	<u>12,748,564</u>	77
					<u>922,886,525</u>
II - Receivables relating to reinsurance business,					
due from:					
1. Insurance and reinsurance companies			78	<u>59,872,682</u>	
2. Reinsurance brokers and agents			79	<u>23,365,883</u>	80
					<u>83,238,565</u>
III - Other receivables					81
					<u>364,094,150</u>
					82
					<u>1,370,219,240</u>
F. Other assets					
I - Tangible assets and stock:					
1. Office furniture, machines and internal transport systems			83	<u>15,323,920</u>	
2. Chattels entered in public registers			84	<u>228,547</u>	
3. Plant and equipment			85	<u>423,808</u>	
4. Stock and other assets			86	<u>1,719,355</u>	87
					<u>17,695,630</u>
II - Cash and cash equivalents					
1. Bank and postal current accounts			88	<u>66,458,009</u>	
2. Cheques and cash balances			89	<u>26,791</u>	90
					<u>66,484,800</u>
III - Own shares					91
					<u>10,178,184</u>
IV - Other assets					
1. Reinsurance suspense accounts			92	<u>37,585,286</u>	
2. Other assets			93	<u>254,759,064</u>	94
					<u>292,344,350</u>
					95
					<u>386,702,964</u>
G. Accrued income and prepaid expenses					
1. Interest				96	<u>165,699,624</u>
2. Rent				97	<u>85,763</u>
3. Other accrued income and prepaid expenses				98	<u>205,989</u>
					99
					<u>165,991,376</u>

TOTAL ASSETS

18,788,729,433

brought forward

15,899,550,318

<u>251</u>	<u>450,396,452</u>				
<u>252</u>	<u>11,130,079</u>				
		<u>253</u>	<u>461,526,531</u>		
		<u>254</u>	<u>338,663,819</u>		
		<u>255</u>	<u>61,364,512</u>		
		<u>256</u>	<u>15,979,242</u>	<u>257</u>	<u>877,534,104</u>
		<u>258</u>	<u>215,853,590</u>		
		<u>259</u>	<u>30,833,449</u>	<u>260</u>	<u>246,687,039</u>
				<u>261</u>	<u>383,570,480</u>
				<u>262</u>	<u>1,507,791,623</u>
		<u>263</u>	<u>16,742,158</u>		
		<u>264</u>	<u>243,200</u>		
		<u>265</u>	<u>568,938</u>		
		<u>266</u>	<u>1,748,243</u>	<u>267</u>	<u>19,302,539</u>
		<u>268</u>	<u>455,382,203</u>		
		<u>269</u>	<u>69,909</u>	<u>270</u>	<u>455,452,112</u>
				<u>271</u>	<u>100,460,459</u>
		<u>272</u>	<u>47,632,743</u>		
		<u>273</u>	<u>279,179,936</u>	<u>274</u>	<u>326,812,679</u>
				<u>275</u>	<u>902,027,789</u>
				<u>276</u>	<u>146,576,268</u>
				<u>277</u>	<u>18,574</u>
				<u>278</u>	<u>180,326</u>
				<u>279</u>	<u>146,775,168</u>

31 December 2003

A. Shareholders' equity

I - Subscribed share capital or equivalent fund	101	403,336,202		
II - Share premium reserve	102	1,202,731,352		
III - Revaluation reserves	103	377,189,243		
IV - Legal reserve	104	87,553,950		
V - Statutory reserves	105	0		
VI - Reserves for own shares and shares of parent company	106	10,178,184		
VII - Other reserves	107	2,024,208,086		
VIII - Retained earnings (losses) carried forward	108	0		
IX - Net profit (loss) for the year	109	456,786,892	110	4,561,983,909

B. Subordinated liabilities111 0**C. Technical reserves****I - Non-life business**

1. Premium reserve	112	1,129,868,018		
2. Claims reserve	113	3,619,726,881		
3. Profit participation and reversal reserve	114	0		
4. Other technical reserves	115	897,647		
5. Equalisation reserves	116	22,258,734	117	4,772,751,280

II - Life business

1. Actuarial reserves	118	6,413,930,676		
2. Complementary insurance premium reserve	119	1,786,809		
3. Reserve for amounts payable	120	183,405,128		
4. Profit participation and reversal reserve	121	5,958,469		
5. Other technical reserves	122	61,583,608	123	6,666,664,690
			124	11,439,415,970

D. Technical reserves where investment risk is borne

by policyholders and reserves relating to pension fund management

I - Reserves relating to unit-linked and index-linked policies

125 680,256,186

II - Reserves relating to pension fund management

126 56,438,840

127 736,695,026

to be carried forward

16,738,094,905

		<u>281</u>	437,769,749		
		<u>282</u>	1,877,771,258		
		<u>283</u>	377,189,243		
		<u>284</u>	75,313,496		
		<u>285</u>	0		
		<u>286</u>	100,460,459		
		<u>287</u>	1,272,847,515		
		<u>288</u>	0		
		<u>289</u>	1,059,121,039	<u>290</u>	5,200,472,759
				<u>291</u>	0
<u>292</u>	1,102,795,467				
<u>293</u>	3,652,335,082				
<u>294</u>	0				
<u>295</u>	913,397				
<u>296</u>	19,292,717	<u>297</u>	4,775,336,663		
<u>298</u>	5,984,320,655				
<u>299</u>	1,896,109				
<u>300</u>	199,153,829				
<u>301</u>	9,281,499				
<u>302</u>	55,274,834	<u>303</u>	6,249,926,926	<u>304</u>	11,025,263,589
		<u>305</u>	481,661,122		
		<u>306</u>	38,236,301	<u>307</u>	519,897,423

31 December 2003

				brought forward		<u>16,738,094,905</u>	
E. Provisions for risks and charges							
1. Staff pension and similar obligations		128	<u>7,594,719</u>				
2. Tax provisions		129	<u>250,889,204</u>				
3. Other provisions		130	<u>62,879,708</u>		131	<u>321,363,631</u>	
F. Deposits from reinsurers					132	<u>439,496,755</u>	
G. Payables and other liabilities							
I - Payables relating to direct insurance business due from:							
1. Insurance brokers and agents		133	<u>24,288,174</u>				
2. Current company companies		134	<u>14,918,608</u>				
3. Deposits and premiums paid by policyholders		135	<u>10,234,927</u>				
4. Guarantee funds in favour of policyholders		136	<u>4,414,280</u>	137	<u>53,855,989</u>		
II - Payables relating to reinsurance business due from:							
1. Insurance and reinsurance companies		138	<u>69,717,231</u>				
2. Reinsurance brokers and agents		139	<u>1,570,629</u>	140	<u>71,287,860</u>		
III - Bond issues				141	<u>0</u>		
IV - Payables to banks and financial institutions				142	<u>0</u>		
V - Secured debts				143	<u>0</u>		
VI - Sundry loans and other financial payables				144	<u>725,000,000</u>		
VII - Staff severance indemnity				145	<u>31,855,726</u>		
VIII - Other payables							
1. Policyholders' tax due		146	<u>52,330,025</u>				
2. Other taxes due		147	<u>15,381,094</u>				
3. Due to social security and welfare institutions		148	<u>12,299,240</u>				
4. Sundry payables		149	<u>70,939,680</u>	150	<u>150,950,039</u>		
IX - Other liabilities							
1. Reinsurance suspense accounts		151	<u>33,327,287</u>				
2. Commissions on collectable premiums		152	<u>58,220,341</u>				
3. Sundry liabilities		153	<u>163,574,104</u>	154	<u>255,121,732</u>	155	<u>1,288,071,346</u>

to be carried forward

18,787,026,637

brought forward		<u>16,745,633,771</u>	
	<u>308</u>	<u>7,564,778</u>	
	<u>309</u>	<u>409,053,004</u>	
	<u>310</u>	<u>86,714,756</u>	<u>311</u> <u>503,332,538</u>
			<u>312</u> <u>532,874,755</u>
<u>313</u>	<u>26,048,808</u>		
<u>314</u>	<u>18,170,904</u>		
<u>315</u>	<u>10,547,822</u>		
<u>316</u>	<u>6,348,357</u>	<u>317</u> <u>61,115,891</u>	
<u>318</u>	<u>69,012,206</u>		
<u>319</u>	<u>2,968,095</u>	<u>320</u> <u>71,980,301</u>	
		<u>321</u> <u>0</u>	
		<u>322</u> <u>0</u>	
		<u>323</u> <u>0</u>	
		<u>324</u> <u>71,650,500</u>	
		<u>325</u> <u>31,700,649</u>	
<u>326</u>	<u>51,649,758</u>		
<u>327</u>	<u>19,942,064</u>		
<u>328</u>	<u>11,465,688</u>		
<u>329</u>	<u>67,753,103</u>	<u>330</u> <u>150,810,613</u>	
<u>331</u>	<u>44,522,631</u>		
<u>332</u>	<u>56,637,340</u>		
<u>333</u>	<u>185,819,028</u>	<u>334</u> <u>286,978,999</u>	<u>335</u> <u>674,236,953</u>

to be carried forward

18,456,078,017

31 December 2003

		brought forward	<u>18,787,026,637</u>
H. Accrued liabilities and deferred income			
1. Interest	156	0	
2. Rent	157	<u>56,861</u>	
3. Other accrued liabilities and deferred income	158	<u>1,645,935</u>	<u>1,702,796</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			<u>160 18,788,729,433</u>

Guarantees, commitments and other memorandum accounts

31 December 2003

Guarantees, commitments and other memorandum accounts

I - Guarantees provided			
1. Sureties	161	<u>3,970,815</u>	
2. Endorsements	162	<u>0</u>	
3. Other personal guarantees	163	<u>0</u>	
4. Collateral	164	<u>53,320,152</u>	
II - Guarantees received			
1. Sureties	165	<u>317,525</u>	
2. Endorsements	166	<u>0</u>	
3. Other personal guarantees	167	<u>0</u>	
4. Collateral	168	<u>0</u>	
III - Guarantees provided by third parties on behalf of the company	169	<u>60,814,692</u>	
IV - Commitments	170	<u>107,209,007</u>	
V - Third party assets	171	<u>17,557,312</u>	
VI - Pension fund assets managed on behalf of third parties	172	<u>51,739,067</u>	
VII - Securities deposited with third parties	173	<u>13,971,610,722</u>	
VIII - Other memorandum accounts	174	<u>340,591,959</u>	

brought forward

18,456,078,017

336	<u>0</u>	
337	<u>66,881</u>	
338	<u>0</u>	339 <u>66,881</u>
		340 <u>18,456,144,898</u>

341	<u>1,754,547</u>
342	<u>0</u>
343	<u>0</u>
344	<u>47,291,596</u>
345	<u>268,170</u>
346	<u>0</u>
347	<u>0</u>
348	<u>0</u>
349	<u>66,334,115</u>
350	<u>2,768,535,439</u>
351	<u>595,924</u>
352	<u>8,679,822</u>
353	<u>13,537,208,919</u>
354	<u>2,180,539</u>

31 December 2003

I. Non-life business technical account

1. Premiums, net of outwards reinsurance				
a) Gross premiums accounted for		1	2,874,910,263	
b) (-) Outwards reinsurance premiums		2	287,163,835	
c) Change in gross premium reserve		3	29,998,975	
d) Change in reinsurer premium reserve		4	3,877,500	5
				<u>2,561,624,953</u>
2. (+) Income from investments transferred from the non-technical account (item III.6)				6
				<u>192,686,966</u>
3. Other technical income, net of outwards reinsurance				7
				<u>8,932,979</u>
4. Charges relating to claims, net of recoveries and outwards reinsurance				
a) Amounts paid				
aa) Gross amount	8	2,039,405,208		
bb) (-) Reinsurers' share	9	176,105,581	10	1,863,299,627
b) Change in recoveries, net of reinsurers' share				
aa) Gross amount	11	22,005,176		
bb) (-) Reinsurers' share	12	2,326,965	13	19,678,211
c) Change in claims reserve				
aa) Gross amount	14	7,980,033		
bb) (-) Reinsurers' share	15	-48,099,633	16	56,079,666
				17
				<u>1,899,701,082</u>
5. Change in other technical reserves, net of outwards reinsurance				18
				<u>-15,750</u>
6. Reversals and profit participation, net of outwards reinsurance				19
				<u>0</u>
7. Operating costs:				
a) Acquisition commissions			20	352,481,638
b) Other acquisition costs			21	107,160,838
c) Change in commissions and other acquisition costs to be amortised			22	
d) Premium collection commissions			23	88,749,075
e) Other administrative costs			24	126,440,556
f) (-) Profit participation and other commissions received from reinsurers			25	44,427,688
				26
				<u>630,404,419</u>
8. Other technical charges, net of outwards reinsurance				27
				<u>25,451,084</u>
9. Change in equalisation reserves				28
				<u>2,966,018</u>
10. Result of non-life business technical account (item III.1)				29
				<u>204,738,045</u>

	<u>111</u>	2,830,301,172			
	<u>112</u>	273,520,301			
	<u>113</u>	57,414,100			
	<u>114</u>	9,912,530	<u>115</u>	2,509,279,301	
			<u>116</u>	141,385,124	
			<u>117</u>	4,010,029	
<u>118</u>	1,985,103,016				
<u>119</u>	205,143,767	<u>120</u>	1,779,959,249		
<u>121</u>	34,584,159				
<u>122</u>	2,505,199	<u>123</u>	32,078,960		
<u>124</u>	164,603,372				
<u>125</u>	-34,167,217	<u>126</u>	198,770,589	<u>127</u>	1,946,650,878
				<u>128</u>	-141,063
				<u>129</u>	0
		<u>130</u>	346,739,492		
		<u>131</u>	116,291,674		
		<u>132</u>	0		
		<u>133</u>	86,717,255		
		<u>134</u>	120,253,847		
		<u>135</u>	47,148,447	<u>136</u>	622,853,821
				<u>137</u>	29,574,516
				<u>138</u>	2,980,248
				<u>139</u>	52,756,054

31 December 2003

II. Life business technical account

1. Premiums, net of outwards reinsurance:

a) Gross premiums accounted for		30	1,373,619,267	
b) (-) Outwards reinsurance premiums		31	66,462,275	32

2. Income from investments:

a) Income from equity investments				33
	(including: Group companies	34	101,149,256)	

a) Income from other investments:

aa) Land and buildings		35	7,915,060	
bb) Other		36	299,896,122	37
	(including: Group companies	38	11,742,168)	

c) Write-backs of investments

39 19,968,731

d) Profit on sale of investments

40 33,786,499

(including: Group companies

41 129,151)

42 475,963,572

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

43 44,436,396

4. Other technical income, net of outwards reinsurance

44 33,511,392

5. Charges relating to claims, net of outwards reinsurance:

a) Amounts paid

aa) Gross amount 45 825,436,092

bb) (-) Reinsurers' share 46 154,926,209 47 670,509,883

b) Change in reserve for amounts payable

aa) Gross amount 48 -12,873,098

bb) (-) Reinsurers' share 49 -49,382,102

50 36,509,004

51 707,018,887

6. Change in actuarial reserves and other technical reserves, net of outwards reinsurance

a) Actuarial reserves:

aa) Gross amount 52 451,288,258

bb) (-) Reinsurers' share 53 -98,393,313 54 549,681,571

b) Complementary insurance premium reserve:

aa) Gross amount 55 -109,300

bb) (-) Reinsurers' share 56 0 57 -109,300

c) Other technical reserves

aa) Gross amount 58 6,320,124

bb) (-) Reinsurers' share 59 0 60 6,320,124

d) Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management

aa) Gross amount 61 216,797,602

bb) (-) Reinsurers' share 62 0

63 216,797,602

64 772,689,997

		<u>140</u>	<u>1,250,858,252</u>		
		<u>141</u>	<u>73,653,168</u>	<u>142</u>	<u>1,177,205,084</u>
		<u>143</u>	<u>127,980,043</u>		
(including: Group companies		<u>144</u>	<u>100,361,453)</u>		
	<u>145</u>	<u>8,147,823</u>			
	<u>146</u>	<u>280,751,384</u>	<u>147</u>	<u>288,899,207</u>	
(including: Group companies			<u>148</u>	<u>13,801,125)</u>	
		<u>149</u>	<u>1,055,142</u>		
		<u>150</u>	<u>38,140,647</u>		
(including: Group companies		<u>151</u>	<u>1,151)</u>	<u>152</u>	<u>456,075,039</u>
				<u>153</u>	<u>19,865,232</u>
				<u>154</u>	<u>6,143,928</u>
	<u>155</u>	<u>775,219,382</u>			
	<u>156</u>	<u>122,272,401</u>	<u>157</u>	<u>652,946,981</u>	
	<u>158</u>	<u>-26,468,811</u>			
	<u>159</u>	<u>6,705,476</u>	<u>160</u>	<u>-33,174,287</u>	<u>161</u>
					<u>619,772,694</u>
	<u>162</u>	<u>316,701,188</u>			
	<u>163</u>	<u>-76,211,394</u>	<u>164</u>	<u>392,912,582</u>	
	<u>165</u>	<u>53,519</u>			
	<u>166</u>	<u>0</u>	<u>167</u>	<u>53,519</u>	
	<u>168</u>	<u>7,832,704</u>			
	<u>169</u>	<u>0</u>	<u>170</u>	<u>7,832,704</u>	
	<u>171</u>	<u>143,954,010</u>			
	<u>172</u>	<u>-16,500</u>	<u>173</u>	<u>143,970,510</u>	<u>174</u>
					<u>544,769,315</u>

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7. Reversals and profit participation, net of outwards reinsurance				65	<u>-2,972,173</u>
8. Operating costs:					
a) Acquisition commissions		66	<u>49,576,130</u>		
b) Other acquisition costs		67	<u>24,200,623</u>		
c) Change in commissions and other acquisition costs to be amortised		68	<u>0</u>		
d) Premium collection commissions		69	<u>19,188,937</u>		
e) Other administrative costs		70	<u>61,595,564</u>		
f) (-) Profit participation and other commissions received from reinsurers		71	<u>9,353,456</u>	72	<u>145,207,798</u>
9. Capital and financial charges:					
a) Investment management charges and interest payable		73	<u>27,468,232</u>		
b) Write-downs of investments		74	<u>16,833,032</u>		
c) Loss on sale of investments		75	<u>11,847,053</u>	76	<u>56,148,317</u>
10. Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and investments arising from pension fund management				77	<u>16,020,815</u>
11. Other technical charges, net of outwards reinsurance				78	<u>1,990,169</u>
12. (-) Income from investments transferred to the non-technical account (item III.4)				79	<u>94,256,543</u>
13. Result of life business technical account (Item III.2)				80	<u>70,707,999</u>
III. Non-technical account					
1. Result of non-life business technical account (item I.10)				81	<u>204,738,045</u>
2. Result of life business technical account (item II.13)				82	<u>70,707,999</u>
3. Income from investments in non-life business:					
a) Income from equity investments		83	<u>203,071,089</u>		
(including: Group companies)		84	<u>139,903,526</u>		
a) Income from other investments:					
aa) Land and buildings		85	<u>7,023,063</u>		
bb) Other		86	<u>203,870,301</u>	87	<u>210,893,364</u>
(including: Group companies)		88	<u>4,306,544</u>		
c) Write-backs of investments		89	<u>12,287,885</u>		
d) Profit on sale of investments		90	<u>88,174,474</u>		
(including: Group companies)		91	<u>76,681</u>	92	<u>514,426,812</u>

			<u>175</u>	<u>1,049,682</u>
		<u>176</u>	<u>45,047,794</u>	
		<u>177</u>	<u>36,911,711</u>	
		<u>178</u>	<u>0</u>	
		<u>179</u>	<u>20,563,981</u>	
		<u>180</u>	<u>46,822,861</u>	
		<u>181</u>	<u>9,408,176</u>	<u>182</u>
				<u>139,938,171</u>
		<u>183</u>	<u>24,362,830</u>	
		<u>184</u>	<u>87,429,679</u>	
		<u>185</u>	<u>24,964,362</u>	<u>186</u>
				<u>136,756,871</u>
				<u>187</u>
				<u>93,613,616</u>
				<u>188</u>
				<u>4,349,722</u>
				<u>189</u>
				<u>68,101,599</u>
				<u>190</u>
				<u>50,937,613</u>
				<u>191</u>
				<u>52,756,054</u>
				<u>192</u>
				<u>50,937,613</u>
		<u>193</u>	<u>135,982,108</u>	
(including: Group companies		<u>194</u>	<u>77,579,719)</u>	
		<u>195</u>	<u>6,492,482</u>	
		<u>196</u>	<u>152,680,017</u>	<u>197</u>
(including: Group companies				<u>159,172,499</u>
		<u>198</u>	<u>5,080,080)</u>	
		<u>199</u>	<u>3,304,246</u>	
		<u>200</u>	<u>82,660,400</u>	
(including: Group companies		<u>201</u>	<u>22,486)</u>	<u>202</u>
				<u>381,119,253</u>

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4. (+) Income from investments transferred from the life business technical account (item II.12)		<u>93</u>	<u>94,256,543</u>
5. Non-life business capital and financial charges:			
a) Investment management charges and interest payable	<u>94</u>	<u>101,137,128</u>	
b) Write-downs of investments	<u>95</u>	<u>5,824,013</u>	
c) Loss on sale of investments	<u>96</u>	<u>71,385,201</u>	<u>97</u> <u>178,346,342</u>
6. (-) Income from investments transferred to the non-life business technical account (item I.2)		<u>98</u>	<u>192,686,966</u>
7. Other income		<u>99</u>	<u>132,662,844</u>
8. Other charges		<u>100</u>	<u>56,220,749</u>
9. Profit (loss) of ordinary business		<u>101</u>	<u>589,538,186</u>
10. Extraordinary income		<u>102</u>	<u>113,177,138</u>
11. Extraordinary charges		<u>103</u>	<u>50,086,858</u>
12. Net extraordinary income (charges)		<u>104</u>	<u>63,090,280</u>
13. Result before taxes		<u>105</u>	<u>652,628,466</u>
14. Income taxes for the year		<u>106</u>	<u>195,841,574</u>
15. Net profit (loss) for the year		<u>107</u>	<u>456,786,892</u>

		<u>203</u>	<u>68,101,599</u>
<u>204</u>	<u>19,760,934</u>		
<u>205</u>	<u>68,200,219</u>		
<u>206</u>	<u>43,999,761</u>	<u>207</u>	<u>131,960,914</u>
		<u>208</u>	<u>141,385,124</u>
		<u>209</u>	<u>162,838,263</u>
		<u>210</u>	<u>141,571,989</u>
		<u>211</u>	<u>300,834,755</u>
		<u>212</u>	<u>1,119,212,517</u>
		<u>213</u>	<u>10,212,083</u>
		<u>214</u>	<u>1,109,000,434</u>
		<u>215</u>	<u>1,409,835,189</u>
		<u>216</u>	<u>350,714,150</u>
		<u>217</u>	<u>1,059,121,039</u>

Part A - Valuation criteria

Section 1 - Presentation of the valuation criteria

The financial statements, comprising the balance sheet, profit and loss account and these notes, along with the annexes thereto, accompanied by the directors' report, have been prepared in accordance with Legislative decree no. 173/1997 and comply with the provisions of ISVAP regulation no. 735 of 1 December 1997 governing the chart of accounts of insurance companies. A cash flow statement has also been presented in order to integrate the information provides in the mandatory schedules mentioned above.

