

# Vittoria Assicurazioni

## Financial Presentation



Milan, 28 May 2009

## **GROWTH STRATEGIES**

**SHAREHOLDERS' STRUCTURE**

**NON-LIFE BUSINESS**

**LIFE BUSINESS**

**EMPLOYEES AND SALES STRUCTURE**

**INVESTMENTS**

**FINANCIAL INFORMATION**



# GROWTH STRATEGIES

- **DEVELOPEMENT OF:      AGENCIES NETWORK  
   AFFINITY GROUPS**
- **FOCUS ON TECHNICAL RESULT**
- **LOW RISKS INVESTMENT PORTFOLIO**
- **TAKE ADVANTAGE OF REAL ESTATE OPPORTUNITIES**
- **REDUCTION OF EXPENSE RATIO IN THE MEDIUM TERM**
- **SOLVENCY MARGIN SELF-FINANCING AND MAINTENANCE OF SOLVENCY  
RATIO ACTUAL LEVEL**
- **AVERAGE DIVIDEND PAY-OUT OVER 20%**

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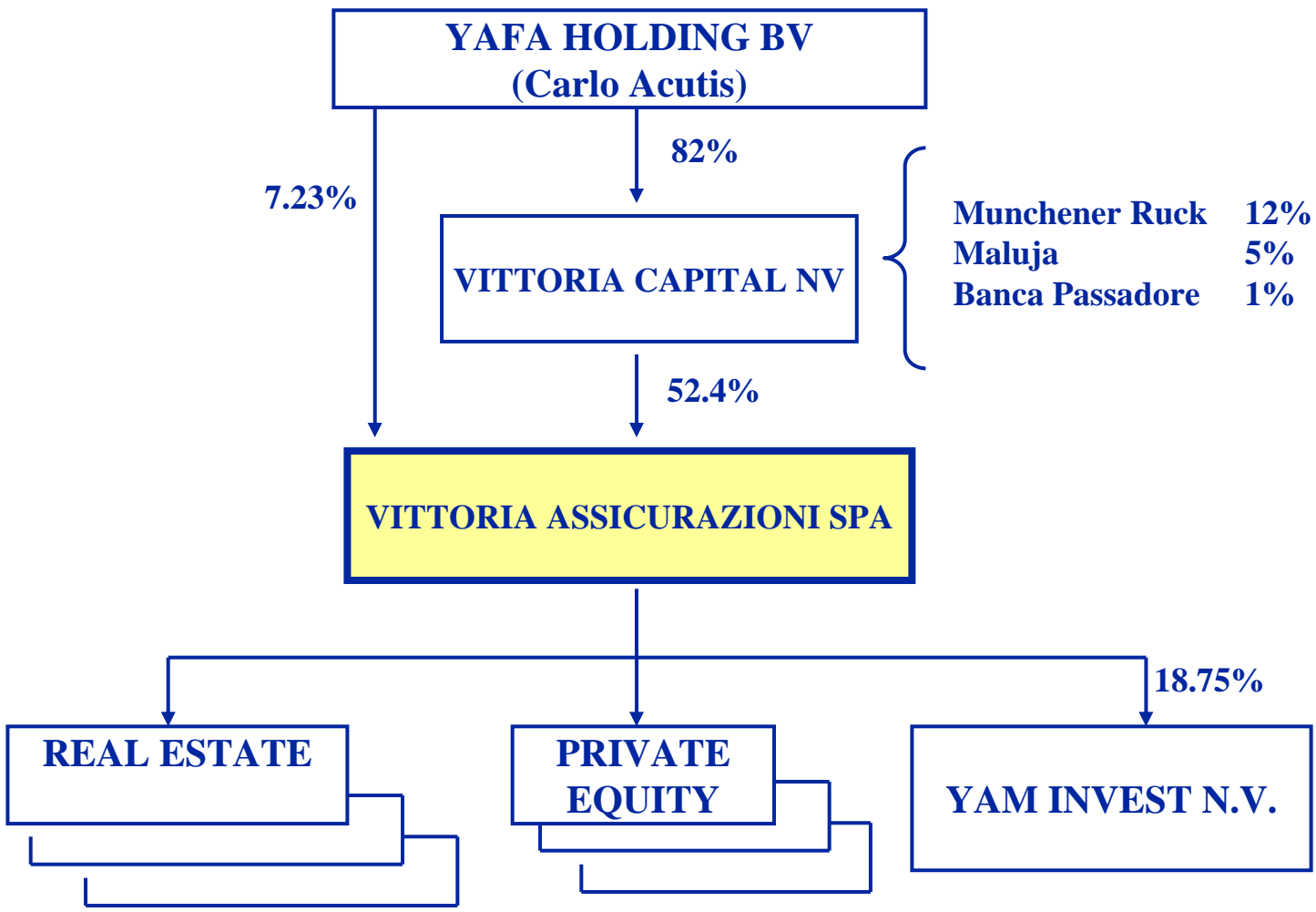
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# SHAREHOLDER STRUCTURE



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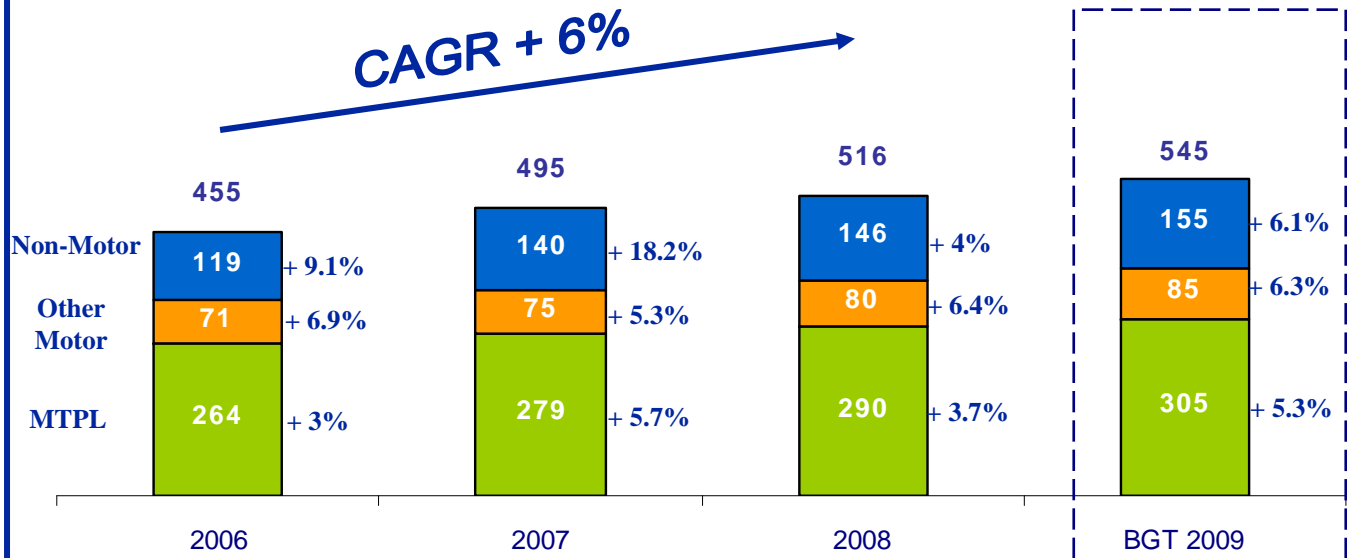
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# NON-LIFE PREMIUM VOLUME

€ ML