The valuation criteria adopted for the most significant financial statements items are provided below and comply with the provisions promulgated by the relevant supervisory bodies.

Securities portfolio

Classification criteria

In compliance with ISVAP regulation no. 893 G. of 18 June 1998, as integrated by circular no. 475/D of 27 February 2002, "Requirements relating to the classification and valuation of the securities portfolio", on 30 January 2002, the company's board of directors adopted a resolution establishing the general criteria for identification of the two classes of investments: long-term investments; short-term investments. This resolution replaced the previous one of 24 September 1998.

These criteria, adopted from the 1998 financial statements, essentially implement the criteria for the allocation of securities, whether long or short-term may be summarised as follows.

A. Long-term investments

Unless specified otherwise, the long-term nature of investments is identified in the relationships with the company/body issuing the equity and debt securities. Such companies, both listed and unlisted, should perform insurance-related activities or be considered strategic regardless of the holding percentage. This classification also includes fixed-income securities up to 65% of the investment portfolio and equities and OEIC units up to 15% of the investment portfolio. The investment portfolio does not include strategic equity investments or those belonging to classes D.I. and D.II.

B. Short-term investments

This category is identified on a secondary basis and includes all securities which, regardless of their allocation to the separately-managed businesses linked to life policies, are not of a long-term nature and are therefore available for trading. The trading portfolio does not include securities relating to classes D.I and D.II.

Any transfer of securities from one category to the other is made in compliance with ISVAP regulation no. 893 G. More specifically, transfers are made on the basis of the securities' book value at the time of the transfer. The value is determined according to the criteria of the category to which the securities belong. Following transfer, securities are stated using the criteria of the category they are assigned to. In accordance with the board's resolution of 30 January 2002, systematic sales and purchase transactions involving the "investment portfolio" are forbidden. Only temporary divestments are allowed, such as "repurchase agreements" or "securities lending" transactions.

Valuation criteria

A. Long-term investments

Equity investments

Investments in subsidiaries and associated companies and other investments as well as other equity investments classified as "long-term investments" are stated at the book value recorded at 31 December 1992 if already held at that date, or at acquisition cost where acquired at a later date.

Where investments incur permanent impairment in value, the lower value is recorded as provided for by paragraph 3, article 16 of Legislative decree no. 173/97. Any such write-downs will be written back in the year in which the reasons for the write-down cease to exist.

Other securities

Fixed-income bonds classified as "long-term investments" are carried at the book value recorded at the end of the previous year. Investments acquired at a later date are stated at cost. The book value of all such securities is calculated using the continuous average cost method. Where investments incur permanent impairment in value, the lower value is recorded as provided for by paragraph 3, article 16 of Legislative decree no. 173/97. Any such write-downs will be written back in the year in which the reasons for the write-down cease to exist, should the securities still be classified as "long-term". To this end, the book value is compared with the market value, the latter being the average price of the last six months. In the event of unlisted securities, reference is made to available prices of similar securities or, if this is not possible, estimated realisation value.

B. Short-term investments

All equities, bonds and fixed-income securities classified as "short-term investments" are stated at the book value recorded at the end of the previous year. Investments acquired at a later date are stated at cost. The book value of all such securities is calculated using the continuous average cost method. These securities are valued at the lower of book and market value, the latter being the average price of the previous month. Equities not traded on regulated markets are written down to reflect the financial position of the related invested company. Pursuant to the provisions of Law no. 349 of 8 August 1995, accrued issue premiums and discounts are included in (or deducted from) the book value of bonds and other fixed-income securities. Write-downs of short-term investments in previous years are written-back in the year in which the reasons for the initial write-down cease to exist. In the event of unlisted securities, reference is made to available prices of similar securities or, if this is not possible, estimated realisation value.

Transfer of shares of profits

Shares of income from investments from the life technical account to the non-technical account and from the non-technical account to the non-life technical account are transferred in accordance with the provisions of ISVAP regulation no. 1140/G of 8 March 1999.

Transactions involving derivative instruments

In compliance with the ISVAP regulation of 19 July 1996, the transactions involving derivative instruments and approved by the board of directors on 21 October 1996, may not be carried out for speculative purposes, but strictly with a view to reducing the risk related to investments in the various categories of financial assets and/or efficient portfolio management.

If the purpose of derivative instruments is to hedge other assets, in the former, the capital gains and losses arising from the valuation of the security and the derivative instrument are taken to the profit and loss account, as the value of the investments hedged against fluctuations in interest rates or current values should be protected. If the purpose of derivative instruments is to efficiently manage the portfolio, they are stated at market value, taking any changes in value to the profit and loss account, since the aim is to achieve higher profitability levels within the limits of prudent asset management. Depending on the type of financial instrument, the memorandum accounts provide adequate information on the value and/or commitments related to the derivative instruments, in accordance with the instructions of the ISVAP regulation on the Chart of Accounts of insurance companies.

Intangible assets

Intangible assets entirely consist of long-term costs comprised of charges in respect of share capital increases, which are amortised over five years on a straight-line basis, beginning from the year in which they are incurred.

Land and buildings

Real estate is stated at cost, adjusted by compulsory and voluntary revaluations. New acquisitions and improvements are stated at cost. Real estate used in the business is depreciated in accordance with its useful life on a straight-line basis (3%). Real estate used by third parties (both operating and residential) is subject to ordinary maintenance and restoration; the related costs are equally allocated over time through the adoption of established action plans that prolong the useful lives of the assets and keep their value constant (which is nevertheless lower than market value). As depreciation applied to operating real estate used by third parties is tax deductible, it was applied using the ordinary depreciation rates permitted by tax legislation. In compliance with ISVAP circular no. 438/D of 5 March 2001, depreciation of land and buildings is charged to items II.9.b) and III.5.b) "Write-downs of investments".

Investments benefiting life policyholders bearing the risk and investments arising from pension fund management

This class of assets is subdivided into two categories. The first includes investments forming part of the assets of unit-linked and index-linked insurance policy funds, as well as the mutual fund units linked to life policies as per article 30 of Legislative decree no. The model is compliant with Legislative decree 174/1995. The second consists of investments pertaining to open pension funds managed by Ras.

They are stated at current value, which, in the event of securities traded on regulated markets, equals market value on the last trading day of the year. Any differences from book value are taken directly to the profit and loss account. In the event of unlisted securities, these differences are calculated with respect to current value estimated on the basis of the value similar listed securities or estimated realisation value.

Other assets

Receivables

They are stated at their estimated realisation value. Specifically, write-downs of premiums receivable are performed taking into account the trend of collections over the year recorded for each line of business.

Tangible assets and stock:

Office furniture and machines, as well as chattels entered in public registers are stated at cost. Depreciation is calculated by taking into account the ordinary and accelerated depreciation rates permitted by tax legislation, which are considered to be in line with the expected useful life of each category of asset, as follows:

- sundry equipment 12%
- office furniture and machines 12%
- electronic machines and computers 40%
- motor vehicles 25%-50%.

Rates are halved for the first year in which assets are used.

Accrued income and prepaid expenses, accrued liabilities and deferred income

They are calculated on an accruals basis, pursuant to paragraph 5, article 2424 bis of the Italian Civil Code.

Conversion into Euro

Conversion of transactions in non-Euroland currencies

In view of the considerable fluctuations of currencies, investments in subsidiaries and associated companies are kept at the exchange rates prevailing at acquisition, without stating the net difference that would have emerged by converting them at current exchange rates, except in the event of impairment and taking into account the actual value of the asset concerned. Exchange rate gains

or losses realised during the year are taken to the profit and loss account. The net positive differences arising from the conversion of the opening balances of foreign currency assets and liabilities have been allocated to the provision for exchange rate fluctuations, broken down into life and non-life business. Negative balances exceeding the provision set up for this purpose are charged to the profit and loss account.

Premiums and related charges

In accordance with article 45 of Legislative decree no. 173/1997, premiums are recorded on an accruals basis by charging the premium reserve. The model is compliant with Legislative decree. They are stated net of any technical write-offs relating to securities issued during the year. Acquisition costs incurred in underwriting life insurance contracts pertaining to the Italian direct insurance portfolio are charged directly to the profit and loss account. Those in respect of contracts underwritten directly abroad are deferred through the zillimerisation of actuarial reserves, where provided for by local legislation. Costs in respect of inwards reinsurance business are deferred through zillimerisation whenever this method is adopted by the ceding company. Acquisition commissions relating to non-life insurance policies are charged in the year in which they are incurred and are deferred, in proportion to the related premiums, through the premium reserve.

Inwards reinsurance

The effects of inwards reinsurance on the profit and loss account are recognised in the year after that in which they arise, when the information necessary to correctly represent the relevant result is not available at the date of preparation of the financial statements.

Technical reserves

Technical reserves of the direct non-life and life businesses, gross of outwards reinsurance and computed on the basis of current legal requirements, adequately enable the company to meet its prudently-estimated obligations (to an extent that is reasonably foreseeable) arising from insurance policies. The valuation criteria applied to each technical reserve are summarised below.

Actuarial reserves

These are calculated using appropriate actuarial assumptions with regard to mortality rates and technical interest which may lead to accruals that take possible unfavourable variations into account. The actuarial reserve is always equal to or greater than the surrender value. The reinsurer's share is calculated using the same criteria as those applied for the direct business. Inwards reinsurance reserves are calculated in line with those reported by the ceding companies, calculated in accordance with their tariffs. Profit participation allocated to policyholders is accrued under technical reserves. Finally, in accordance with the provision of paragraph 12, article 25 of Legislative decree no. 174 of 17 March 1995 and the instructions provided by ISVAP regulation no. 1801/G of 21 February 2001, the actuarial reserves have been integrated by a specific component related to any discrepancies between forecast rates of return on assets used to cover the reserves and commitments made to policyholders. The actuary's report, as required by Legislative decree no. 174/95, certifies the principles and technical procedures used to calculate the reserves and that they are sufficient.

Reserve for amounts payable in the life business

Reserves for amounts payable consist of the amounts necessary to pay matured sums insured and annuities, surrenders and claims, including related settlement costs. The reinsurer's share is calculated using the same criteria as those applied for the direct business while inwards reinsurance reserves are calculated in accordance with the information communicated by the ceding companies.

Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management

Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management are calculated using appropriate actuarial assumptions, considering the value of the mutual fund units to which the benefits are linked.

Non-life business premium reserve

The premium reserve of the non-life business includes accruals for unexpired risks of the domestic portfolio and is composed of the reserve for unearned premiums and the reserve for unexpired risks. The reserve for unearned premiums is made up of gross premiums written pertaining to subsequent years. It is calculated on a pro rata temporis basis by line of business, excluding the acquisition commissions as per article 51 of Legislative decree no. 173/1997 and the other acquisition costs as per article 52 of the same decree, limited to directly attributable costs. For certain lines of business, depending on the degree of risk (insignificant, however, in relation to the overall level of premiums), the reserve for unearned premiums includes an additional accrual calculated in accordance with the prudent criteria established by law or by ISVAP regulations. The reserve for unexpired risks covers impending risks after the balance sheet date, specifically all compensations and expenses arising from insurance contracts agreed prior to year end, insofar as the amount exceeds the reserve for unearned premiums and premiums due under the terms of the contracts. It is calculated by line of business on the basis of the loss ratio of the current generation and also considering the ratios recorded for previous years. The premium reserves for the inwards reinsurance business are stated in accordance with the information provided by the ceding companies, with appropriate adjustments in order to cover commitments undertaken. Premium reserves for the ceded and retroceded businesses are computed by adopting the same criteria applied for the direct business.

Non-life business claims reserve

The claims reserves for direct business which represent commitments in respect of reported or unreported claims that have not been partially or totally settled at the balance sheet date, are calculated by valuing the individual cases separately. This estimate has been supplemented, in relation to the special features of each line of business, by also taking into account any objective factors known at the time of the valuation, any foreseeable increases in costs during the settlement process and any directly attributable settlement costs (the "ultimate cost" method). Claims settlement costs which are not directly attributable are calculated on an estimated lump-sum basis, considering the impact of settlement costs on the individual lines of business. For third-party motor liability and general liability insurance, considering the longer settlement period, the valuation of the reserve is integrated by a statistical-actuarial method to support the estimate made. Inwards reinsurance claims reserves are those advised by the ceding companies and are adjusted, where necessary, based on experience to cover claims incurred but not yet reported. Claims reserves for ceded or retroceded business are computed by adopting the same criteria used for the direct business and inwards reinsurance.

Other technical reserves

These comprise the ageing reserve as per article 25 of Legislative decree no. 175/95, relating to health insurance contracts with multi-year terms or with required renewal upon expiration.

Equalisation reserves

They include all sums provided for in accordance with current legislation, in order to equalise future fluctuations in the claims rate and to cover special risks. They comprise the equalisation reserve of the credit insurance business as per article 24 of Legislative decree no. 175/1995 and subsequent modifications and the equalisation reserve for natural disasters as per article 12 of Ministerial decree no. 691 of 19 December 1994, converted with modifications into Law no. 35.



Other technical charges

They are taken to the profit and loss account net of outwards reinsurance. Those of the non-life business include, inter alia, year-end write-downs of irrecoverable premiums relating to the year, write-downs of premiums receivable relating to previous years and write-offs of premiums relating to previous years for the portion exceeding the specific provision. Those of the life business include, inter alia, year-end write-downs of irrecoverable first year premiums receivable relating to the year, write-downs of first year premiums receivable relating to previous years and write-offs of first year premiums receivable relating to previous years, for the portion exceeding the specific provision:

Other technical income

Non-life technical income includes prior year income in respect of previous years' premiums receivable written down in the past. Life technical income includes prior year income in respect of previous years' first year premiums receivable previously written down or written off.

Staff severance indemnity

This item, which is part of "Payables and other liabilities", consists of the company's accruals against staff severance indemnities, in compliance with legal provisions and contractual requirements.

Provisions for risks and charges

Provision for staff pension and similar obligations

This item comprises accruals for the staff pension due to directors, in compliance with paragraph 3, article 70 of Presidential Decree no. 917/86. It also includes the "provision for agents' termination indemnity", set-up to cover indemnities arising from the termination of agency contracts for the portion without recourse, in accordance with ISVAP regulation no. 735 of 1 December.

Tax provision

This provision includes accruals for current taxes (as per calculations based on prudent estimates) as well as deferred taxes. In application of Accounting Principle 25 of the Italian Accounting Profession, deferred tax assets and liabilities are recorded in respect of temporary differences arising during the year.

Other provisions

Risk provision

This provision is accrued against the company's complex relationships with employees, agents, brokers, policyholders, reinsurance and co-insurance companies and government bodies, and is considered to adequately cover specific potential risks.

Provision for exchange rate fluctuations

Positive differences arising from the conversion of assets and liabilities denominated in foreign currency at year-end exchange rates are allocated to this provision, on a separate basis for the life and non-life businesses.

Taxes

These are calculated on the basis of current tax legislation and are charged to the profit and loss account in the year to which they pertain. They consist of the following:

- accruals to be settled for the year;
- the amount of deferred tax assets and liabilities arising on temporary differences or eliminated during the year.

Section 2 - Fiscally-driven adjustments and provisions

Real estate used by third parties

As depreciation applied to operating real estate used by third parties is tax deductible, it was applied using the ordinary depreciation rates permitted by tax legislation (3%) totalling Euro 3,030 thousand. At 31 December 2003, the related accumulated depreciation amounted to Euro 31,297 thousand. ■

Part B - Notes to the balance sheet and profit and loss account

Information regarding the changes in the individual items of the balance sheet and profit and loss account at 31 December 2003 is provided below, together with the necessary attachments as provided for by Legislative decree no. 173/1997.

All figures are in thousands of Euro pursuant to ISVAP regulation no. 1008 G of 5 October 1998.

Balance sheet - Assets

Non-life and life business balance sheets are attached as Annexes 1 and 2, respectively. A breakdown of the result for the year by non-life and life business is given in Annex 3.

SECTION 1 – Intangible assets (Item B)

540

The only item under category B refers to start-up and expansion costs (item 3). They are entirely composed of share capital increase costs to be amortised.

Changes in intangible assets (Item B) are set out in Annex 4.

SECTION 2- Investments (Item C)

15,205,826

Land and buildings - Item C.I - Annex 4

138,196

They are made up as follows:

	Real estate used by the company	Real estate used by third parties	Farming businesses	Total
Gross opening balance:	80,932	103,521	11,073	195,526
Increases:				
Improvement costs	367	132		499
Reclassifications	2,406			2,406
Decreases:				
Reclassifications		-2,406		-2,406
Gross closing balance	83,705	101,247	11,073	196,025
Depreciation				
Opening balance	23,319	28,969	-	52,288
Reclassifications	702	-702		-
Accrual of the year due to use of the asset	2,511	3,030		5,541
Closing balance	26,532	31,297	-	57,829
Book value	57,173	69,950	11,073	138,196
Current value at 31.12.2003				264,310

In accordance with paragraph 5, article 18 of Legislative decree no. 173 of 26 May 1997, from 2000, the current value of land and buildings is indicated.

In compliance with ISVAP regulation no. 1915 G. of 20 July 2001, this value is based on an independent appraisal and is calculated using the following criteria:

- market or comparative method (applied to all buildings);
- income capitalisation method (applied only to buildings that are not primarily residential).

Where there is a difference of less than 10% between the two values determined using the above methods, the value attributed to the asset is the average of the two.

Where, on the other hand, the difference is more than 10%, the weighted average of the two values is applied to the asset. The weighting coefficients are chosen on the basis of the building's features.

Changes in land and buildings (item C.I) are set out in Annex 4.

A table showing the breakdown of all properties and related revaluations is provided at the end of these notes.

Annexes 5, 6 and 7 include details on Group and other companies and related changes.

These are composed as follows:

	Equity investments C.II.1	Bonds C.II.2	Loans C.II.3	Total
Opening balance:	3,880,888	72,887	25,928	3,979,703
Increases:				
acquisitions	291,740	252,892		544,632
write-backs	628			628
other increases	25,093	18	737	25,848
Decreases:				
sales or redemptions	-199,073	-39,189	-1,518	-239,780
write-downs	-1,426			-1,426
other decreases	-7,454	-3	-11,261	-18,718
Closing balance	3,990,396	286,605	13,886	4,290,887
Current value	7,156,549	289,734	13,886	7,460,169
Net capital gains	3,166,153	3,129	-	3,169,282

Current values are calculated using the following criteria:

- **Investments traded on regulated markets:** the average price of the last month (trading portfolio) and of the last six months (investment portfolio).
- **Unlisted securities:** a prudent estimate of the likely realisation value was used. In particular, the current value of investments in subsidiaries, affiliated and associated companies was estimated considering the total shareholders' equity, including the result for the year, and taking into account unrealised net capital gains on securities and real estate (net of the expected tax effects, for the different countries) as well as goodwill where applicable. Goodwill in respect of insurance companies mainly refers to the value of the portfolio and was determined by applying different rates for the non-life and life businesses, while goodwill for financial service companies was calculated mainly on the basis of net inflows and the organisational structure.

These investments are classified as either "long-term investments" or "short-term investments" in accordance with the guidelines established by the board of directors with its resolution of 30 January 2002.

With regard to item C.II.2, bonds issued by UniCredito Italiano for a face value of Euro 57,817 thousand are not classified under "long-term investments" as they are considered trading securities. This item also includes a subordinated bond of Euro 20,000 thousand, which is described at the end of these notes.

Pursuant to the provisions of paragraph 4, article 16 of Legislative decree no. 173/1997, we note that investments in the following subsidiaries and associated companies were kept at their book value, which exceeds, by the amount shown below, the corresponding portion of shareholders' equity carried in the last financial statements, taking into account any loss for the year:

- Ram sgr Euro 375 thousand; Allianz Subalpina Euro 144,615 thousand: these are companies whose intrinsic value is higher than equity;
- Ras T.G. Euro 5,415 thousand; Koc Allianz Sigorta Euro 99 thousand: these are companies that generate profits;
- Emittenti Titoli Euro 6 thousand: this is a company that will generate future profits;
- Ras Immobiliare Euro 9,248 thousand, Investitori Sgr Euro 14,199 thousand, Carisma Euro 2,967 thousand, Equinox Investment Company Euro 743 thousand; Darta Saving Assurance Euro 527 thousand; Ras Alternative Investments Euro 11 thousand; these are recently incorporated/acquired/start-up companies;
- CreditRas Vita Euro 11,276 thousand, L'Assicuratrice Italiana Vita Euro 2,030 thousand: these are well-established companies which are growing rapidly.
- Cestar Euro 2 thousand: no write-downs were made due to immateriality of the figures involved.

The most important transactions involving long-term assets under C.II.1 are as follows:

Acquisitions, disbursements:

- acquisition of Unicredito Italiano from third parties (Euro 289,843 thousand)
- subscription of the share capital increase of Ras Tutela Giudiziaria (Euro 1,500 thousand)
- acquisition of Previndustria from third parties (Euro 300 thousand)
- acquisition from third parties and subscription of the share capital increase of Darta Saving Life Assurance (Euro 50 thousand)
- acquisition of 0.50% of Azienda Agricola Perolla from L'Assicuratrice Italiana Danni (Euro 45 thousand)
- subscription of newco Giulio Cesare (Euro 2 thousand)

Sales, redemptions:

- sale of Unicredito Italiano to third parties on the market (Euro 197,779 thousand)
- sale of entire investment in Ras Investimenti Sim (Euro 1,294 thousand)

The acquisition and sale of Unicredito shares are due to the hedging of the security against market fluctuations. Overall, the transaction did not change the quantity of shares held by Ras.

Other increases and decreases:

- capital injection for future share capital increase of GE.SI. Gestione Sistemi Informatici (Euro 11,260 thousand)
- recording the value of Azienda Agricola Perolla in Agricola San Felice following merger (Euro 7,454 thousand)
- capital contribution to Dartia Saving Life Assurance (Euro 5,950 thousand)
- payment to cover losses of Prevint (Euro 367 thousand)
- payment to cover 2002 and 2003 losses of Previndustria (Euro 62 thousand)
- recording of the value of Azienda Agricola Perolla following the merger into Agricola San Felice (Euro 7,454 thousand)

As laid down in article 10 of Law no. 72 of 19 March 1983, a breakdown of securities and related monetary revaluations carried out pursuant to law is provided at the end of these notes.

"Bonds issued by companies" and "Loans to companies" showing the issuer and beneficiary respectively are detailed in the following table:

Bonds - Item C.II.2	Issuer	Amount
Allianz ag 4.1% 19 12 2003-21 12 2009	Allianz AG	105,173
Allianz ag 4.7% 11 12 2003-13	Allianz AG	88,712
Credito Italiano 5% 27 11 2001-11	Unicredito	28,561
Credito Italiano TV 27 11 2001-11	Unicredito	28,548
Creditras TV 30 12 2003-49	CreditRas Vita	20,000
Unicredito Italiano 6.1% 28 2 2002-12	Unicredito	14,487
Allianz Finance 5% 25 3 1998-08	Allianz Finance	507
Credito Italiano 5% 1996-11	Unicredito	398
Credito Italiano 5% 1996-16	Unicredito	219
Total		286,605

Loans - Item C.II.3	Maturity	Amount
Ge.SI.	2004	12,185
Investitori Holding	2004	1,701
Total		13,886

Changes are analysed as follows:

- repayment of the loan granted to Finmatic;
- partial waiver of loan granted to GE.S.I. as a capital injection for the subsidiary's future capital increase;
- capitalisation of accrued interest.

Changes during the year are summarised in the table below:

	Equity investments C.III.1	Mutual fund units C.III.2	Bonds C.III.3	Loans C.III.4	Other financial investments C.III.7	Total
Opening balance	534,376	164,644	8,709,216	25,156	370,825	9,804,217
Increases:						
- acquisitions, disbursements	1,033,582	26,840	4,687,163	12,007	1,172,062	6,931,654
- write-backs	21,938	3,647	6,041			31,626
- other increases		1,255	8,814		305	10,374
Decreases:						
- sales, redemptions	-981,138	-73,902	-4,324,377	-11,415	-746,141	-6,136,973
- write-downs	-10,756	-1,259	-3,646		-4	-15,665
- other decreases	-1,463	-786	-69,634		-72,039	-143,922
Closing balance	596,539	120,439	9,013,577	25,748	725,008	10,481,311
Current value	682,389	121,368	9,344,445	25,748	725,008	10,898,958
Net capital gains	85,850	929	330,868	-	-	417,647

Current values are calculated using the same criteria detailed in the section on investments in Group and other companies.

Other increases under item C.III.2 relate to transactions involving the assets of various investments funds (Euro 970 thousand) and the reversal of Ras Obbligazionario Europa units from Class DI (Euro 285 thousand). Other increases under item C.III.3 relate to the amount of issue and trading discounts on bonds (Euro 8,814 thousand).

Other decreases under item C.III.1 relate to exchange rate losses (Euro 1,461 thousand) and the liquidation of Banca Popolare di Trieste (Euro 2 thousand). Other decreases under item C.III.2 relate to transactions involving the assets of various investments funds (Euro 786 thousand); Other decreases under item C.III.3 relate to the transfer of securities used to hedge *Ras Equity World 110* and *Ras Equity World 112* New index-linked policies (Euro 33,266 thousand), exchange rate loss (Euro 24,506 thousand) and issue and trading discounts on bonds (Euro 11,862 thousand).

Item C.III.3 includes subordinated securities totalling Euro 354,486 thousand, as detailed at the end of these notes.

Approximately 78.48% of the bonds included in item C.III.3 were issued or are guaranteed by governments or international associations. Significant investments (exceeding Euro 29 thousand) in corporate bonds are summarised below.

Issuers - Guarantors

Kredit Wieder	97,574
SCIP	90,986
Deutsche Bank	72,595
Olivetti	61,591
Freddie MAC	59,429
Banca Intesa - CARIPLO Group	56,836
IFIL	54,250
Deutsche Tel. Int. Fin.	50,137
SCCI	48,018
Generali Finance	47,690
ENI Coordination Center	39,070
San Paolo - IMI	38,865
Allgemeine HBK	38,495
Banche Popolari Unite	37,852
Poste Italiane	29,878

A breakdown of the assets included in equity investments (C.III.1), mutual fund units (C.III.2), bonds and other fixed-income securities (C.III.3), shares of investment pools (C.III.5) and other financial investments (C.III.7) split into short- and long-term is given in Annex 8.

Item C.III.1 classified as long-term includes, inter alia, investments in companies held for strategic purposes (Consortium S.r.l., A.D. Taverna, Banca d'Italia, Banca Popolare di Trieste and Revisione) and, accordingly, stated at book value.

Annex 9 details changes in the long-term portfolio, which may be analysed as follows:

Sales of Euro 19,965 thousand in item C.III.1 relates to:

- Pirelli & C. SpA ord. (exercise of options for the share capital increase against consideration);

Other decreases of Euro 2 thousand under item C.III.1 relate to:

- Banca Popolare di Trieste SpA (elimination of the value of the investment following the bank's liquidation);

Other decreases of Euro 10,194 thousand under item C.III.3 relate to:

Issue/trading discounts of Euro 8,505 thousand and exchange rate losses of Euro 1,689 thousand;

Transfers to the short-term portfolio relate to:

- Vodafone Finance 4.75% 27.5.1999-2009 (Euro 7,802 thousand), reclassified as assets forming part of working capital and subsequently sold.

Issue and trading discounts and premiums recorded during the year are as follows:

	Premiums	Discounts	Total
Issue	4,951	-4,214	737
Trading	1,747	-7,697	-5,950
Total	6,698	-11,911	-5,213

Annex 10 sets out changes in loans (item C.III.4) and deposits (item C.III.6) during the year. There are no deposits with banks in this class.

Item C.III.7 "Other financial investments" includes the following transactions:

Other financial investments	
Securities lending without collateral on a nominal value of Euro 725 million	725,000
Purchase of World 112 exotic option on a nominal value of Euro 0.3 million	8

Euro 725 million, with a balancing entry in liabilities under "Sundry loans and other financial payables", is due to a securities trading transaction without collateral. The duration of the transaction is 18 months and it has been set up with a leading counterparty.

On the basis of a specific securities lending contract, Ras has borrowed bonds issued by an English company controlled by a leading banking group (Deutsche Bank) until 30 March 2005, without having pledged collateral with the granting company.

The counterparty in the securities lending contract is an English company controlled by the same banking group.

Ras has the power to withdraw from the contract six months from the date when it takes effect, at each quarterly coupon maturity, by sending written notice in accordance with the terms of the securities lending contract.

Ras has assumed no credit risk in this transaction, as its only obligation is to return the securities and related rights, free of any encumbrances.

Deposits with ceding companies - item C.IV	295,432
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The caption at 31 December 2003 amounted to: 310,775

The decrease over the previous year was: 15,343

Our credit balance with Group and other companies was: 235,118

Section 15 of these notes includes a breakdown by company.

SECTION 3 – Investments benefiting life policyholders bearing the risk and arising from pension fund management (Item D)	736,696
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Annex 11 analyses assets relating to unit-linked (within the company) and index-linked policies (Item D.I) by product type.

Annex 12 provides a schedule of assets arising from pension fund management (item D.II).

The following table sets out changes during the year:

	Investments relating to unit-linked and index-linked policies	Investments arising from pension fund management
Opening balance:	481.661	38.235
Increases:		
acquisitions and subscriptions	321.272	234.308
write-backs and revaluations	21.995	524
transfers from class C portfolio (1)	33.609	
change in other net assets	89	1.649
issue premiums	609	
Decreases:		
sales	-176.743	-218.083
write-downs	-1.908	-193
transfers to class C portfolio (2)	-285	
issue discounts	-43	
Closing balance	680.256	56.440

Nota (1): refers to investments transferred from class C to class D in accordance with the instructions of ISVAP circular no. 360/D. of 21 January 1999, as they exceeded underlying technical commitments.

Nota (2): refers to investments transferred from class D to class C in relation to a transfer of excess RAS Obbligazionario investment fund units. Furthermore, class DI includes a subordinated security of Euro 102 thousand, described at the end of these notes.

Balances with Group and other companies are set out below. A breakdown by company is provided in Section 15 of these notes.

• Investments - class D.I	6,025
• Investments - class D.II	3,058

SECTION 4- Reinsurers' share of technical reserves (Item D bis)	922,753
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<i>Non-life business - Item D.bis I</i>	501,393
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A breakdown of this item is given below.

	Reinsurance	Retroceded	2003	2002	Change
Premium reserve	102,479	1,634	104,113	99,170	4,943
Claims reserve	315,635	81,645	397,280	466,748	-69,468
Total	418,113	83,280	501,393	565,918	-64,525

The premium and claims reserves are broken down by line of business below, showing the reinsurance and retroceded business and the company's Italian portfolio and foreign portfolio separately.

Premium reserve	Reinsurance		Retroceded	Total
	Unearned premiums	Unexpired risks	Unearned premiums	
Personal accident	944		18	962
Health	483		6	489
Motor vehicle hulls	3,193			3,193
Aviation hulls	1,900			1,900
Watercraft hulls	1,560			1,560
Cargo	154			154
Fire	33,854			33,854
Miscellaneous damage to property	21,788			21,788
Third-party motor liability	3			3
Third party aviation liability	971			971
General liability	8,747			8,747
Credit	1,158			1,158
Bonds	19,773			19,773
Pecuniary loss	2,201		2	2,203
Legal protection	777			777
Assistance	4,976			4,976
Total - Italy	102,480	-	27	102,506
Total - Foreign	-	-	1,607	1,607
Total	102,480	-	1,634	104,113

Claims reserve	Reinsurance	Retroceded	Total
Personal accident	5,987	772	6,759
Health	3,820	0	3,820
Motor vehicle hulls	356	149	505
Railway truck hulls	0	51	51
Aviation hulls	4,624	2,949	7,573
Watercraft hulls	22,197	2,010	24,207
Cargo	2,509	2	2,511
Fire and natural events	80,402	7,769	88,171
Miscellaneous damage to property	87,988	846	88,834
Third-party motor liability	24,235	5,187	29,423
Third party aviation liability	3,529	0	3,529
Third party watercraft liability	1	0	1
General liability	44,153	2,290	46,443
Credit	1,556	6	1,562
Bonds	22,016	39	22,055
Pecuniary loss	8,869	0	8,869
Legal protection	810	0	810
Assistance	678	0	678
Total - Italy	313,732	22,070	335,802
Total - Foreign	1,903	59,576	61,479
Total	315,635	81,645	397,280
<i>Life business - Item D.bis II</i>			421,360

A breakdown of this item is given below.

	Reinsurance	Retroceded	2003	2002	Change
Actuarial reserves	341,586	51,922	393,508	497,006	-103,498
Amounts payable	22,972	4,493	27,465	76,976	-49,511
Profit participation		387	387	783	-396
Reserves - classes DI and DII			-	24	-24
Total	364,558	56,802	421,360	574,789	-153,429

The total recorded at 31 December 2003 may be broken down into the Italian and foreign portfolio as follows:

	Italy	Foreign	Total
Reinsurance business	364,558		364,558
Retroceded business	30,934	25,868	56,802

The change in the item "Actuarial reserves" is due to the settlement of the dispute with CONSAP, which is detailed in the directors' report in the section on "Current lawsuits".

SECTION 5- Receivables (Item E)

1,370,219

This caption may be analysed as follows:

	2003	2002	Change
I Receivables relating to direct insurance business			
1 - Policyholders	468,326	461,527	6,799
2 - Insurance brokers and agents	381,668	338,664	43,004
3 - Current company companies	60,144	61,365	-1,221
4 - Amounts to be recovered from policyholders and third parties	12,748	15,979	-3,231
II Receivables relating to reinsurance business			
1 - Insurance and reinsurance companies	59,873	215,854	-155,981
2 - Reinsurance brokers and agents	23,366	30,833	-7,467
III Other receivables	364,094	383,570	-19,476
Total	1,370,219	1,507,792	-137,573

Balances with Group and other companies are set out below. A breakdown by company is provided in Section 15 of these notes.

Receivables relating to direct insurance business	19,494
Receivables relating to reinsurance business	12,073
Other receivables	16,597

<i>Receivables relating to direct insurance business - Item E.I</i>	922,886
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Amounts receivable from policyholders in respect of premiums pertaining to the year as well as to previous years have been written-down for each line of business, on a lump-sum basis and in line with historical trends of the amounts collected in previous years.

Their book value is made up as follows:

Gross balance at year-end	492,826
Provision for bad debts, of which:	24,500
- Opening balance	26,061
- Utilisation during the year	-26,061
Write-off of receivables due to insolvency	-22,691
Prior year income on premiums written down	-3,370
- Accrual for the year	24,500
Book value	468,326

A breakdown of write-downs by line of business is provided below.

	Gross closing balance	Write-downs	Net closing balance
Personal accident	37,090	3,471	33,619
Health	21,012	1,002	20,010
Motor vehicle hulls	34,729	1,459	33,270
Aviation hulls	2,927	1	2,926
Watercraft hulls	3,106	43	3,063
Cargo	3,442	37	3,405
Fire and natural events	50,330	2,805	47,525
Miscellaneous damage to property	33,054	1,805	31,249
Third-party motor liability	95,012	8,069	86,943
Third party aviation liability	1,491	1	1,490
Third party watercraft liability	73	11	62
General liability	62,616	4,005	58,611
Credit	1,079	-	1,079
Bonds	11,407	291	11,116
Pecuniary loss	2,813	102	2,711
Legal protection	235	9	226
Assistance	1,179	105	1,074
Total non-life business	361,597	23,216	338,381
Total life business	131,229	1,284	129,945

The item "Receivables: current account companies" mainly comprises receivables in respect of co-insurance transactions and the provision of services.

The item "Amounts to be recovered from policyholders and third parties" refers to claims.

<i>Other receivables - Item E.III</i>	364,094
This item may be analysed as follows:	
Bills in portfolio	381
Tax receivables	186,186
Deferred tax assets	78,117
Outstanding rent	2,247
Sundry loans and advances	12,836
Accrued interest and dividends receivable	60
Receivables from customers	4,786
Receivables from CONSAP for advanced compensation paid on behalf of the Road Victims Fund	38,332
Current accounts with insurance companies	112
Current accounts with non-insurance companies	2,545
Cheques not yet collected awaiting credit	7,924
Receivables from internal agencies ¹	11,892
Sundry receivables	18,676

Receivables in respect of deferred tax assets of Euro 78,117 thousand may be analysed as follows:

Opening balance	73,706
Deferred tax assets of the year	37,891
Deferred tax assets of prior years	-33,480
Closing balance	78,117

This caption may be analysed as follows:

	2003	2002	Change
I Tangible assets and stock	17,696	19,303	-1,607
II Cash and cash equivalents	66,485	455,452	-388,967
III Own shares	10,178	100,460	-90,282
IV Other assets	292,344	326,813	-34,469
Total	386,703	902,028	-515,325

Balances with Group and other companies are set out below. A breakdown by company is provided in Section 15 of these notes.

• Cash and cash equivalents	53,557
• Other assets	828

<i>Tangible assets and stock - Item F.I</i>	17,696
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The following table sets out changes during the year and gives a breakdown of the balance:

Gross opening balance	72,845
- Change during the year	
- Cost of goods and services purchased during the year	2,692
- Deduction of cost of goods sold during the year	-894
Gross closing balance	74,643
Accumulated depreciation	56,947
- Opening balance	53,543
- Withdrawal for assets sold	-872
- Depreciation	4,276
Book value	17,696
<i>Cash and cash equivalents - Item F.II</i>	66,485
1 Bank and postal current accounts	66,458
2 Cheques and cash-in-hand	27

The balance is composed of domestic currency deposits totalling Euro 57,636 thousand and balances in foreign currency accounts related to the company's international business, amounting to Euro 8,822 thousand.

<i>Own shares - Item F.III</i>	10,178
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In compliance with the shareholders' resolution of 30 April 2003, the company traded its own shares during the year.

At year end, the company held 220 savings shares totalling Euro 3 thousand and 793,000 ordinary shares totalling Euro 10,175 thousand.

<i>Other assets - Item F.IV</i>	292,344
1 Reinsurance suspense accounts	37,585
2 Other assets	254,759

Suspense accounts serve as balancing entries to the first components of inwards reinsurance conducted in 2003, which are incomplete in terms of their technical make-up and will therefore, be taken to the 2004 profit and loss account as is the company's usual practice.

A breakdown of this item is given below.

Claims suspense accounts	40,166
Sundry suspense accounts	20,330
Ageing indemnity insurance policies	42
Receivables on deposit to reinsurance companies for deferred premiums	802
Receivables on deposit to reinsurance companies for claims paid in cash	767
Premiums verified at year-end	155,377
Balancing entry - taxes to be paid on actuarial reserves as per Legislative decree no. 209/2002	10,762
Other	26,513

SECTION 7- Accrued income and prepaid expenses (Item G) 165,991

Other assets are mainly due to:

	2003	2002	Change
1 Interest	165,699	146,576	19,123
2 Rent	86	19	67
3 Other accrued liabilities and deferred income	206	180	26
Total	165,991	146,775	19,216

Accrued income and prepaid expenses are shown separately below.

	Accrued liabilities	Prepaid expenses
Sundry interest	165,699	
Rent	12	74
Other prepaid expenses:		
- agricultural advances		134
- advertising costs		1
- other		71
Total	165,711	280

Balance sheet - Liabilities and shareholders' equity

SECTION 8 – Shareholders' equity

4,561,984

Changes in this item are as follows:

	Share capital	Reserves	Net profit	Total
at 31 December 2002	437,769	3,703,582	1,059,121	5,200,472
Allocation of 2002 net profit:				
to the legal reserve		12,240	-12,240	-
dividend distribution			-295,287	-295,287
to the extraordinary reserve		751,594	-751,594	-
Bonus issue:				
from the extraordinary reserve	233	-233		-
Set-up of reserve for own shares:				
from the share premium reserve		-709,104		-709,104
from the share premium reserve		-602		-602
to the reserve for own shares		709,706		709,706
Cancellation of own shares:				
reduction in share capital	-34,666			-34,666
reduction in own shares		-765,322		-765,322
from the reserve for own shares		-34,666		-34,666
to the share premium reserve		34,666		34,666
Net profit for 2003			456,787	456,787
at 31 December 2003	403,336	3,701,861	456,787	4,561,984

As provided for by article 8 of the company's by-laws, the share capital is split by 1/4 and 3/4 between the life and non-life businesses, respectively. Subscribed and fully paid-up share capital amounts to Euro 403,336,202. It is composed of 670,886,994 ordinary shares and 1,340,010 savings shares, with a nominal value of Euro 0.60 each.

Buy back transaction

In various transactions at different times during the year, Ras acquired 42,676,389 own ordinary shares for Euro 597 million. In accordance with the resolution of 28 October 2002, on 17 February 2003, a total of 49,483,389 ordinary shares and 8,294,929 savings shares were cancelled, for total countervalues of Euro 685 million and Euro 115 million, respectively. The shares cancelled were already held or were acquired through the buy back transaction. This entailed:

- the reduction of the *share capital* by € 34,666,990.80, equal to the nominal value, Euro 0.60, of the 57,778,318 cancelled shares;
- the reduction of the *Reserve for own shares* by Euro 765,322,180.78, equal to the difference between the total nominal value of shares cancelled and their book value;
- the taking of the *Reserve for own shares* to increase the *Share premium reserve* by € 34,666,990.80

Share capital increase

On 1 July 2003, in accordance with the resolution of the Board of Directors of 30 April 2003, Ras share capital was increased pursuant to article 2349 of the Civil Code by a nominal value of Euro 233,444.40, through the bonus issue of 389,074 ordinary shares worth Euro 0.60 each, bearing dividend rights from 1 January 2003.

The revaluation reserves (Item A.III) are made up as follows:

special reserve pursuant to Law no. 576 of 2.12.75	1,121
revaluation provision pursuant to article 83 of Law no. 576 of 10.06.78	11,889
special reserve pursuant to Law no. 72 of 19.03.83	107,192
revaluation provision pursuant to Law no. 413 of 30.12.91	256,987
Total	377,189

Other reserves (Item A.VII) may be analysed as follows:

extraordinary reserve	1,692,449
taxable reserve pursuant to Law no. 823 of 19.12.73	4,667
special reserve	142,503
reserve for exchange rate and securities fluctuation	58,815
goodwill reserve pursuant to article 16, Pres. Decree no. 598/73 and article 123, Pres. Decree no. 917/86	41,325
Reserve for prior year income pursuant to article 55, Pres. Decree no. 917/86	676
contribution reserve pursuant to Law no. 358/97	83,774
Total	2,024,208

SECTION 9 – Subordinated liabilities (Item B)

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There are no subordinated liabilities.

SECTION 10 – Technical reserves (Item C)

11,439,516

Annex 13 sets out the changes during the year in the components of the premium reserve (item C.I.1) and of the claims reserve (C.I.2) in respect of the non-life business.

<i>Non-life business - Item C.I</i>	4,772,751
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A breakdown of this item is given below.

	Direct	Indirect	2003	2002	Change
Premium reserve	1,119,071	10,797	1,129,868	1,102,796	27,072
Claims reserve	3,431,056	188,671	3,619,727	3,652,335	-32,608
Other technical reserves	898		898	913	-15
Equalisation reserves	22,258		22,258	19,293	2,965
Total	4,573,283	199,468	4,772,751	4,775,337	-2,586

The premium and claims reserves are broken down by line of business below, showing the direct and indirect business and the company's Italian portfolio and foreign portfolio separately:

Premium reserve	Direct		Indirect Unearned premiums	Total
	Unearned premiums	Unexpired risks		
Personal accident	88,441	0	43	88,484
Health	46,877	0	49	46,926
Motor vehicle hulls	103,054	0	0	103,054
Railway truck hulls	0	0	0	0
Aviation hulls	3,495	0	7	3,502
Watercraft hulls	4,241	0	100	4,341
Cargo	2,484	90		2,574
Fire	112,764	0	2,348	115,112
Miscellaneous damage to property	109,164	0	293	109,458
Third-party motor liability	485,129	0	0	485,129
Third party aviation liability	1,382	0	0	1,382
Third party watercraft liability	1,182	0	0	1,182
General liability	111,994	0	953	112,947
Credit	1,473	0		1,474
Bonds	34,148	0	1,162	35,310
Pecuniary loss	4,609	0	1	4,610
Legal protection	1,064	0	0	1,064
Assistance	7,480	0	0	7,480
Total - Italy	1,118,981	90	4,956	1,124,027
Total - Foreign	-	-	5,841	5,841
Total	1,118,981	90	10,797	1,129,868

The reserve for unearned premiums relating to bonds insurance, calculated on a pro rata temporis basis, has been supplemented in accordance with ISVAP regulation no. 1978 of 4 December 2001.

The 2003 accrual to the "Reserve for unexpired risks" is lower than that of 2002 (Euro 11,722 thousand) given the significant improvement in the technical result seen during the year. This reserve has been calculated in accordance with the methods described in Part A - Section 1 of these notes.

Claims reserve	Direct	Indirect	Total
Personal accident	143,367	823	144,190
Health	46,840	52	46,892
Motor vehicle hulls	52,099	139	52,238
Railway truck hulls	39	199	237
Aviation hulls	5,333	5,164	10,496
Watercraft hulls	37,145	2,849	39,994
Cargo	17,987	81	18,069
Fire and natural events	184,782	8,321	193,103
Miscellaneous damage to property	167,915	869	168,784
Third-party motor liability	1,746,006	12,080	1,758,086
Third party aviation liability	3,942	0	3,942
Third party watercraft liability	6,226	0	6,226
General liability	935,950	7,566	943,516
Credit	4,387	286	4,673
Bonds	44,555	1,987	46,541
Pecuniary loss	13,160	-36	13,124
Legal protection	1,458	476	1,934
Assistance	889	0	889
Total - Italy	3,412,078	40,856	3,452,933
Total - Foreign	18,978	147,815	166,794
Total	3,431,056	188,671	3,619,727

Item C.I.4 - Other technical reserves refers to the ageing premium reserve, calculated on a lump-sum basis (10%) on health insurance policies forming part of the Italian portfolio that have a long-term duration or one-year policies that the insurer is obliged to renew at maturity when premiums are determined over the entire duration of the policy, in relation to the age of the policyholder at the time the policy is agreed, pursuant to Legislative decree no. 175 of 17 March 1995.

Equalisation reserves include the equalisation reserve for natural disasters as per article 12 of Decree law no. 691 of 19 December 1994, converted with modifications into Law no. 35 of 16 February 1995, and the equalisation reserve of the credit insurance business as per article 24 of Legislative decree no. 175 of 17 March 1995, as replaced by letter b), article 80 of Legislative decree no. 173 of 26 May 1997.

Amounts may be broken down by line of business as follows:

Equalisation reserve	
Personal accident	5,282
Health	2,799
Motor vehicle hulls	5,909
Aviation hulls	147
Watercraft hulls	624
Cargo	358
Fire and natural events	5,004
Miscellaneous damage to property	1,839
Third-party motor liability	90
Credit	27
Pecuniary loss	179
Total	22,258

Annex 13 sets out the changes during the year in the components of the premium reserve (item C.I.1) and claims reserve (C.I.2)..

Life business - Item C.II

6,666,664

A breakdown of this item is given below.

	Direct	Indirect	2003	2002	Change
Actuarial reserves	6,160,679	253,252	6,413,931	5,984,321	429,610
Complementary insurance	1,787		1,787	1,896	-109
Amounts payable	143,273	40,132	183,405	199,154	-15,749
Profit participation		5,958	5,958	9,281	-3,323
Other technical reserves	61,583		61,583	55,275	6,308
Total	6,367,322	299,342	6,666,664	6,249,927	416,737

The total recorded at 31 December 2003 may be broken down between the Italian and foreign portfolio as follows:

	Italy	Foreign	Total
Direct business	6,367,322		6,367,322
Indirect business	66,676	232,666	299,342

Other technical reserves only refer to the accrual for future operating costs.

A breakdown by line of business is as follows:

I Whole and term life insurance	41,815
III Insurance included in point I and linked to mutual funds	11,146
V Capitalisation transactions	8,058
VI Management transactions of investment pools set up to provide services in the event of death, life, or the termination or reduction of work activities	564

Annex 14 sets out the changes during the year in the components of the actuarial reserves (item C.II.1) and profit participation and reversal reserve (C.II.4).

The following table sets out the breakdown of the main reserves and the most important actuarial assumptions in respect of direct business in Italy.

2003 life business (in thousands of Euro)

Policy category	Amount of capital or decupled annuities	Amount of reserves	Year of first issue	Financial basis	Demographic basis
Ordinary					
Traditional	4,534,550	41,244	1968	4%	SIM51
			1978	4%	SIM61
			1989	4%	SIM81
			1996	4%	SIM92 F/NF
			1999	3%	SIM92
			1999	4%	SIM92
Adjustable	10,726	8,577	1969	3-6%	SIM51
Revaluable in Euro	6,258,267	3,796,157	1980	3%	SIM51
			1988	3%	SIM71
			1988	3%	SIM71PS
			1990	3%	SIM81
			1991	4%	SIM71
			1995	0%	SIM81
			1999	3%	RG48 I
			1999	2.5%	RG48 C
			1999	2.5%	SIM92
Revaluable in CHF, JPY, USD	41,740	31,319	1989	3%	SIM51
			1990	3%	SIM71
			1990	3%	SIM71PS
			1990	3%	SIM81
			1997	0%	SIM71
			1997	0%	SIM71PS
			1997	0%	SIM81
			1999	0%	SIM92
Unit-linked	683,528	655,184	1998	0%	SIM81
			1999	0%	SIM92
			2001	0%	SIM/F 92 RP
Other	111,754	103,334			
Total ordinary policies	11,640,565	4,635,815			
Group policies					
Revaluable	2,541,283	2,254,892	1980	0-4%	SIM51
			1988	3%	SIM71
			1988	3%	SIM71PS
			1990	3%	SIM81
			1991	4%	SIM71
			1999	0%	SIM81
			1999	3%	RG48
			1999	2.5%	SIM71
			1999	4%	SIM81
			1999	0%	SIM92
			1999	3%	SIM92
			1999	2.5%	SIM92
Pension funds	56,439	57,132			
Other	4,053,237	11,118			
Total Group policies	6,650,959	2,323,142			
Total life business	18,291,524	6,958,957			

SECTION 11 – Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management (Item D)

736,695

A breakdown of this item is given below.

	2003	2002	Change
Reserves - class D.I	680,256	481,661	198,595
Reserves - class D.II	56,439	38,236	18,203
Total	736,695	519,897	216,798

A breakdown by product is provided below for classes D.I and D.II:

Ras Europa bonds	5,303
Ras Plus Europa bonds	30,467
Ras Europa balanced	27,749
Ras Europa equity	35,193
Ras Globale balanced	100,923
Ras Globale equity	109,548
Ras technology & research	6,923
Ras commodity	7,068
Ras America	10,343
Ras Europa	40,907
Ras Oriente	1,402
Ras balanced	63,903
Ras Obbligazionario Protetto	7,875
Ras Quota Protetta	20,981
Ras Exclusive 1	2,184
Ras Quota Dinamica	56,520
Ras Globale	11,697
Ras Obbligazionario	9,864
Ras Formula Dinamica	41,883
GESTIVITA	207
Index World 110 RAS	11,981
Index World 110 RAS - 2	23,592
Index World 110 RAS - 3	6,923
Ras Equity World 112	10,894
Ras Equity World 110	23,653
Ras Equity World 112 new	12,273
Total CLASS D.I	680,256

The following investment lines are used for the Previras and Insieme defined contribution open pension funds:

Line 1 - bonds with minimum guaranteed returns	4,610
Line 2 - mixed bonds with capital refund guarantee	4,661
Line 3 - balanced	16,275
Line 4 - international equities	28,541
Total Previras	54,087
Sicura line - bonds with minimum guaranteed returns	916
Tranquilla line - mixed bonds	434
Serena line - balanced	497
Dinamica line - international equities	505
Total Insieme	2,352
Total CLASS D.II	56,439

SECTION 12 – Provisions for risks and charges (Item E)

321,364

Annex 15 sets out the changes during the year in the provisions for risks and charges.

	2003	2002	Change
1 Pension and similar provisions	7,595	7,565	30
2 Tax provision	250,889	409,053	-158,164
3 Other provisions	62,880	86,715	-23,835
Total	321,364	503,333	-181,969

Pension and similar provisions - Item E.1

7,595

This item includes the provision for agents' termination indemnity, set-up to cover indemnities arising from the termination of agency contracts for the portion without recourse, and the provision for pensions relating to consultants with contracts that require such accrual.

Tax provisions - Item E.

250,889

The tax provision fully covers the income tax charge accrued at 31 December 2003.

The item can be analysed as follows:

	Total	Current	Deferred
Balance at 31 December 2002	409,053	404,752	4,301
Decreases:			
Withdrawal for IRPEG payment	-336,239	-336,239	
Withdrawal for IRAP payment	-10,951	-10,951	
Utilisation of tax accrual of previous years	-12,531	-12,531	
Utilisation of deferred IRPEG	-3,020		-3,020
Utilisation of deferred IRAP	-440		-440
Increases:			
Accrual for IRPEG	156,079	156,079	
Accrual for IRAP	18,649	18,649	
Accrual for tax amnesty	1,274	1,274	
Accrual for deferred IRPEG	28,989		28,989
Accrual for deferred IRAP	26		26
Balance at 31 December 2003	250,889	221,033	29,856

The reconciliation of the theoretical tax burden and accruals for IRPEG and IRAP purposes as well as accruals for deferred tax liabilities are detailed in the relevant paragraph in *Section 21*, Part C of these notes.

Other provisions - Item E.3

62,880

This item may be analysed as follows:

Provision for exchange rate fluctuations	12,906
Provision for accruals pursuant to article 7, Law no. 738/78	4,226
Risk provision	45,748

The decrease of approximately Euro 24 million in the item *Other provisions* relates to:

Risk provision

- an utilisation of Euro 33.5 million mainly due to the settlement of the CONSAP dispute, as described in the directors' report in the section on "Current lawsuits";
- a prudent accrual of Euro 6.5 million based on an updated valuation of potential charges, including related costs, arising from all legal disputes in which the company is involved.

Provision for exchange rate fluctuations

- an accrual of roughly Euro 3 million following exchange rates gains generated by the conversion of assets and liabilities denominated in foreign currency.

As described in the directors' report, total accruals to the risk provision are consistent with the estimated charges arising from all pending litigation in which the company is involved.

This caption may be analysed as follows:

	2003	2002	Change
I Payables relating to direct insurance business:			
1 - Insurance brokers and agents	24,288	26,049	-1,761
2 - Current account companies	14,918	18,171	-3,253
3 - Deposits and premiums paid by policyholders	10,235	10,548	-313
4 - Guarantee funds in favour of policyholders	4,414	6,348	-1,934
II Payables relating to reinsurance business:			
1 - Insurance and reinsurance companies	69,717	69,012	705
2 - Reinsurance brokers and agents	1,571	2,968	-1,397
V Secured debts	0		
VI Sundry loans and other financial payables	725,000	71,650	653,350
VII Staff severance indemnity	31,856	31,701	155
VIII Other payables	150,950	150,811	139
IX Other liabilities	255,122	286,979	-31,857
Total	1,288,071	674,237	613,834

Balances with Group and other companies are set out below. A breakdown by company is provided in Section 15 of these notes.

Payables relating to direct insurance business	9,529
Payables relating to reinsurance	38,935
Other payables	31,252
Other liabilities	1,856

The item *Sundry loans and other financial payables* refers to the balancing entry of the securities lending transaction, which is recorded in assets under item C III.7 – Other financial investments. The transaction is detailed in the section on that item.

The item *Staff severance indemnity* fully covers entitlements accrued by employees at year end. Changes recorded during the year are shown in Annex 15.

<i>Other payables - Item G.VIII</i>	150,950
1 Policyholders' tax due	52,330
2 Other taxes due	15,381
3 Due to social security and welfare institutions	12,299
4 Sundry payables	70,940

The item *Other taxes due* includes Euro 10,762 thousand relating to taxes on actuarial reserves calculated pursuant to Decree law no. 209/2002. The balancing entry in the balance sheet is included under "Other assets". It will represent a tax credit which can be used from 2005 to pay the withholding applied in accordance with article 6 of Law no. 482/85 and article 26-ter of Law no. 482/85.

The item *Sundry payables* includes several entries of an ordinary nature.

It is mainly made up as follows:

Guarantee deposits	738
Payables to suppliers	18,764
Invoices from suppliers paid in the subsequent year	309
Internal agencies' payables	13,946
Amounts to be recovered from reinsurers	251
Dividends payable to shareholders	155
Payables to non-insurance companies	23
Other sundry payables	36,754
<i>Other liabilities - Item G.IX</i>	<i>255,122</i>
1 Reinsurance suspense accounts	33,327
2 Commissions on collectable premiums	58,220
3 Sundry liabilities	163,574

The item *Suspense accounts* serves as a balancing entry against the first components of inwards reinsurance business conducted in 2003, which are incomplete in terms of their technical make-up and will therefore be taken to the 2004 profit and loss account, as is the company's usual practice.

The item *Sundry liabilities* is made up of several entries of an ordinary nature.

It is mainly made up as follows:

Sundry suspense accounts	79,751
Premiums collected on policies subject to approval	35,204
Claims suspense accounts	7,951
Payables on deposit to reinsurance companies for deferred premiums	2,735
Other sundry liabilities	37,933

Sundry suspense accounts include costs which arose when closing the financial statements and items to be settled in the following year in respect of bank transactions.

SECTION 14 – Accrued liabilities and deferred income 1,703

A breakdown of this item is given below.

Accrued income and prepaid expenses are shown separately below.

	2003	2002	Change
1 Interest			
2 Rent	57	67	-10
3 Other accrued liabilities and deferred income	1,646		1,646
Total	1,703	67	1,636

Accrued income and prepaid expenses are shown separately below.

	Accrued liabilities	Deferred income
Interest		
Rent		57
Other accrued liabilities and deferred income	1,646	
Total	1,646	57

Other accrued liabilities and deferred income refer to the accrued liability in respect of the Vescovado estate and to deferred rent instalments.

SECTION 15 – Assets and liabilities relating to Group and other related companies

Annex 16 sets out a breakdown of assets and liabilities relating to Group and other related companies.

A breakdown of assets and liabilities of a significant amount by company is as follows:

<i>Group equity investments</i>	3,990,396
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Annex 7 to these notes shows a breakdown by investment.

<i>Bonds</i>	286,604
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broken down as follows:

parent company	193,884
subsidiary companies	20,000
affiliated companies	507
other related companies	72,213

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	193,884
<i>SUBSIDIARY COMPANIES</i>	
CreditRas Vita	20,000
<i>AFFILIATED COMPANIES</i>	
Allianz Finance	507
<i>OTHER RELATED COMPANIES</i>	
Unicredito	72,213
<i>Deposits with Group ceding companies</i>	235,118

broken down as follows:

parent company	23,062
subsidiary companies	169,608
affiliated companies	37,894
associated companies	4,554

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	23,062
<i>SUBSIDIARY COMPANIES</i>	
Allianz Elementar Lebensversicherung	127,147
RB Vita	23,121
Allianz Subalpina	9,982
Eurovida	3,407
Allianz Portugal Compania de Seguros	2,498
Allianz Suisse	1,248
Allianz Spagna Compania de Seguros y Reaseguros	1,432
Other	773
<i>AFFILIATED COMPANIES</i>	
Allianz Life Ins Atene	36,244
Cornh Ins PLC London	1,126
Assurances General de France Iart	522
Euler Siac	2
<i>ASSOCIATED COMPANIES</i>	
Koç Allianz Hayat Sigorta	4,547
Koç Allianz Sigorta	7
<i>Investments - class D.I</i>	6,025

broken down as follows:

subsidiary companies 6,025

A breakdown by company is as follows:

<i>SUBSIDIARY COMPANIES</i>	
Rasbank	6,025
<i>Investments - class D.II</i>	3,058

broken down as follows:

subsidiary companies 3,058

A breakdown by company is as follows:

<i>SUBSIDIARY COMPANIES</i>	
Rasbank	51
Ras Asset Management	3,007
<i>Receivables relating to direct insurance business</i>	19,493

broken down as follows:

parent company 143
subsidiary companies 10,591
affiliated companies 8,759

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	143
<i>SUBSIDIARY COMPANIES</i>	
RB Vita SpA	4,611
Allianz SA Agencia Seguros	1,565
Genialloyd	1,306
Allianz Subalpina SpA	391
Creditras Vita SpA	452
Mondial Assistance Italia	202
Allianz Suisse	1,624
Allianz Portugal Companhia de Seguros	75
Other	365
<i>AFFILIATED COMPANIES</i>	
Hungaria	3,598
Assurances General de France Iart	2,349
Lloyd Adriatico	1,058
AGF Belgium Insurance	777
AGF La Lilloise Paris	624
Other	353
<i>Receivables relating to reinsurance business</i>	<i>12,073</i>

broken down as follows:

parent company	1,898
subsidiary companies	2,559
affiliated companies	7,604
associated companies	12

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	1,898
<i>SUBSIDIARY COMPANIES</i>	
Mondial Assistance Italia	2,241
Allianz Elementar Versicherung AG	23
Allianz Suisse	295
<i>AFFILIATED COMPANIES</i>	
Allianz General Ins Athen	5,297
Cornh Ins PLC London	1,439
Assurances Genenerale De France Iart	133
AZ Marine & Aviation France	93
A.G.F. Belgium Insurance	74
AZ Marine & Aviation Vers	433
T U Allianz Polska S A	43
Other	92
<i>ASSOCIATED COMPANIES</i>	
Koç Allianz Hayat Sigorta AS	12

<i>Other receivables</i>	16,597
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broken down as follows:

parent company	67
subsidiary companies	16,515
affiliated companies	2
associated companies	13

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	67
<i>SUBSIDIARY COMPANIES</i>	
GE.SI.	2,234
CreditRas Vita	3,420
RB Vita	1,933
Ras Asset Management	1,223
Rasservice	1,841
Allianz Subalpina	1,522
CreditRas Assicurazioni	1,277
Rasbank	1,264
Ras Tutela Giudiziaria	94
Mondial Assistance Italia	175
Ras Immobiliare	130
Prevint	44
R.I.T.	254
Genialloyd	668
Preindustria	164
Other	272
<i>AFFILIATED COMPANIES</i>	
Allianz Versicherung AG	2
<i>ASSOCIATED COMPANIES</i>	
Agrigest	13
Bank and postal current accounts	53,557

broken down as follows:

subsidiary companies	53,328
other related companies	229

A breakdown by company is as follows:

<i>SUBSIDIARY COMPANIES</i>	
Rasbank	53,328
<i>OTHER RELATED COMPANIES</i>	
Unicredito Italiano	229

<i>Other assets</i>	828
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broken down as follows:

parent company	800
associated companies	28

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	800
<i>ASSOCIATED COMPANIES</i>	
Koç Az Sigorta AS	28
<i>Deposits from reinsurers</i>	<i>21,615</i>

broken down as follows:

parent company	15,529
subsidiary companies	5,448
affiliated companies	638

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	15,529
<i>SUBSIDIARY COMPANIES</i>	
Mondial Assistance Italia	5,305
Allianz Suisse	138
Allianz Spagna Compania de Seguros y Reaseguros	5
<i>AFFILIATED COMPANIES</i>	
Euler Siac	549
Assurances Generale De France Vie	84
Other	5
<i>Payables relating to direct insurance business</i>	<i>9,529</i>

broken down as follows:

subsidiary companies	9,315
affiliated companies	214

A breakdown by company is as follows:

<i>SUBSIDIARY COMPANIES</i>	
Ras Tutela Giudiziaria	98
CreditRas Assicurazioni	317
RB Vita	8,637
Genialloyd	65
Allianz Subalpina	197
<i>AFFILIATED COMPANIES</i>	
Lloyd Adriatico	152
Euler Siac	62
<i>Payables relating to reinsurance business</i>	<i>38,935</i>

broken down as follows:

parent company	18,361
subsidiary companies	4,787
affiliated companies	15,427
associated companies	360

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	18,361
<i>SUBSIDIARY COMPANIES</i>	
Allianz Suisse	67
Allianz Subalpina	2,834
Ras Tutela Giudiziaria	822
RB Vita	24
Allianz Portugal Companhia de Seguros	5
Allianz Elementar Versicherung AG	699
Allianz Spagna Companhia de Seguros y Reaseguros	333
Other	3
<i>AFFILIATED COMPANIES</i>	
Allianz Global Risk	11,622
Allianz Life Ins Atene	309
Assurances General de France Iart	578
Cornh Ins PLC london	746
AGF Allianz Argentina	114
Euler Siac	96
Allianz Tiriac Insurance	877
Allianz Insurance Company Burbank	748
Other	337
<i>ASSOCIATED COMPANIES</i>	
Koç Allianz Sigorta	360
<i>Sundry payables</i>	<i>31,252</i>

broken down as follows:

subsidiary companies	31,252
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A breakdown by company is as follows:

<i>SUBSIDIARY COMPANIES</i>	
Mondial Assistance Italia	4,742
GE.SI. - Gestione Sistemi Informatici	8,109
Rasservice	14,404
Allianz Subalpina	461
Ram	2,725
Prevint	527
Other	284
<i>Sundry liabilities</i>	1,856

broken down as follows:

parent company	1,053
affiliated companies	803

A breakdown by company is as follows:

<i>PARENT COMPANY</i>	
Allianz Holding	1,053
<i>AFFILIATED COMPANIES</i>	
Allianz Marine & Aviation Versicherung	803

SECTION 16 – Receivables and payables

Reference should be made to Section 2 of these notes for information on “Loans to Group companies” (C.II.3)

The item “Secured loans” (C.III.4 a) refers to portions of principal to be collected on mortgages for the sale of buildings totalling Euro 99 thousand. They comprise Euro 46 thousand due within one year and Euro 53 thousand due within five years.

The item “Receivables relating to direct insurance business” includes compensation due from agents totalling Euro 72,753 thousand, Euro 10,557 thousand of which due within one year, Euro 39,822 due within five years and Euro 22,374 thousand after more than five years.

“Other receivables” include tax receivables totalling Euro 78,117 thousand, Euro 32,465 of which due within one year, Euro 26,991 thousand due within five years and Euro 18,661 thousand due after more than five years.

The item “Sundry loans and other financial payables”, amounting to Euro 725,000 thousand, refers to the balancing entry to the securities lending transaction without collateral, due within five years.

Guarantees provided and received and commitments are detailed in Annex 17.

<i>Guarantees provided (Item I)</i>	57,291
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Guarantees provided include personal savings books for limits made available to third parties for claims amounting to Euro 53,320 thousand (down Euro 6,028 thousand). This item also includes payment obligations taken on on behalf of Immobiliare USA S.r.l., Gaggiano s.r.l. and Bis in favour of the tax authorities - VAT office to guarantee credit surpluses offset in Group settlements totalling Euro 1,763 thousand (up Euro 8 thousand). Ras has also taken on a payment obligation on behalf of Genialpoint in favour of the tax authorities for Euro 2,206 thousand. Finally, Ras has provide a surety in favour of the Milan territorial office for Euro 2 thousand.

<i>Guarantees received (Item II)</i>	317
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Guarantees received mainly relate to sureties issued by different banks for tenant guarantee deposits and amount to Euro 176 thousand for the life business and Euro 141 thousand for the non-life business.

<i>Guarantees provided by third parties in the interest of the company (Item III)</i>	60,815
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This item includes letters of credit issued by various banks in place of reinsurance deposits amounting to Euro 41,899 thousand and Euro 6,543 thousand in respect of the life and non-life businesses respectively. It also includes further letters of credits totalling Euro 59 thousand and sureties provided to the company by Unicredito Italiano for the C.I.D. (direct compensation agreement) to guarantee obligations and charges amounting to Euro 12,314 thousand

<i>Commitments (Item IV)</i>	107,209
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Commitments comprise securities trading transactions carried out in 2003 which will be settled in 2004 amounting to Euro 15,211 thousand. Furthermore, Ras has put options on fixed-income securities totalling Euro 52,316 thousand (life business only) and future coupons to be transferred to counterparties on the basis of swap agreements, for Euro 39,682 thousand.

<i>Third party assets (Item V)</i>	17,557
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This item comprises deposits to guarantee bonds provided for credit and bond insurance policies amounted to Euro 605 thousand and Rasbank current account 198884 "10 January" amounted to Euro 16,952 thousand.

<i>Pension fund assets managed on behalf of third parties (Item VI)</i>	51,739
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This item includes the net assets managed by Ras relating to the various pension funds. In particular, the net assets break down as follows: Euro 12,025 thousand of the Foncer fund, Euro 15,382 thousand of Cooperlavoro, Euro 4,643 thousand of Mediafond, Euro 12,285 thousand of Previp, Euro 7,404 thousand of Fondenergia.

<i>Securities deposited with third parties (Item VII)</i>	13,971,611
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This item includes securities owned by the company and deposited with banks amounting to Euro 11,928,642 thousand (life business: Euro 7,434,949 thousand; non-life business: Euro 4,493,693 thousand) and with issuers amounting to Euro 2,042,969 thousand (life business: 606,977 thousand; non-life business: Euro 1,435,992 thousand). It includes Euro 12,218,256 thousand relating to subsidiaries, as follows: Rasbank: Euro 10,175,325 thousand; Ras International nv: Euro 2,006,910 thousand; Banco Portugues de Investments: Euro 36,021 thousand.

<i>Other memorandum accounts (Item VIII)</i>	340,592
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Other memorandum accounts include pension fund contributions under collection (Euro 1,005 thousand), shares in portfolio with nil value, securities pledged by letters of credit (Euro 287,818 thousand), future coupons to be collected from counterparties on the basis of swap agreements (Euro 49,135 thousand), exotic options acquired (Euro 2,620 thousand) and put options acquired on fixed-income securities (Euro 14 thousand).

DERIVATIVE FINANCIAL INSTRUMENTS

Annex 18 shows commitments for transactions in derivatives.

In accordance with paragraph 3, article 7 of ISVAP regulation no. 297 of 19 July 1996, we note the following.

During the year, the company carried out one bond subscription recorded under "STRUCTURED PRODUCTS" for a nominal value of Euro 20,000 thousand, corresponding to financial expenditure. Furthermore, it made one sale and one repayment of positions in this category, for a total countervalue of Euro 21,334 thousand and a book value of Euro 21,324 thousand. There were 15 transactions in place at year end. Of these, one is partly recorded in the net assets of the unit-linked *RAS Obbligazionario Protetto* and one is partly recorded in the index-linked *Ras Equity World 110*. Accordingly, they are classified in section DI of the financial statements. The remaining transactions are included in the class CIII portfolio.

At 31 December 2003, the book value of the above securities amounted to Euro 14,879 thousand in class D and Euro 160,950 thousand in class C.

Ras carried out the following transactions in derivative financial instruments in relation to index-linked policies during the year: one put option with a nominal value of Euro 14,706 thousand was acquired for Euro 4 thousand; two exotic options with a total nominal value of Euro 44,840 thousand, for a net amount of Euro 882 thousand. One of the options with a nominal value of Euro 6,407 thousand was partially resold for Euro 163 thousand; three swap agreements were signed for a total nominal value of Euro 43,874 thousand; in addition, a put option with a nominal value of Euro 14,706 thousand was sold for Euro 3 thousand.

Furthermore, three swaps recorded in class C with a total nominal value of Euro 12,213 thousand were partially closed during the year.

On the other hand, there were no changes to positions already in place at 31 December 2002 in section D.

In the life business, the swap for the *Piano Alto Multimix* product in place at 31 December 2002 was still open at year end. It has a nominal value of Euro 6,508 thousand and a book value of Euro 26 thousand.

In accordance with the guidelines set out by the Board of Directors, Ras investment policy includes hedging transactions on strategic securities to protect the company from negative fluctuations in stock market prices.

The 96 options on UNICREDITO shares already in place at 31 December 2002 were actively hedged in the first half of 2003, with the early closure of options on approximately half of the hedged shares (153.9 million shares), generating a profit of Euro 42,528 thousand. The other half of the shares were delivered, generating a net capital gain of Euro 76,547 thousand, considering the net cost of the options, which amounted to Euro 24,867 thousand. At the same time, the shares were repurchased, so as to restore the original number of shares held.

In June 2003, the company reopened the options on UNICREDITO shares: four call options and four put options were acquired, and four call options and four put options were sold. A total of 31.3 million shares in portfolio were hedged through these transactions. Upon maturity, the options were all not exercised by Ras and the counterparty, generating no cost or revenue for Ras.

In addition, other options on shares were traded: a total of seven call options and were sold, while seven put options were acquired out of a notional amount of 32,700,000 ENI shares and 11,000,000 ENEL shares; before options were traded, underlying assets were purchased on the market; all call options were exercised by the counterparty, while Ras did not exercise any of its put options; as a whole, the transactions generated inflows of Euro 12,451 thousand.

One total return swap was carried out in the non-life business, with a nominal value of Euro 101,700 thousand. The underlying equity was the ENI spa ordinary share. The swap generated net inflows of Euro 2,401 thousand.

The following positions were open at year end:

Section	Type of derivative	No. of positions	Nominal value	Book value
D.I	Exotic options on indices	6	94,600	2,612
D.I	Swaps	8	78,962	895
D.I	Put options on bonds - purchased	5	52,872	-
C	Exotic options on indices	1	307	8
C	Put options on bonds - sold	5	52,872	-
C	Swaps	2	6,741	35

The company did not carry out any transactions in derivative financial instruments and, at year end, no other positions were open with the exception of those listed above.

The accounting treatment applied to these transactions is discussed in the relevant paragraph in Part A of these notes.

Profit and loss account

The profit and loss account items and breakdowns thereof are provided in the annexes to these notes. All figures are shown in thousands of Euro. The directors' report provides additional breakdowns.

SECTION 18 –Notes to the non-life business technical segment

<i>Premiums, net of outwards reinsurance</i>			2,558,645
	2003	2002	Change
Direct premiums	2,799,957	2,732,945	67,012
Indirect premiums	74,954	97,356	-22,402
Gross premiums accounted for	2,874,910	2,830,301	44,609
Outwards reinsurance	-287,164	-273,520	-13,644
Change in gross premium reserve	-29,999	-57,414	27,415
Change in reinsurer premium reserve	3,878	9,912	-6,034
Total non-life premiums	2,561,625	2,509,279	52,346

A breakdown of gross premiums by line of business, showing direct, indirect, Italian and foreign business separately, is as follows:

	Direct business	Indirect business	Total
Personal accident	216,668	1,434	218,102
Health	120,560	134	120,694
Motor vehicle hulls	290,369	982	291,351
Railway truck hulls	-	-	-
Aviation hulls	8,708	6	8,714
Watercraft hulls	7,880	260	8,140
Cargo	18,810	116	18,926
Fire and natural events	210,629	5,097	215,726
Miscellaneous damage to property	202,243	6,196	208,439
Third-party motor liability	1,407,699	5,375	1,413,074
Third party aviation liability	4,015	-	4,015
Third party watercraft liability	2,551	-	2,551
General liability	252,858	2,480	255,338
Bank	881	-	881
Bonds	24,400	791	25,191
Pecuniary loss	8,856	12	8,868
Legal protection	2,639	211	2,850
Assistance	20,190	-	20,190
Total - Italy	2,799,956	23,094	2,823,050
Total - Foreign	-	51,860	51,860
Total	2,799,956	74,954	2,874,910

The non-life business technical account, both Italian and foreign business, is summarised in Annex 19.

<i>Income from investments transferred from the non-technical account</i>	192,687
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The allocation of income from investments to the technical account (Euro 192,687) has been calculated in accordance with ISVAP regulation no. 1140 G of 8 March 1999.

<i>Other technical income, net of outwards reinsurance</i>	8,933
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This item may be analysed as follows:

	2003	2002	Change
Write-off of outwards reinsurance	5,069	3,310	1,759
Prior year income for collections premiums previously written down	3,864	496	3,368
Direct compensation agreement	-	204	-204
Total	8,933	4,010	4,923

<i>Charges relating to claims, net of recoveries and outwards reinsurance</i>	1,899,701
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	2003	2002	Change
Gross amounts paid	2,039,405	1,985,103	54,302
Reinsurers' share	-176,106	-205,144	29,038
Change in gross recoveries	-22,005	-34,584	12,579
Reinsurers' share	2,327	2,505	-178
Change in gross claims reserve	7,980	164,604	-156,624
Reinsurers' share	48,100	34,167	13,933
Net amounts paid	1,899,701	1,946,651	-46,950

Gross amounts paid may be summarised as follows:

	2003	2002	Change
Liquidation claims and direct expenses	1,891,153	1,837,992	53,161
Contribution to the Road Victims Fund	32,560	37,293	-4,733
Paid settlement costs	115,692	109,818	5,874

<i>Result of claims reserve run-off</i>	3,149
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The difference between the opening claims reserve and the total of payments relating to previous years and made in 2003 plus the closing claims reserve is an excess of Euro 3 million, equal to 0.1% of claims reserves.

These figures may be analysed as follows:

	Gross	Ceded	Net
Claims reserve at the beginning of the year	3,633,355	-456,161	3,177,194
Settlement paid in the year for claims arisen in previous years	-1,304,249	138,178	-1,166,071
Claims reserve at year-end	-2,279,918	277,465	-2,002,453
Balance of changes in the portfolio	-16,302	10,782	-5,520
Result of run-off	32,886	-29,737	3,149
Percentage of reserve at the beginning of the year	0.9%	6.5%	0.1%

No "Reversals and profit participation" have been allocated to policyholders or other beneficiaries.

<i>Operating costs</i>	630,404
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This item may be analysed as follows:

	2003	2002	Change
Acquisition commissions	352,482	346,739	5,743
Other acquisition costs	107,161	116,292	-9,131
Premium collection commissions	88,749	86,717	2,032
Other administrative costs	126,440	120,254	6,186
Profit participation and other commissions received from reinsurers	-44,428	-47,148	2,720
Total operating costs	630,404	622,854	7,550

<i>Profit participation and other commissions received from reinsurers</i>	44,428
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This item may be broken down as follows:

	Reinsurance	Retroceded	2003	2002	Change
Commissions	41,641	1,025	42,666	45,146	-2,480
Profit participation	1,762		1,762	2,002	-240
Total	43,403	1,025	44,428	47,148	-2,720

<i>Other technical charges, net of outwards reinsurance</i>	25,451
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This item may be analysed as follows:

	2003	2002	Change
Write-downs of premiums receivable in arrears	23,216	24,984	-1,768
Write-offs of premiums receivable in arrears	494	3,554	-3,060
Reversal of commissions relating to cancellations of ceded premiums	1,014	521	493
ANIA negative adjustments	162	421	-259
Direct compensation agreement	559	88	471
Contribution to the Hunting Casualty Fund	6	6	0
Total	25,451	29,574	-4,123

<i>Change in equalisation reserves</i>	2,965
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A breakdown of equalisation reserves by line of business and related accruals mad during the year is as follows:

	Opening reserve	Share of the year	Closing reserve
Personal accident	4,632	650	5,282
Health	2,437	362	2,799
Motor vehicle hulls	5,056	853	5,909
Aviation hulls	121	26	147
Watercraft hulls	619	5	624
Cargo	303	55	358
Fire and natural events	4,372	632	5,004
Miscellaneous damage to property	1,523	316	1,839
Third-party motor liability	71	19	90
Bank	6	21	27
Pecuniary loss	153	26	179
Total	19,293	2,965	22,258

SECTION 19 – Notes to the life business technical account

<i>Premiums, net of outwards reinsurance</i>	1,307,157
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	2003	2002	Change
Direct premiums	1,301,083	1,173,656	127,427
Indirect premiums	72,536	77,202	-4,666
Gross premiums accounted for	1,373,619	1,250,858	122,761
Outwards reinsurance	-66,462	-73,653	7,191
Net premiums of the year	1,307,157	1,177,205	129,952

A breakdown of gross premiums by line of business, showing direct, indirect, Italian and foreign business separately, is as follows:

	Direct	Indirect	Total
Whole and term life insurance	744,723	7,516	752,239
Previous unit-linked insurance	184,119		184,119
Health insurance in accordance with article 1	41		41
Capitalisation transactions	353,960		353,960
Pension fund management	18,240		18,240
Total business - Italy	1,301,083	7,516	1,308,599
Total business - foreign		65,020	65,020
Total	1,301,083	72,536	1,373,619

Annex 20 provides a summary of life businesses and related premiums as well as the reinsurance balance.

<i>Income from investments</i>	475,963
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Income from investments is summarised in Annex 21.

<i>Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments arising from pension fund management</i>	44,436
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Income and unrealised capital gains relating to investments benefiting life policyholders bearing the risk and investments arising from pension fund management are shown in Annex 22.

<i>Other technical income, net of outwards reinsurance</i>	33,511
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This item may be analysed as follows:

	2003	2002	Change
Pension fund commissions	700	492	208
Unit-linked fund commissions	6,803	5,218	1,585
Cost recovery from Allianz	3,814	-	3,814
Other	22,194	434	21,760
Total	33,511	6,144	27,367

<i>Charges relating to claims, net of recoveries and outwards reinsurance</i>	707,019
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	2003	2002	Change
Gross amounts paid	825,436	775,219	50,217
Reinsurers' share	-154,926	-122,272	-32,654
Change in reserve for amounts payable	-12,873	-26,469	13,596
Reinsurers' share	49,382	-6,705	56,087
Net amounts paid	707,019	619,773	87,246

Gross amounts paid may be summarised as follows:

	2003	2002	Change
Claims	67,069	73,169	-6,100
Surrenders and profit participation	351,595	265,650	85,945
Maturities	397,568	428,950	-31,382
Capital and annuities	8,358	6,637	1,721
Paid settlement costs	846	814	32
<i>Result of reserve for amounts payable run-off</i>			9,741

With reference to the reserve for amounts payable of the net direct business, there is a positive difference between the opening reserve and the total of payments to the beneficiaries of the policies made in 2002 for claims reported in previous years plus the closing reserve.

These figures may be analysed as follows:

	Gross	Ceded	Net
Reserve for amounts payable at the beginning of the year	161,119	-72,406	88,714
Settlement paid in the year for claims arisen in previous years	-105,759	68,984	-36,775
Reserve for amounts payable at the beginning of the year	-44,228	2,030	-42,198
Result of run-off	11,133	-1,392	9,741
Percentage of reserve at the beginning of the year	6.91%	1.92%	10.98%
<i>Reversals and profit participation, net of outwards reinsurance</i>			-2,972

The item relates only to profit participation.

<i>Operating costs</i>	145,208
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This item may be broken down as follows:

	2003	2002	Change
Acquisition commissions	49,576	45,048	4,528
Other acquisition costs	24,201	36,911	-12,710
Premium collection commissions	19,189	20,564	-1,375
Other administrative costs	61,595	46,823	14,772
Profit participation and other commissions received from reinsurers	-9,353	-9,408	55
Total operating costs	145,208	139,938	5,270

<i>Profit participation and other commissions received from reinsurers</i>	9,353
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This item may be broken down as follows:

	Reinsurance	Retroceded	2003	2002	Change
Commissions	5,690	1,233	6,923	7,092	-169
Profit participation	1,056	1,374	2,430	2,316	114
Total	6,746	2,607	9,353	9,408	-55

<i>Capital and financial charges</i>	56,148
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Capital and financial charges are detailed in Annex 23.

With reference to "Land and buildings", as require by ISVAP regulation no. 735 of 1 December 1997, capital charges include taxes, maintenance and repair costs which do not increase the real estate value, as well as building common expenses. Write-downs only relate to depreciation charges.

<i>Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and investments arising from pension fund management</i>	16,021
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This item is analysed in Annex 24.

<i>Other technical charges, net of outwards reinsurance</i>	1,990
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This item may be analysed as follows:

	2003	2002	Change
Write-downs of premiums receivable in arrears	1,284	1,077	207
Write-offs of receivables	368	1,584	-1,216
Other	338	1,689	-1,351
Total	1,990	4,350	-2,360

<i>Income from investments transferred to the non-technical account</i>	94,257
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The allocation of income from investments to the non-technical account (Euro 94,257 thousand) has been calculated in accordance with ISVAP regulation no. 1140 G of 8 March 1999.

SECTION 20 – Changes in technical items

Non-life insurance

Annexes 25 and 26 provide details on changes in technical items of the Italian portfolio by line of business and total, respectively.

Life insurance

Annexes 27 and 28 provide details on changes in technical items of the Italian portfolio by line of business and total, respectively.

Non-life and life insurance

A schedule summarising the technical accounts of all foreign non-life and life lines of business is provided as Annex 29.

Allocation criteria of common entries to each line of business

Both life and non-life business common entries have been allocated to each line of business on the basis of the volume of the items - premiums e claims - to which they refer. Volume is intended in terms of either book value or number of transactions, depending on which is of greater significance to the entry.

SECTION 21 – Notes to the non-technical account

With reference to "Land and buildings", in accordance with ISVAP regulation no. 735 of 1 December 1997, capital charges include taxes, maintenance and repair costs which do not increase the real estate value, as well as building common expenses. Write-downs only relate to depreciation charges.

Other income and charges

"Other income" (item III.7) and "Other charges" (item III.8) may be analysed as follows:

	2003	2002	Change
Other income	132,663	162,838	-30,175
Other charges	56,221	141,572	-85,351

Other income is composed as follows:

	2003	2002	Change
From receivables relating to direct insurance business	764	672	92
From receivables relating to reinsurance business	386	4,069	-3,683
From other receivables	2,931	3,242	-311
From other assets	8,039	16,555	-8,516
Write-backs of own shares	600	-	600
Recoveries of administrative costs and charges	194	626	-432
Recoveries of service costs by Group companies	45,963	40,064	5,899
Exchange rate gains on the revaluation of opening balances	3,225	8,710	-5,485
Realised exchange rate gains	2,527	3,516	-989
Retroceded business commissions	5,686	3,862	1,824
Recovery of costs for the Road Victims Fund	3,470	3,371	99
Utilisation of fluctuation provision	-	17,022	-17,022
Utilisation of the risk provision	33,560	-	33,560
Withdrawal from the tax provision	12,500	-	12,500
Other income and recoveries	12,818	61,129	-48,311

Other charges is composed as follows:

	2003	2002	Change
From payables relating to direct insurance business	744	841	-97
From payables relating to reinsurance	219	198	21
From payables to banks and financial institutions	487	23	464
Write-downs of own shares	-	607	-607
From other payables and other liabilities	2,841	1,492	1,349
Third party administrative costs and charges	197	629	-432
Commissions for third party guarantees	261	4	257
Losses and write-downs of receivables	3,480	34,224	-30,744
Amortisation of intangible assets	478	2,146	-1,668
Accrual to the provision for exchange rate fluctuations	3,225	8,710	-5,485
Accrual to the risk provision	6,500	40,000	-33,500
Accrual to provision for pensions	244	243	1
Realised exchange rate losses	2,293	4,589	-2,296
Exchange rates losses on revaluations	16,929	24,449	-7,520
Other charges	18,323	23,417	-5,094

Extraordinary income and charges

"Extraordinary income" (item III.10) and "Extraordinary charges" (item III.11) are made up as follows:

	2003	2002	Change
Extraordinary income	113,177	1,119,212	-1,006,035
Extraordinary charges	50,087	10,212	39,875

Extraordinary income is composed as follows:

	2003	2002	Change
Capital gains arising from the disposal of long-term investments in:			
Assets	95	225	-130
Land and buildings	-	454	-454
Own shares	-	18	-18
Gains on the sale of investments	108,830	1,115,277	-1,006,447
Gains on the sale of long-term bonds	233	-	233
Prior year income and rounding-ups	4,019	3,238	781

The amount recorded under "Investments, other shares and bonds" relates to:

- gains on the delivery of Unicredit securities totalling Euro 101,277 thousand, against call options exercised by a counterparty and put options exercised by Ras;
- gains on the unexercised options on the same securities totalling Euro 7,553 thousand.

Extraordinary charges is composed as follows:

	2003	2002	Change
Capital losses arising from the disposal of long-term investments in:			
Assets	20	41	-21
Losses on the sale of long-term bonds	-	6,637	-6,637
Losses on the sale of investments	32,441	3	32,438
Capital losses from trading in own shares	-	6	-6
Prior year charges and rounding-downs	3,758	2,824	934
Taxes relative to previous years	8,246	24	8,222
Extraordinary INVIM tax	71	677	-606
Contributions to sundry institutions and bodies	5,551	-	5,551

The Euro 32,441 thousand recorded under "*Investments, other shares and bonds*" relates to the unexercised of options on Unicredit securities.

The caption "*Taxes relative to previous years*" includes amounts paid to file for the tax amnesty of Euro 871 thousand for 1998-2001 VAT and Euro 5,036 thousand for the simple integration of the 1997-2001 direct tax returns. It also includes accruals of Euro 1,274 thousand to extend both tax amnesty types to 2002 as well, as Ras plans to take advantage of this opportunity during 2004 within the deadline.

The item "*Contributions to sundry institutions and bodies*" includes the contribution made to the Umana Mente Foundation for Euro 3.6 million.

Income taxes

DEFERRED TAXES

The main temporary differences in the profit and loss account leading to the recognition of deferred tax assets and liabilities relate to:

Deferred tax liabilities

Realised capital gains on fixed assets

Deferred tax assets

Commissions on long-term non-life business policies
Write-downs of premiums due from policyholders
Remuneration of directors and statutory auditors
Audit costs
Change in the long-term portion of the non-life business claims reserve
Unrealised capital losses on long-term equity investments
LIFO adjustment
Recovery of taxes paid abroad

Deferred tax assets and liabilities recorded in the financial statements have been calculated on a prudent basis, where their future realisation is reasonably certain.

The tax provision is detailed in Section 12 of Part B of these notes.

Reference should be made to Section 2 of Part A of these notes for information on fiscally-driven accruals and adjustments and their impact on the results for the year.

INCOME TAXES

They may be broken down as follows:

	2003	2002	Change
IRPEG	178,336	340,874	-162,538
IRAP	17,506	9,841	7,665
Total	195,842	350,715	-154,873

They may be further analysed as follows:

	IRPEG	IRAP	Total
Current taxes	156,079	18,648	174,727
Deferred taxes:			
utilisation of deferred tax assets	29,342	4,139	33,481
utilisation of deferred tax liabilities	-3,021	-440	-3,461
deferred tax charge of the year	28,959	27	28,986
deferred tax income of the year	-33,023	-4,868	-37,891
Total	178,336	17,506	195,842

A reconciliation of the tax charge recorded in the financial statements and the theoretical tax charge is as follows:

IRPEG	Amount	Rate	Taxes
	0	19%	0
	652,634	34%	221,896
Profit before taxes	652,634		
Theoretical tax charge			221,896
Temporary differences taxable in future years	-87,755		
Temporary differences deductible in future years	100,070		
Temporary differences from previous years	-76,563		
Permanent differences	-129,330		
Taxable profit	459,056		
	0	19%	0
	459,056	34%	156,079
Current income taxes	459,056		156,079
IRAP	Amount	Taxes	
Difference between production revenues and cost	516,489		
Non taxable costs for IRAP purposes	127,663		
Total	644,152		
Theoretical tax charge	5.25%	33,818	
Temporary differences taxable in future years	-504		
Temporary differences deductible in future years	92,179		
Temporary differences from previous years	-70,114		
Permanent differences	-310,510		
Taxable profit	355,203		
Current income taxes	5.25%	18,648	

SECTION 22 –Other information on the profit and loss account

Relationships with Group and other related companies are analysed in Annex 30.

Direct insurance premiums are summarised in Annex 31.

Charges relating to staff, directors and statutory auditors are shown in Annex 32.

The following information is provided at the end of these notes:

- a list of subordinated securities;
- a schedule listing the remuneration of directors, statutory auditors and general managers, pursuant to article 32 of the Regulation implementing Legislative decree no. 58/98 regulating issuers (Consob resolution no. 11520 of 1 July 1998);
- a schedule listing the stock options assigned to directors and general managers, pursuant to Consob resolution no. 11971 of 14 May 1999.

List of subordinated securities (thousands of Euro)

Section	Beneficiary	Currency	Book value	Nominal value	Maturity date	Tier of subordination	Interest rate	Advance repayment
C.III.3	BANCA FIDEURAM	Euro	4,890	5,000	01-10-09	Lower Tier 2	Euribor 6m + 50	no
C.III.3	BCI US FUNDING TRUST II	Euro	15,394	15,500	Perpetual	Tier 1	Euribor 3m + 160	15-lug-08
C.III.3	B.CA INTESA OVERSEAS	Lit	45,107	45,448	10-04-08	Upper Tier 2	Euribor 3m + 62.5	no
C.III.3	INTESA PREFERRED SECS	Euro	22,743	22,800	Perpetual	Tier 1	Euribor 3m + 175	30-giu-08
C.III.3	ROYAL BANK OF SCOTLAND GROUP	Euro	16,413	16,700	26-03-09	Lower Tier 2	4.875%	no
C.III.3	GENERALI FINANCE BV	Euro	25,269	28,500	28-05-19	Other clauses	5.063%	28-mag-09
C.III.3	WOOLWICH	Euro	4,524	5,000	08-07-11	Lower Tier 2	5.25%	no
C.III.3	CAPITALIA	Euro	6,873	6,900	12-08-09	Lower Tier 2	Euribor 3m + 80	12-ago-04
C.III.3	ROYAL BANK OF SCOTLAND GROUP	Euro	693	700	21-01-10	Lower Tier 2	6%	no
C.III.3	SANTANDER CENTR HISP ISSUANCES	Euro	15,003	15,000	05-07-10	Lower Tier 2	6.375%	no
C.III.3	SAN PAOLO DI TORINO	Euro	16,978	17,000	06-04-10	Lower Tier 2	6.375%	no
C.III.3	BANCHE POPOLARI UNITE SCRL	Euro	15,152	15,180	15-11-10	Lower Tier 2	Euribor 3m + 105	15-nov-05
C.III.3	BANCA POPOLARE DI MILANO	Euro	6,586	6,500	13-12-10	Lower Tier 2	Euribor 3m + 100	13-dic-05
C.III.3	BANCA MONTE PASCHI SIENA	Euro	9,568	9,600	21-12-10	Lower Tier 2	6%	21-dic-05
C.III.3	BANCA CARIGE	Euro	6,471	6,500	28-09-11	Lower Tier 2	Euribor 3m + 80	28-set-06
C.III.3	CGNU	Euro	5,944	5,950	14-11-21	Lower Tier 2	5.75%	14-nov-11
C.III.3	UNICREDITO ITALIANO	Euro	28,548	28,600	27-11-11	Lower Tier 2	Euribor 3m + 70	27-nov-06
C.III.3	UNICREDITO ITALIANO	Euro	28,561	28,600	27-11-11	Lower Tier 2	5%	27-nov-06
C.III.3	BANCA MONTE PASCHI SIENA	Euro	5,394	5,400	04-03-04	Tier 3	Euribor 3m + 55	no
C.III.3	BANCA LOMBARDA	Euro	2,014	2,000	28-12-11	Lower Tier 2	Euribor 3m + 90	28-dic-06
C.III.3	UNICREDITO ITALIANO	Euro	14,487	14,500	28-02-12	Upper Tier 2	6,1%	no
C.III.3	NORDEA BANK FINLAND PLC	Euro	1,300	1,300	26-03-14	Lower Tier 2	5.750%	26-mar-09
C.III.3	BANCA AGRILEASING	Euro	7,400	7,400	18-04-12	Lower Tier 2	Euribor 3m + 110	18-apr-07
C.III.3	BANCHE POPOLARI UNITE SCRL	Euro	22,700	22,700	02-08-12	Tier 2	Euribor 3m + 75	2-ago-07
C.III.3	BANCA LOMBARDA	Euro	9,488	9,500	10-12-12	Lower Tier 2	Euribor 3m + 100	10-dic-07
C.III.3	BANCA ANTONVENETA SPA	Euro	6,991	7,000	23-04-13	Lower Tier 2	Euribor 3m + 90	23-apr-08
C.III.3	SKANDINAVISKA ENSKILDA	Euro	9,995	10,000	28-05-15	Lower Tier 2	4.125%	28-mag-10
Total C.III.3				354,486	359,278			
C.II.2	CREDITRAS VITA	Euro	20,000	20,000	Perpetual	Other clauses	Euribor 6m + 140	yes
Total C.II.2				20,000	20,000			
D.I	BANCA LOMBARDA	Euro	102	100	10-12-12	Lower Tier 2	Euribor 3m + 100	10-dic-07
Total D.I				102	100			
Total				374,588	379,378			

Remuneration of directors, statutory auditors and general managers

(pursuant to article 78 of Consob resolution no. 11971 of 14 May 1999
and Consob communication no. DIS/98098107 of 28 December 1998)

Name	Office	Term of office	Fees (2)	Non-cash benefits (3)
Giuseppe Vita	Ras Chairman ⁽¹⁾	1.1 - 31.12.2003	97,900	1,411
Henning Schulte-Noelle	Deputy Chairman ⁽¹⁾	1.1 - 30.04.2003	20,231	
Michael Diekmann	Deputy Chairman ⁽¹⁾	30.4 - 31.12.2003		
Mario Greco	Ras CEO ⁽¹⁾	1.1 - 31.12.2003	187,368	1,411
	Ras General Manager	1.1 - 31.12.2003	1,109,046	5,275
	Executive duties within the Group	1.1 - 31.12.2003	6,105	7,055
Mario Arcelli	Ras Director	1.1 - 31.12.2003	35,119	1,411
	Executive duties within the Group	1.1 - 31.12.2003	51,645	3,610
Guido Maria Barilla	Ras Director	1.1 - 31.12.2003	35,119	1,411
Detlev Bremkamp	Ras Director ⁽¹⁾	1.1 - 31.12.2003	15,173	
Carlo Orazio Buora	Ras Director	1.1 - 31.12.2003	⁽⁴⁾ 35,187	1,411
Vittorio Colao	Ras Director ⁽¹⁾	30.4 - 31.12.2003	27,378	1,411
Nicola Costa	Ras Director	1.1 - 31.12.2003	35,132	1,411
Klaus Dührkop	Ras Director	1.1 - 31.12.2003	10,115	
	Executive duties within the Group	1.1 - 3.11.2003	15,313	
Alberto Falck ⁽⁵⁾	Ras Director ⁽¹⁾	1.1 - 31.12.2003	43,219	1,411
Pietro Ferrero	Ras Director ⁽¹⁾	1.1 - 31.12.2003	46,415	1,411
Angelo Marchiò	Ras Director ⁽¹⁾	1.1 - 31.12.2003	⁽⁶⁾ 50,868	1,411
	Executive duties within the Group	1.1 - 31.12.2003	30,625	3,985
Francesco Micheli	Ras Director	1.1 - 31.12.2003	35,133	1,411
Luigi Orlando ⁽⁷⁾	Ras Director	1.1 - 21.11.2003	31,075	1,411
Helmut Perlet	Ras Director	1.1 - 31.12.2003	10,115	
Giampiero Pesenti	Ras Director	1.1 - 31.12.2003	35,158	1,411
Gianfelice Rocca	Ras Director ⁽¹⁾	1.1 - 31.12.2003	⁽⁴⁾ 37,493	1,411
Lucio Rondelli	Ras Director	1.1 - 30.4.2003	10,155	
Carlo Salvatori Sante Antonio	Ras Director ⁽¹⁾	30.4 - 31.12.2003	27,364	1,411
	Executive duties within the Group	1.1 - 31.12.2003	2,414	2,822
Alberto Santa Maria	Ras Director	1.1 - 30.4.2003	10,115	
Pietro Manzonetto	Chairman of Ras statutory auditors	1.1 - 31.12.2003	63,121	1,411
	Audit duties within Group companies	1.1 - 31.12.2003	86,968	10,066
Adolf Haellmayr	Ras standing auditor	1.1 - 30.4.2003	13,767	
	Audit duties within Group companies	1.1 - 31.12.2003	5,976	3,427
Paolo Pascot	Ras standing auditor	30.4 - 31.12.2003	28,754	1,411
Giorgio Stroppiana	Ras standing auditor	1.1 - 31.12.2003	42,544	1,411
	Audit duties within Group companies	1.1 - 31.12.2003	123,581	14,821
Massimo Arrighi	Ras General Manager	1.1 - 31.12.2003	606,845	2,629
	Executive duties within Group companies	1.1 - 31.12.2003	3,984	4,233
Salvatore Militello	Ras General Manager	1.1 - 31.12.2003	501,371	3,230
	Executive duties within Group companies	1.1 - 31.12.2003	5,248	5,644
Pierluigi Riches	Ras General Manager	1.1 - 31.12.2003	664,364	3,241
	Executive duties within Group companies	1.1 - 31.12.2003	3,936	4,233
Paolo Vagnone	Ras General Manager	1.1 - 31.12.2003	588,111	3,380
	Executive duties within Group companies	1.1 - 31.12.2003	3,936	4,233

(1) Member of the Executive Committee and/or advisory committees.

(2) Directors Bremkamp, Diekmann, Dührkop and Perlet, who also work for the ultimate parent company Allianz Ag, were appointed by the shareholders during the ordinary meeting of 30 April 2003. As from such date they are not owed any fees for their services, as per their request and in conformity with the above shareholders' resolution

(3) In particular, they include the use of a company car and third party liability insurance as resolved by the shareholders' meeting of 29 April 2002.

(4) Paid to Pirelli & C. Sapa.

(5) Director Falck passed away on 3 November 2003

(6) Excluding deferred payment of € 112,466, as described in the notes to the financial statements at 31 December 2000.

(7) Director Orlando stepped down on 21 November 2003

(8) Paid to Technit S.p.A.

Stock options assigned to directors and general managers

(pursuant to Consob resolution no. 11971 of 14 May 1999)

Name	Allotment of options to purchase Ras ordinary shares					Free allotment of Ras ordinary shares (b)	
	Date of allotment of options	Number of shares available for purchase or subscription	Price for share to exercise options	Conditions for exercise of options	Exercise period	Date of allotment of shares	Number of shares allotted
Mario Greco (CEO - GM)	31.1.2001	73,000	€ 15.35		1.8.02 - 31.7.07	2001	37
	30.1.2002	80,000	€ 12.93	Ras share listing more than or equal to Euro 15.516 upon exercise (a)	1.8.03 - 31.7.08	2002	80
	31.1.2003	90,000	€ 11.51	Ras share listing more than or equal to Euro 13.812 upon exercise (a)	1.2.05 - 31.1.10	2003	75
Massimo Arrighi (GM)	31.1.2001	36,000	€ 15.35		1.8.02 - 31.7.07	2001	37
	30.1.2002	40,000	€ 12.93	Ras share listing more than or equal to Euro 15.516 upon exercise (a)	1.8.03 - 31.7.08	2002	80
	31.1.2003	45,000	€ 11.51	Ras share listing more than or equal to Euro 13.812 upon exercise (a)	1.2.05 - 31.1.10	2003	75
Salvatore Militello (GM)	31.1.2001	22,000	€ 15.35		1.8.02 - 31.7.07	2001	37
	30.1.2002	25,000	€ 12.93	Ras share listing more than or equal to Euro 15.516 upon exercise (a)	1.8.03 - 31.7.08	2002	80
	31.1.2003	27,000	€ 11.51	Ras share listing more than or equal to Euro 13.812 upon exercise (a)	1.2.05 - 31.1.10	2003	75
Pierluigi Riches (GM)	31.1.2001	36,000	€ 15.35		1.8.02 - 31.7.07	2001	37
	30.1.2002	40,000	€ 12.93	Ras share listing more than or equal to Euro 15.516 upon exercise (a)	1.8.03 - 31.7.08	2002	80
	31.1.2003	45,000	€ 11.51	Ras share listing more than or equal to Euro 13.812 upon exercise (a)	1.2.05 - 31.1.10	2003	75
Paolo Vagnone (GM)	31.1.2001	29,000	€ 15.35		1.8.02 - 31.7.07	2001	37
	30.1.2002	40,000	€ 12.93	Ras share listing more than or equal to Euro 15.516 upon exercise (a)	1.8.03 - 31.7.08	2002	80
	31.1.2003	45,000	€ 11.51	Ras share listing more than or equal to Euro 13.812 upon exercise (a)	1.2.05 - 31.1.10	2003	75

a) The exercise of the option is subject to the condition that the share price exceeds the option exercise price by 20%.

b) Shares allocated through free allotment plans for Ras ordinary shares involving all Italian employees of Ras Group.

NOTE: The following purchasing options were assigned in January 2003, the exercise of which is subject to the condition that 2003 Ras ordinary share performance exceeds the stock exchange index of the Italian insurance sector for the same period and that the share price exceeds the option exercise price by 20%. The options may be exercised from 1 February 2006 to 31 January 2011 at a price of € 14.32:

• Greco 100,000; Arrighi 50,000; Militello 27,000; Riches 50,000; Vagnone 50,000.

Part C - Other information

Solvency margin

The solvency margins are shown in the table below, split into non-life and life businesses. They exceed the mandatory solvency margin by Euro 4,074,562 thousand.

Solvency margin	Life business	Non-life business
Non-life business (Legislative decree no. 175 of 17 March 1995)	-	457,567
Life business (Legislative decree no. 174 of 17 March 1995)	296,834	-
Components	1,520,325	2,628,052
Excess in relation to legal requirements	1,223,491	2,170,485

Schedules detailing the solvency margin are provided at the end of these notes.

Technical reserves and related allocated assets

The technical reserves requiring coverage, split into non-life and life business, are as follows at year end:

	Non-life	Life
Premium reserves	1,119,071	
Equalisation reserves	22,258	
Other technical reserves	898	
Claims and settlement costs reserve	3,412,078	
Actuarial reserves, net of compulsory transfers		6,224,049
Amounts payable		143,273
Net technical reserves - CLASSES D.I and D.II		736,695
Total	4,554,305	7,104,017

Assets allocated to cover technical reserves, as shown in the schedules attached at the end of these notes, amount to:

	Non-life	Life
A - Investments	3,895,834	6,043,239
B - Receivables	658,471	323,482
C - Other assets	-	-
D - Bank deposits	-	601
E - Other asset categories	-	-
Assets allocated to reserves - CLASSES D.I and D.II	-	736,695
Total	4,554,305	7,104,017

Cash flow statement

A cash flow statement for the year ended 31 December 2003 with prior year comparative figures is provided below:

Cash flow statement

(thousands of Euro)

	2003	2002
Source of funds		
Cash flows generated by operations for the year:		
Net profit for the year	456,787	1,059,121
Increase (decrease) in technical reserves	848,904	746,597
Depreciation of tangible assets	4,276	10,648
Amortisation of intangible assets	478	2,146
Depreciation of land and buildings	5,541	5,526
Income taxes for the year	195,842	350,715
Increase in staff severance indemnity and other similar provisions	7,269	7,784
Increase in specific provisions	9,725	48,710
Net issue discounts/premiums	4,647	-1,752
Write-downs, write-backs and exchange rate gains/losses	41,176	246,033
	1,574,645	2,475,528
Sales of assets:		
sales of bonds and other financial investments	5,183,609	3,987,936
sales of investments benefiting policyholders	394,826	243,955
sales of equity investments and own shares	1,980,200	1,841,680
sales of real estate		4,908
Increase (decrease) in receivables and other assets, net of other payables and liabilities	699,812	-307,909
Total sources of funds	9,833,092	8,246,098
Application of funds		
Land and buildings	499	
Tangible assets	2,669	7,820
Bonds and other financial investments	6,138,957	5,704,746
Increase (decrease) in class D.I investments	555,580	464,201
Equity investments and own shares	2,034,429	1,379,954
	8,732,134	7,556,721
Utilisation of provisions:		
Tax provision	354,006	177,948
Specific provisions	33,560	17,021
Ageing indemnity paid and transferred	7,084	16,545
	394,650	211,514
Dividends distributed	295,287	268,100
Repayment of share capital	799,988	
Total application of funds	10,222,059	8,036,335
Change in cash and cash equivalents	-388,967	209,763
Bank accounts and cash and cash equivalents		
Opening balance*	455,452	245,689
Closing balance**	66,485	455,452
Change in cash and cash equivalents	-388,967	209,763

* excluding exchange rate fluctuations for amounts in foreign currencies.

** excluding bank deposits benefiting life policyholders.

Rivalutazioni effettuate su partecipazioni (importi in migliaia di euro)

Name	Nominal value	Monetary revaluations		Total
		pursuant to Law no. 72 of 19.3.1983	pursuant to previous laws	
Italian				
Shares				
Allianz Subalpina spa	330,190	952	14	966
Rasbank	154,147	28	41	69
Sao Paolo - IMI spa	11,646	-	254	254
Preindustria - Fid. Prev. Imprenditori spa	451	10	-	10
Shares				
Bank of Italy	1,441	-	11	11
Total - Italy	497,875	990	320	1,310
Foreign				
Shares				
Koç Allianz Sigorta as	113	30	7	37
Total - foreign	113	30	7	37
Grand total	497,988	1,020	327	1,347

Real estate

Urban and farming real estate (Euro)

		Nominal value	Monetary revaluations		Total	Other non-monetary revaluations
			pursuant to Law no. 413 of 30.12.1991	pursuant to previous laws		
Italy						
Biella	Via De Marchi 5	84,314.93	14,081.89		14,081.89	
Cosenza	Via A. Arabia, 7	78,186.15	45,792.48	5,478.83	51,271.31	9,553.16
Genoa	Pza Della Vittoria 11/A	337,946.29	113.56		113.56	
Imperia	Via Schiva, 51	100,113.65	69,442.08	7,483.46	76,925.54	4,416.74
Lecco	Via Cavour - corner of Via Volta	144,272.22	66,181.2	31,267.45	97,448.65	15,815.67
Magenta	Via Rome - corner of Via Beretta	67,069.89	21,771.42	15,463.68	37,235.10	16,524.27
Milan	Corso Italy, 21/23/25/27A	73,236,516.38	19,728,105.54	4,255,545.74	23,983,651.28	4,274,895.01
Milan	Corso Porta Romana, 13	10,556,204.17			0.00	
Milan	Piazza Erculea, 13/15	20,742,721.74	4,202,667.54	2,095,447.74	6,298,115.28	75,880.95
Milan	Piazza Velasca, 7/9	11,859,994.44			0	
Milan	Via E. Filiberto	4,879,602.07	70,828.71		70,828.71	
Milan	Via Molino delle Armi, 3	543,342.82	25,344.93	11,250.36	36,595.29	62,439.93
Milan	Via S. Sofia 27	746,500.70	460,295.91	119,670.25	579,966.16	22,338.37
Milan	Viale Monza, 2	19,863,697.29	1,887,215.36	3,786,936.74	5,674,152.10	90,007.59
Monfalcone	Corso San Marco - corner of Via Matteotti	157,377.51	67,016.99	13,635.01	80,652.00	11,253.75
Ostiglia	Via Vittorio Veneto, 22	28,467.01	9,100.46	5,536.54	14,637.00	2,176.92
Poggibonsi	Galleria V. Veneto	151,029.25	7,232.98		7,232.98	
Ravenna	Via Rasponi 11	44,444.85	19,048.88	9,933.51	28,982.39	
Rho	Via Meda 11	24,623.19	15,803.33	4,265.32	20,068.65	
Rome	Piazza S. Silvestro, 13 - Via del Corso, 184	33,520,380.10	8,003,717.19	4,258,535.42	12,262,252.61	5,997,647.07
San Donà di Piave	Via Martiri 13	20,050.15	12,259.71	4,355.14	16,614.85	
Sassari	Piazza Castello	47,972.09	26,788.26	7,887.57	34,675.83	6,909.26
Sassari	Via Dei Mille 13	37,543.32			0.00	
Trieste	Piazza della Repubblica	7,525,371.51	874,633.35	1,405,831.07	2,280,464.42	1,835,886.52
Viareggio	Piazza Shelley, 7	122,393.03	55,898.37	10,833.20	66,731.57	4,778.78
Vigevano	Cso Garibaldi 33	32,016.59	23,924.95	3,068.32	26,993.27	
Total		184,952,151.34	35,707,265.09	16,052,425.35	51,759,690.44	12,430,523.99
Farming businesses in Italy						
Grosseto	Pineta di Marina di Grosseto	89,655.22	10,141.87	43,182.97	53,324.84	
Gubbio (PG)	Tenuta Scheggia	3,553,415.58				1,215,073.34
Lugnano in Teverina (TR)	Tenuta Lugnano	7,429,807.20				
Total		11,072,878.00	10,141.87	43,182.97	53,324.84	1,215,073.34
Total		196,025,029.34	35,717,406.96	16,095,608.32	51,813,015.28	13,645,597.33
Summary	Total	196,025,029.34	including: Life business	135,114,644.95	Non-life business	60,910,384.39

List of direct and indirect equity investments exceeding 10%

(pursuant to article 126 of Consob resolution no. 11971 of 14 May 1999)

With regard to investments indirectly owned by holding companies, that are in turn jointly owned with the Agf Group (namely Elmonda and Agf RasHolding), the total percentage held by the Ras Group is shown, rather than the pro-rata stake.

Company	Business	Currency	Share/quota capital	Direct owner	Shares/quotas held	%	Ras Group
Italy							
AGRICOLA SAN FELICE spa Corso Italia, 23 - Milan	Farming	Euro	21,052,800	- Ras	4,080,000	100.00%	100.00%
AGRIGEST spa Corso Vittorio Emanuele, 101 - Rome	Services	Euro	160,000	- Ras	80,000	50.00%	50.00%
ALLIANZ SUBALPINA spa Via Alfieri, 22 - Turin	Insurance	Euro	21,294,325	- Ras	40,105,486	97.936%	97.936%
ASSIMEDIASS srl Corso Italia, 23 - Milan	Insurance	Euro	25,800	- L'Ass. Italiana Danni	25,542	99.00%	100.00%
	brokerage			- Ras	258	1.00%	
BERNESE ASSICURAZIONI FINANZIARIA spa Via Tolmino, 6 - Rome	Insurance	Euro	4,000,000	- Allianz Suisse Vers.	80,000	100.00%	100.00%
BERNESE ASSICURAZIONI Compagnia Italo Svizzera Via Tolmino, 6 - Rome	Insurance	Euro	7,252,000	- Bernese Finanziaria	390,175	27.87%	99.54%
				- Allianz Suisse Vers.	1,003,322	71.67%	
BERNESE VITA spa Via Tolmino, 6 - Rome	Insurance	Euro	5,180,000	- Bernese Finanziaria	123,250	12.33%	100.00%
				- Bernese Ass.ni	37,500	3.75%	
				- Allianz Suisse Vers.	839,250	83.93%	
BORG SAN FELICE srl Castelnuovo Berardenga (SI)	Agric. tourism	Euro	944,000	- L'Ass. Italiana Danni	4,720	0.50%	100.00%
				- Ras	939,280	99.50%	
CREDITRAS ASSICURAZIONI spa Corso Italia, 23 - Milan	Insurance	Euro	5,200,000	- Ras	5,000,000	50.00%	50.00%
CREDITRAS PREVIDENZA SIM spa Galleria Pattari, 2 - Milan	Securities management	Euro	2,600,000	- Ras	2,500,000	50.00%	50.00%
CREDITRAS VITA spa Corso Italia, 23 - Milan	Insurance	Euro	102,000,000	- Ras	100,000,000	50.00%	50.00%
RB VITA spa Corso Italia, 23 - Milan	Insurance	Euro	114,400,000	- Ras	220,000,000	100.00%	100.00%
Ge.SI. - Gestione Sistemi Informatici Corso Italia, 23 - Milan	Data processing	Euro	4,450,260	- Ras	4,450,060	51.00%	100.00%
				- Allianz Subalpina	4,274,640	48.99%	
				- Ras Tutela Giudiziaria"	100	0.00%	
				- L'Ass. Italiana Danni	100	0.00%	
				- RB Vita	100	0.00%	
				- L'Ass. Italiana Vita	100	0.00%	
				- Genialloyd	100	0.00%	
				- Intermediass	100	0.00%	
				- Assimediass	100	0.00%	
				- Prevint	100	0.00%	
				- Ras Asset Management	100	0.00%	
				- Rasbank	100	0.00%	
				- R.I.T.	100	0.00%	
- Gestias	100	0.00%					
- Rasservice	100	0.00%					
GENIALLOYD Viale Monza, 2 - Milan	Insurance	Euro	30,975,000	- Ras	3,749,628	99.99%	99.99%
GESTIAS srl Via Alfieri, 22 - Turin	Insurance brokerage	Euro	10,400	- Allianz Subalpina	20,000	100.00%	100.00%
GIULIO CESARE srl Via Clerici, 7 - Milan	Real estate	Euro	10,000	- Ras	2,400	24.00%	24.00%

Company	Business	Currency	Share/quota capital	Direct owner	Shares/quotas held	%	Ras Group
INTERMEDIASS srl Via Santa Sofia, 18 - Milan	Insurance brokerage	Euro	10,300	- L'Ass. Italiana Danni Ras	10,197 103	99.00% 1,00%	100.00%
INVESTITORI HOLDING spa Corso Italia, 23 - Milan	Financial	Euro	1,000,000	Ras	1,000,000	100.00%	100.00%
INVESTITORI SGR spa Corso Italia, 23 - Milan	Fund management	Euro	1,010,000	- Investitori Holding - Ras	950,000 60,000	94.06% 5.94%	100.00%
L'ASSICURATRICE ITALIANA DANNI spa Corso Italia, 23 - Milan	Insurance	Euro	5,200,000	- Ras	10,000,000	100.00%	100.00%
L'ASSICURATRICE ITALIANA VITA spa Corso Italia, 23 - Milan	Insurance	Euro	10,920,000	- Ras	21,000,000	100.00%	100.00%
PREVINDUSTRIA spa Piazza Velasca, 7/9 - Milan	Pension plan management	Euro	108,360	- Ras	18,000	85.71%	85.71%
PREVINT Gestione Servizi Previdenziali spa Corso Italia, 23 - Milan	Pension fund management	Euro	850,000	- Ras	170,000	100.00%	100.00%
RAS Alternative Investments sgr spa Piazza Velasca, 7/9 - Milan	Fund management	Euro	1,000,000	- Ras - L'Ass. Italiana Danni	1,990 10	99.50% 0.50%	100.00%
RAS ASSET MANAGEMENT sgr spa Piazza Velasca, 7/9 - Milan	Fund management	Euro	12,900,000	- Ras	2,500,000	100.00%	100.00%
RASBANK spa Piazza Erculea, 15 - Milan	Bank	Euro	95,000,000	- Ras	190,000	100.00%	100.00%
RASFIN SIM spa Corso Italia, 23 - Milan	Securities trading and brokerage	Euro	4,043,376	- Rasbank	783,600	100.00%	100.00%
RAS IMMOBILIARE srl Corso Italia, 23 - Milan	Real estate	Euro	516,400	- Ras	516,400	100.00%	100.00%
RAS Tutela Giudiziaria spa Corso Italia, 23 - Milan	Insurance	Euro	4,075,000	- Ras	3,956,311	100.00%	100.00%
RASSERVICE Gestione e Liquidazione Danni Soc. Consortile per Azioni Corso Italia, 23 - Milan	Services	Euro	200,000	- Ras - L'Ass. Italiana Danni - Allianz Subalpina - RB Vita	167,100 50 32,800 50	83.55% 0.03% 16.40% 0.03%	100.00%
RB Fiduciaria spa Corso di Porta Romana, 13 - Milan	Trust company	Euro	159,600	- Rasbank	60,000	100.00%	100.00%
R.I.T. - Servizi per l'Information Technology spa Via Oglio, 12 - Milan	Services	Euro	23,000,000	- Ras - L'Ass. Italiana Danni	16,687 6,313	72.55% 27.45%	100.00%
R.I.T.A. - Rete Italiana Telematica Assicurativa Piazza San Babila, 1 - Milan	Services	Euro	5,720,000	- Ras - RB Vita - Bernese Ass.ni - Bernese Vita - Allianz Subalpina	1,226,397 10,034 19,903 2,706 186,827	11.15% 0.09% 0.18% 0.02% 1.70%	13.14%
SOFIGEA srl (in liquidation) Via del Plebiscito, 102 - Rome	Financial	Euro	47,664,600	- Ras - Allianz Subalpina - Bernese Ass.ni	4,599,265 1,052,381 158,882	9.65% 2.21% 0.33%	12.19%
SOLVET srl (formerly FINMATIC srl) Piazza Velasca, 7/9 - Milan	Admin. services management	Euro	1,762,000	- Ras	1,762,000	100.00%	100.00%
VILLA LA PAGLIAIA srl Località La Pagliaia - Castelnuovo Berardenga (SI)	Farming product Farming	Euro	1,032,000	- trans. and sales San Felice - Ras	1,026,840 5,160	99.50% 0.50%	100.00%

Company	Business	Currency	Share/quota capital	Direct owner	Shares/quotas held	%	Ras Group
Europe							
Austria							
ALLIANZ ELEMENTAR VERSICHERUNGS ag Hietzinger Kai 101/105 - Vienna	Insurance	Euro	45,935,568	- Ras International nv	2,877,000	50.10%	50.10%
ALLIANZ ELEMENTAR LEBENSVERSICHER. ag Hietzinger Kai 101/105 - Vienna	Insurance	Euro	9,084,104	- Allianz El. Versich.	123,750	99.00%	99.00%
ALLIANZ ELEMENTAR WERKKUCHENBETRIEBS-gmbh Hietzinger Kai 101/105 - Vienna	Canteen management	Euro	36,336	- Allianz El. Versich.	500,000	100.00%	100.00%
ALLIANZ FINANZINVEST BERATUNGS gmbh Hietzinger Kai 101/105 - Vienna	Financial services	Euro	60,000	- Allianz El. Leben.	60,000	100.00%	100.00%
ALLIANZ INVEST. Kapitalanlagegesellschaft mbh Hietzinger Kai 101/105 - Vienna	Mutual fund management	Euro	726,728	- Aib	726,728	100.00%	100.00%
ALLIANZ INVESTMENTBANK ag (AIB) Hietzinger Kai 101-103 - A1130 Vienna	Asset management	Euro	4,360,370	- Allianz El. Leben. - Allianz El. Versich.	20,000 40,000	33.33% 66.67%	100.00%
ALLIANZ KUNDENSERVICE Gesellschaft mbh Hietzinger Kai 101/105 Vienna	Services	Euro	70,000	- Allianz El. Versich.	70,000	100.00%	100.00%
ALLIANZ RISIKO SERVICE gmbh Hietzinger Kai 101/105 Vienna	Insurance advice	ATS	36,336	- Allianz El. Versich.	500,000	100.00%	100.00%
ALLIANZ PENSIONSKASSE Aktiengesellschaft Kaerntner Ring 12 - Vienna	Pension funds	Euro	5,086,900	- Allianz El. Versich.	51,800	74.00%	74.00%
BAWAG ALLIANZ MITARBEITER Vorsorgekasse ag Hietzinger Kai 101/105 Vienna	Services	Euro	1,500,000	- Allianz El. Versich.	7,500	50.00%	50.00%
BRAUN & CO gmbh Hietzinger Kai 101/105 - Vienna	Hotel management for training courses	Euro	1,744,148	- Allianz El. Versich.	18,000,000	75.00%	75.00%
IPC - International Pension Consultants gmbh Traungasse 14 - Vienna	Services	Euro	36,336	- Allianz El. Versich.	200	40.00%	40.00%
ITB IMMOBILIENTREUHAND Gesell. mbh Hietzinger Kai 101/105 Vienna	Real estate	Euro	36,336	Aib	500,000	100.00%	100.00%
LOGISTIKWERKSATT Assistance gmbh Hietzinger Kai 101/105 Vienna	Services	Euro	35,000	- Allianz El. Versich.	35,000	100.00%	100.00%
MVK DATENMANAGEMENT gmbh Hietzinger Kai 101/105 Vienna	Services	Euro	35,000	- Allianz Kundenservice	874	24.97%	24.97%
OPERNRING-HOF-BAU- UND BETRIEBS - Ag Hietzinger Kai 101/105 Vienna	Real estate	Euro	654,056	- Allianz El. Versich.	9,000,000	100.00%	100.00%
OVD VERSICHERUNGSDIENST gmbh Schonbrunner Schosstrasse 38/40 - Vienna	Insurance brokerage	Euro	36,336	- Allianz El. Versich.	200,000	40.00%	40.00%
SK VERSICHERUNG ag Praterstrasse 1-7 - Vienna	Insurance	Euro	3,633,600	- Allianz El. Versich.	12,912	25.82%	25.82%
TOP REPORT Schadensbesichtigungs gmbh Stolberggstrasse, 26 - Vienna	Services	Euro	35,000	- Allianz El. Versich.	35,000	100.00%	100.00%
VERSICHERUNGSBURO Dr. Ignaz Fiala gmbh Wipplingerstrasse, 29 - Vienna	Insurance brokerage	Euro	72,672	- Allianz El. Versich.	333	33.30%	33.30%
Germany							
NEREUS gmbh Königinstrasse 28 - Munich	Financial holding	Euro	36,000	- Agf Ras Holding	1	100.00%	100.00%
Pallas gmbh Königinstrasse 28 - Munich	Financial holding	DEM	54,000	- Agf Ras Holding	1	100.00%	100.00%

Company	Business	Currency	Share/quota capital	Direct owner	Shares/quotas held	%	Ras Group
Greece							
RAS HELLAS sa 124, Kifissias Ave, 11526 Athens	Services	Euro	150,000	- Ras International nv	49,999	99.99%	99.99%
Ireland							
DARTA Saving Life Assurance Limited 20D Beckettway, Park West Business Campus, Nangor Road - Dublin 12	Services	Euro	3,000,000	- Ras	3,000,000	100.00%	100.00%
Luxembourg							
RAS ASSET MANAGEMENT LUX sa 69, Route d'Esch - Luxembourg	Fund management	USD	2,000,000	- Ras International nv	199,999	99.99%	99.99%
Holland							
AGF RAS HOLDING BV Keizersgracht 484 - Amsterdam	Financial holding	Euro	236,450,544	- Ras International nv	118,225,272	50.00%	50.00%
RAS INTERNATIONAL nv Keizersgracht 484 - Amsterdam	Financial holding	Euro	342,650,000	- Ras	342,650	100.00%	100.00%
Portugal							
Companhia de Seguros ALLIANZ PORTUGAL sa Rua Andrade Corvo, 32 - Lisbon	Insurance	Euro	39,545,400	- Ras International nv - Ras	2,068,117 3,060,435	26.15% 38.70%	64.85%
CASTIL PARQUE Sociedade Exploradora sa Parques de Estacionamento SA Rua Castilho 39 - Lisbon	Services	Euro	55,000	- Allianz Portugal	200	18.18%	18.18%
UNIPENSAO - Soc. Gestora de fondos de Pensoes Rua Duque de Palmela, 30 - Lisbon	Pension funds	Euro	1,000,000	- Allianz Portugal	16,279	81.40%	81.40%
Spain							
AGF ATLANTICO, Ent. Gestora Fondos Pensiones, sa Plaza Santa Maria Soledad Torres Acosta, 2 - Madrid	Pension funds	Euro	1,800,000	- Allianz Seguros	15,000	50.00%	50.00%
ALLIANZ COMPAÑIA DE SEGUROS Y REASEGUROS sa Paseo de la Castellana, 39 - Madrid	Insurance	Euro	47,379,811	- Agf Ras Holding - own shares	15,183,962 19,475	96.462% 0.1639%	96.626%
ALLIANZ GESTION sa SGIIC Paseo de la Castellana, 39 - Madrid	Mutual fund management	Euro	1,500,000	- Allianz Seguros	10,000	100.00%	100.00%
ALLIANZ INVERSIONES, SOCIEDAD DE VALORES, sa Paseo de la Castellana, 39 - Madrid	Asset management	Euro	4,508,000	- Allianz Seguros	1,000	100.00%	100.00%
ALLIANZ SERVICIOS TECNICOS, a.i.e Tarragona, 109 - Barcellona	Services	Euro	60,000	- Allianz Seguros - Fenix Directo	117 3	97.50% 2.50%	100.00%
ALLIANZ SOC. ANONIMA Agencia De Seguros Calle Tarragona, 109 - Barcelona	Insurance agent	Euro	1,000,000	- Allianz Seguros	1,000	100.00%	100.00%
AMAYA, Compania de Seguros y Reaseguros, sa Recoletos, 13 - Madrid	Insurance	Euro	18,030,000	- Amaya Berna	3,000,000	100.00%	100.00%
DIEZNET, Comercio Electronico, sa José Ortega y Gasset 29, E-28006 Madrid	Services	Euro	2,000,000	- Allianz Seguros	1,000,000	50.00%	50.00%
EL FENIX ESPANOL sa Paseo de la Castellana, 33 - Madrid	Financial holding	Euro	192,000	- Allianz Seguros	799,980	99.998%	99.998%
EUROPENSIONES sa José Ortega y Gasset 29, E-28006 Madrid	Pension fund management	Euro	15,626,000	- Agf Ras Holding	1,274,000	49.00%	49.00%

Company	Business	Currency	Share/quota capital	Direct owner	Shares/quotas held	%	Ras Group
EUROVIDA sa Compañía de Seguros y Reaseguros Maria de Molina, 34 - Madrid	Insurance	Euro	9,015,300	- Agf Ras Holding	7,650	51.00%	51.00%
FENIX DIRECTO sa Albecete 5 - Madrid	Insurance	Euro	14,424,000	- Allianz Seguros - El Fenix Espanol	2,352,000 48,000	98.00% 2.00%	100.00%
INFORMATICA Y SERVICIOS FINANCIEROS sa Paseo de la Castellana, 33 - Madrid	Services	Euro	60,200	- Allianz Seguros	10,000	100.00%	100.00%
PEMSE sa Paseo de la Castellana, 39 - Madrid	Real estate	Euro	4,313,471	- Allianz Seguros	188,856	100.00%	100.00%
Switzerland							
ACTIVITA CARE MANAGEMENT ag Amtsstrasse, 3 - 8610 Uster	Services	CHF	300,000	- Allianz Suisse Vers.	17	13.60%	13.60%
ALBA ALLGEMEINE Versicherungs gesellschaft St. Alban Anlage - Basel	Insurance	CHF	10,000,000	- Allianz Suisse Vers.	10,000	100.00%	100.00%
ALLIANZ ASSET MANAGEMENT ag Bleicherweg 19 - Zurich	Financial services	CHF	100,000	- Allianz Suisse Vers.	100	100.00%	100.00%
CAP Compagnie d'Assurance de Protection Juridique sa Poststrasse 30 - Zug	Insurance	CHF	3,000,000	- Allianz Suisse Vers.	30,000	100.00%	100.00%
ALLIANZ SUISSE IMMOBILIEN ag (formerly Deggo Ag Generalunternehmung) Brunnenstrasse 7 - Volketswil	Real estate	CHF	9,000,000	- Allianz Suisse Vers.	18,000	100.00%	100.00%
ALLIANZ SUISSE VERSICHERUNGS Gesellschaft Bleicherweg, 19 - Zurich	Insurance	CHF	100,000,000	- Ras International nv	558,254	69.80%	69.80%
ALLIANZ SUISSE LEBENSVERSICHERUNGS Gesellschaft Bleicherweg 19 - Zurich	Insurance	CHF	100,000,000	- Allianz Suisse Vers.	1,999,725	99.986%	99.986%
ALLIANZ SUISSE PERSONAL FINANCIAL SERVICES ag (formerly Elvimo ag) Bleicherweg 19 - Zurich	Real estate	CHF	500,000	- Allianz Suisse Vers.	50	100.00%	100.00%
Allvor ag (formerly Elfitas ag) Taefernstrasse 11b) - Daettwil	Securities trading and brokerage	CHF	100,000	- Allianz Suisse Vers.	100	100.00%	100.00%
AMAYA ag Laupenstrasse, 27 - Bern	Insurance	CHF	100,000	- Allianz Suisse Vers.	100	100.00%	100.00%
ELMONDA ag Hagenholzstrasse 85 B - Postfach 8050 - Zurich	Financial holding	CHF	40,000,000	- Ras International	200,000	50.00%	50.00%
EUROTAX GARANTIE Wolleraustrasse 11 a, 8807 Freienbach	Services	CHF	100,000	- Allianz Suisse Vers.	48,5	48.50%	48.50%
GESELLSCHAFT FUR VORSORGEBERATUNG Effingerstrasse 34 - A3011 Bern	Services	CHF	500,000	- Allianz Suisse Leber	500	100.00%	100.00%
INVESTITORI SUISSE sa Via Serafino Balestra, 22/B. - Lugnano	Asset management	CHF	500,000	- Investitori Holding	50,000	100.00%	100.00%
PHENIX Compagnie D'assurance Sur La Vie Avenue de la Gare 4 - CH - 1003 Lausanne	Insurance	CHF	35,000,000	- Allianz Suisse Vers.	35,000	100.00%	100.00%
PHENIX Compagnie D'assurances Avenue de la Gare 4 - CH - 1003 Lausanne	Insurance	CHF	10,000,000	Phenix Vie	10,000	100.00%	100.00%
QUALITY1 Ag Hofwiesenstrasse 6 - 8634 Hombrechtikon	Insurance	CHF	100,000	- Allianz Suisse Vers.	25	25.00%	25.00%

Company	Business	Currency	Share/quota capital	Direct owner	Shares/quotas held	%	Ras Group
SHA SEMINARHOTEL Seestrasse 10 - Unterärgeri	Hotel management	CHF	100,000	- Allianz Suisse Vers.	100	100.00%	100.00%
SOCIETE FINANCIERE DU LEMAN sa Av. Tissot 15 - Lausanne	Financial service management	CHF	500,000	- Allianz. Vers. Schweiz - Ras International nv	100 400	20.00% 80.00%	100.00%

Turkey

KOÇ ALLIANZ HAYAT SIGORTA as Baglarbasi, Kisikli Caddesi 18 - Altunizade - Istanbul	Insurance	TL	20,000,000,000,000	- Ras - RB Vita	66,000,000 2,000,000	33.00% 1.00%	34.00%
KOÇ ALLIANZ SIGORTA as "Baglarbasi, Kisikli Caddesi 11 - Altunizade - Istanbul	Insurance	TL	30,000,000,000,000	- Ras - Societe Financere du Lemman - Allianz Suisse Vers.	2,025,110,040 19,980 19,980	33.75% 0.0003% 0.0003%	33.75%

Non-European countries

Latin America

EMPRESA DE INVERSIONES sa Av. Republica de Panama 3055, S. Isidro - Lima - Peru	Financial holding	PEN	9,600	- Ras International nv	9,594	99.94%	99.94%
ORGANIZACION GOA sa Av. Republica de Panama 3055, S. Isidro - Lima - Peru	Financial holding	PEN	3,900	- Ras International nv	3,898	99.95%	99.95%

Statutory auditors' report pursuant to article 153 of Legislative decree no. 58/1998 and paragraph 3, article 2429 of the Italian Civil Code

To the Ras shareholders' meeting of 28 April 2004

During 2003, we carried out supervisory activities as required by the law, in accordance with the principles of conduct for statutory auditors recommended by the Italian Accounting Profession to which we refer with the report, which has also been drawn up in consideration of the guidelines provided by CONSOB communication no. 1025564 of 6 April 2001.

With regard to the methods we used in carrying out our work for the company, we note that:

- we attended the ordinary shareholders' meeting of 30 April 2003 and the savings shareholders' meetings of 5 and 6 May 2003 which were otherwise unattended;
- we attended all meetings of the Board of Directors and Executive Committee held during the year and obtained prompt and appropriate information from the directors on the company's activities in accordance with statutory requirements;
- we obtained the information necessary to monitor the degree of adequacy of the company's organisational structure and its compliance with the principles of correct management by direct observation, gathering information from relevant managers and exchanging data and information with the independent auditors. In addition, we acknowledged, inter alia, the comprehensive disclosures provided by the directors' report on the consolidated financial statements with regard to the regulatory framework and operating activities for the gradual adoption of International Financial Reporting Standards, which are mandatory consolidated accounts from 2005;
- partly through our participation in all meetings of the related advisory committee, we monitored the functioning of the internal control systems to verify that they adequately meet management requirements. We also monitored their compliance with operating instructions provided by the Bank of Italy in terms of anti-money laundering procedures adopted, reporting activities training, in accordance with Law no. 197/1991. In addition, we verified that the company is compliant with the provisions of the law concerning the workers' safety and health procedures (Legislative decree no. 626/1994) and the protection of personal data (Legislative decree no. 196/2003) to which the directors' report on the statutory financial statements also refers;
we monitored the company's administrative-accounting system to verify that it gives a true and fair view of operations, by directly examining company documents, gathering information from relevant managers and exchanging data and information with the independent auditors;
- we verified that the company is compliant with the provisions of the law concerning the preparation, presentation and format of the statutory and consolidated financial statements;
- we verified that the 2003 directors' reports are compliant with current laws and in line with the resolutions adopted by the Board of Directors, as well as with the figures recorded in the statutory and consolidated financial statements. The half-year reports of the company and Group do not require the examination of the board of statutory auditors. The half-year and quarterly reports have been published as required by law and regulations. The directors' reports on pension funds are consistent with the rules laid down by the Supervisory Body and with the results of the reports drawn up in respect of the various investment lines.

On the basis of direct intervention and the information obtained, the decisions made by the directors appear compliant with the law and the company's by-laws, as well as with the principles of correct management, and are consistent with and appropriate for the company's size and assets.

No significant events emerged during the course of our activities, which we performed in accordance with the methods described above, that would require notification to supervisory bodies. We have no proposals to make with regard to the financial statements, approval thereof or other matters that we oversee.

* * *

The specific information to be provided in this report in accordance with the aforementioned CONSOB communications of 6 April 2001 is listed below.

1. We have obtained adequate information on transactions which have a significant impact on the balance sheet and profit and loss account carried out by the company and its subsidiaries during the year. This information has enabled us to ascertain the company's compliance with the law and its by-laws. Specifically, we note that, as discussed in our report to the shareholders' meeting of 30 April 2003, the share capital was reduced in accordance with the terms and conditions

provided for by article 2425 of the Civil Code on 17 February 2003, by Euro 34,666,990.80, though the cancellation of 57,778,318 shares with a nominal value of Euro 0.60 each.

In addition, on 1 July 2003, in accordance with the resolution of the Board of Directors of 30 April 2003, the share capital was increased by a nominal amount of Euro 233,444.40, through a bonus issue of 389,074 ordinary shares with a nominal value of Euro 0.60 each, bearing dividend rights from 1 January 2003.

We do not believe these transactions to be of a nature which requires specific comments on our part.

2. We have obtained adequate information on atypical and/or unusual transactions as well as intercompany and related-party transactions and specify the following to this regard:

2.1 In the fourth quarter of 2003, the company subscribed bonds issued by its parent company Allianz AG. With the framework of a resolution passed by the Board of Directors, the transaction takes advantage of the benefits that this investments holds for the company, as well as the direction expressed by the supervisory authority for the insurance sector.

In addition, in accordance with the resolution of the Board of Directors, the company signed a reinsurance treaty with its parent company Allianz AG which takes effect 1 January 2004. Under the treaty, the company will cede 100% of premiums relating to catastrophic risks to Allianz AG at terms that are particularly favourable to the company.

2.2 atypical and/or unusual transactions carried out with third parties or Group companies consisted in sales or purchases of investments, mergers and demergers, transfer of business activities within the Group. They have been adequately described in the directors' report and we acknowledge their compliance with the law and the company's deed of incorporation, their conformity with the interests of the company and the absence of doubts as per CONSOB communication no. 1025564 of 6 April 2001. Specifically, taking into account the amounts involved or the relevance of the transaction, we highlight the following:

- the acquisition of a controlling investment in the Irish company, Darta Saving Life Assurance, specialised in the sale of single premium unit-linked life insurance policies;
- the sale to third parties of the investment in Ras Investimenti Sim, which held no assets after the spin-off to Rasbank in 2002;
- the settlement agreement reached with Consap, ending the dispute over the abolition in January 1994 of compulsory cessions in the life insurance business;
- securities lending on bonds issued by an English subsidiary of Deutsche Bank;
- a five-year loan granted by an indirect subsidiary of Allianz Suisse, secured by a pledge in favour of Allianz AG, for which the Swiss private insurance supervisory authorities have given their consent;
- the sale to third parties of the 100% investment in the real estate company G.I. AZS S.r.l. by the subsidiary Allianz Subalpina S.p.A., following a tender bid started up in 2002;
- Rasbank's acquisition of the Commerzbank Asset Management Italia (CAMI) Group and subsequent merger of CAMI's bank and management company into Rasbank and Ras Asset Management SGR, respectively;
- Rasbank's acquisition of Banca BPVi Suisse, based in Lugano, subsequently renamed Rasbank Suisse;
- Ras' signing the preliminary sales agreement for Banca BNL Investimenti S.p.A.. The transaction was finalised at the beginning of 2004 and is subject to authorisation from the Bank of Italy and the Anti-trust Authority.

2.3 ordinary financial and trading transactions carried out within the Group or with related parties are disclosed in the directors' report and in the notes to the statutory and consolidated financial statements and do not require any consideration or comments on our part.

3. We consider the information on atypical and/or unusual transactions and ordinary transactions, in reference to point 2 above, provided by the Directors in the directors' report, pursuant to article 2428 of the Italian Civil Code, to be adequate. We also repeat that such transactions appear compliant with the law and the company's by-laws and that they are in line with the company's interests and have been evaluated, where necessary, by the relevant Advisory Committee. To this regard, we note that, in the directors' report on the consolidated financial statements, the directors have provided full disclosure on Corporate Governance, detailing the

- composition, duties and activities of the Advisory Committees, created to support the most important resolutions adopted by the Board of Directors.
4. The independent auditors' report issued by KPMG S.p.A. with today's date is unqualified. We have no comments to make in respect of the usual emphasis paragraph relating to the consolidated financial statements.
 5. No claims were lodged pursuant to article 2408 of the Italian Civil Code.
 6. No petitions were brought against the company.
 7. In addition to those pursuant to the provisions of article 155 of Legislative Decree no. 58/98, in 2003, the independent auditors performed the following engagements and separately invoiced the amounts in brackets (net of out-of-pocket expenses and VAT):
 - audit of the financial statements of the unit-linked internal funds (Euro 112,735);
 - audit of the financial statement of the separately-managed life businesses (Euro 26,815);
 - audit of the financial statements of the defined-contribution open pension funds, namely Previras and Insieme (Euro 40,510);
 - review of the 2003 half-year report and audit of the 2003 annual financial statements of Ras prepared in accordance with Allianz AG, Munich Group accounting policies for consolidation purposes (Euro 144,000);
 - assistance in the BNL Investimenti data room and other accounting organisation activities (Euro 170,000).
 8. We found no duties entrusted to individuals bound by continuous relations with the company engaged for the audit.
 9. No opinions pursuant to the provisions of law were issued in 2003.
 10. In 2003, the Board of Directors met six times while the Executive Committee met twice and the Board of statutory auditors on eleven occasions.
 11. We have no specific comments to make on the company's compliance with the principles of correct management, with which it appears to have consistently complied.
 12. We have no specific comments to make on the adequacy of the company's organisational structure, which we found adequately satisfied the operating needs of the company. In this respect, the Board of Directors has adopted an organisational and management model, which it has disclosed in the directors' report. The model is compliant with Legislative decree no. 231/2001 on the company's management liability for crimes committed in its interest or to its advantage by its directors, managers or employees.
 13. On the basis of periodic meetings held by the Internal Control Committee, which we attended, the company's internal control system is adequate for the company's management requirements. Furthermore, Group Internal Audit managers regularly attended our board meetings for constant updating on how the controls are carried out as well as the results thereof.
 14. We have no specific comments to make with regard to the adequacy of the company's administrative-accounting system, or on its reliability in correctly reporting management data.
 15. The guidelines issued by company management ensure an adequate and reciprocal flow of information between the parent company and its subsidiaries (also for the purpose of communications required by paragraph 2, article 114 of Legislative decree no. 58/1998). Moreover, the presence of the parent company's top executives in its subsidiaries company bodies further ensures the reciprocal sharing of information. Also, some members of the parent company's statutory auditors monitor group companies by also filling roles in the internal supervisory bodies of these companies.
 16. During the periodic meetings held by statutory auditors with the independent auditors pursuant to the provisions of paragraph 2, article 150 of Legislative decree no. 58/1998 and further to the examination of the minutes of the quarterly review procedures carried out by independent auditors, no significant aspects emerged that require comment herein.
 17. The directors' report on the consolidated financial statements contains a detailed description of the company's corporate governance system, including recent measures taken in January 2004 to comprehensively revise the entire framework with the introduction of a set of rules based international best practice, where compatible. In the report, the directors fully describe the corporate organisation and lines of action to be proposed to the shareholders at the next extraordinary meeting. The curricula vitae of directors is also provided, along with indication of any executive/non-executive and independent/non-independent offices they might hold in



given in accordance with the Ras Corporate Governance Code; lastly, the objectives and activities of the advisory committees are described, including the newly set-up Risk Assessment Committee. Since 2004, the Board of statutory auditors attends the Risk Assessment Committee's meetings.

18. In 2003, we carried out our supervisory activities regularly and no omissions, censurable events or irregularities arose that require comment herein.
19. As regards the supervisory activities that we performed during the year, we have no proposals to put forth pursuant to the provisions of paragraph 2, article 153 of Legislative decree no. 58/1998 concerning the financial statements, approval thereof or the aspects that fall under our responsibility, as we have no observations to make on the proposal to allocate the net profit for the year nor, more specifically, on the proposal to distribute dividends to the holders of ordinary and savings shares.

Milan, 8 April 2004

THE BOARD OF STATUTORY AUDITORS





Revisione e organizzazione contabile

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

Report of the auditors in accordance with article 156 of legislative decree no. 58 of 24 February 1998, article 62 of legislative decree no. 174/95 and article 73 of legislative decree no. 175/95

To the shareholders of
RIUNIONE ADRIATICA DI SICURTA' S.p.A.

- 1 We have audited the financial statements of RIUNIONE ADRIATICA DI SICURTA' S.p.A. as at and for the year ended 31 December 2003. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. With respect to the examination of technical reserves accounted for under "liabilities" in the balance sheet, we also referred to the attached report issued by a qualified actuary in accordance with article 62 of legislative decree no. 174/1995 and article 73 of legislative decree no. 175/1995. This report states that the company's technical reserves are adequate and comply with the provisions of relevant legislation and regulations and correct actuarial techniques. We believe that our audit provides a reasonable basis for our opinion. The responsibility for the audit of the financial statements of certain subsidiary and associated companies, representing approximately 14% and 3% of the captions "investments in group and other companies" and "total assets", respectively, rests with other auditors.

Reference should be made to the report dated 10 April 2003 for our opinion on the prior year figures which are presented for comparative purposes as required by law.

- 3 In our opinion, the financial statements of RIUNIONE ADRIATICA DI SICURTA' S.p.A. as at and for the year ended 31 December 2003 comply with the Italian regulations



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Cod. Fisc. e IVA 00709600159

governing their preparation; therefore they are clearly stated and give a true and fair view of the financial position and results of the company.

- 4 The company holds controlling interests in a number of companies and, in accordance with current legislation, has prepared consolidated financial statements. Such statements are presented in addition to its own financial statements in order to furnish adequate information on the financial position and results of both the company and the group. We have audited the consolidated financial statements and these (with our audit report thereon) are presented together with the statutory financial statements

Milan, 8 April 2004

KPMG S.p.A.

(Signed on the original)

Piero Bianco
Director of Audit

AKTUARIA
Actuarial Services
Studio Attuariale Olivieri, Chiricosta & Rossi

prof. Gennaro Olivieri
ordinario di Matematica Finanziaria alla Luiss "Guido Carli"
attuario

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

Report of the actuary in accordance with articles 62 and 73 of Legislative decree no. 174 of 17 March 1995, as replaced respectively by letter R) of article 79 and letter I) of article 80 of Legislative decree no. 173/1997

To the auditors

KPMG S.p.A.
Via Vittor Pisani, 25
20124 Milan

OBJECT: RIUNIONE ADRIATICA DI SICURTÀ S.p.A. - FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2003

In accordance with my engagement, I have carried out an actuarial audit of the captions relating to the technical reserves included in the balance sheet liabilities of the financial statements of RIUNIONE ADRIATICA DI SICURTÀ S.p.A. as at and for the year ended 31 December 2003, in order to express my opinion on the sufficiency of the above mentioned technical reserves in accordance with relevant laws and regulations and correct actuarial techniques in compliance with the guidelines set out in article 2 of ISVAP communication no. 845 of 1 April 1998.

In my opinion, the technical reserves of RIUNIONE ADRIATICA DI SICURTÀ at 31 December 2003 taken as a whole, are sufficient in accordance with relevant laws and regulations and correct actuarial techniques in compliance with the guidelines set out in article 2 of the above mentioned ISVAP communication.

Rome, April 7th, 2004

(signed on the original)

Gennaro Olivieri
Actuary

Resolutions of the shareholders

The shareholders, who met in Milan on 28 April 2004, passed the following resolutions:

Extraordinary section:

- to amend the by-laws and Rules of Procedures for Shareholders' Meetings, as proposed by the Board of Directors in its report on page 9;

Ordinary section:

- to approve the financial statements as at and for the year ended 31 December 2003 and the directors' report;
- to allocate the net profit for the year as proposed by the Board of Directors and to distribute dividends from 27 May 2004 with coupon detachment on 24 May 2004;
- to integrate the Board of Directors and pay the Directors' annual fees of Euro 827,500¹;
- to integrate the Board of Statutory Auditors by appointing an Alternate Auditor from a minority list²;
- to authorise the purchase and sale of own shares pursuant to articles 2357 and following and 2359-bis of the Civil Code and Legislative decree no. 58 of 24 February 1998, as proposed by the Board of Directors.

1 Following the deaths of Directors Alberto Falck and Mario Arcelli and the resignations of Directors Angelo Marchiò and Guido Maria Barilla, the shareholders resolved to:

- set the number of members of the Board of Directors as 18 for the remainder of the three-year mandate from 2003 to 2005;
- confirm the office of Independent Directors Salvatore Orlando and Andrea Pininfarina, who were co-opted by the Board of Directors;
- appoint Rodolfo De Benedetti and Ferruccio De Bortoli as new Independent Directors.

2 Following the resignation of Franco Dalla Sega, with the abstention of the majority shareholder, the shareholders resolved to appoint Luigi Gaspari as Alternate Auditor from a minority list.



Riunione Adriatica di Sicurtà S.p.A. Established in Trieste in 1838
Registered office and General Management offices: Corso Italia 23, 20122 Milan
Tel. 02 7216.1 - Fax 02 7216.5000
Share capital € 403,102,758.00 (fully paid-in)
Authorised to operate as an insurance company by the Ministerial Decree dated 26 November 1984
Tax code / Milan company register no. 00218610327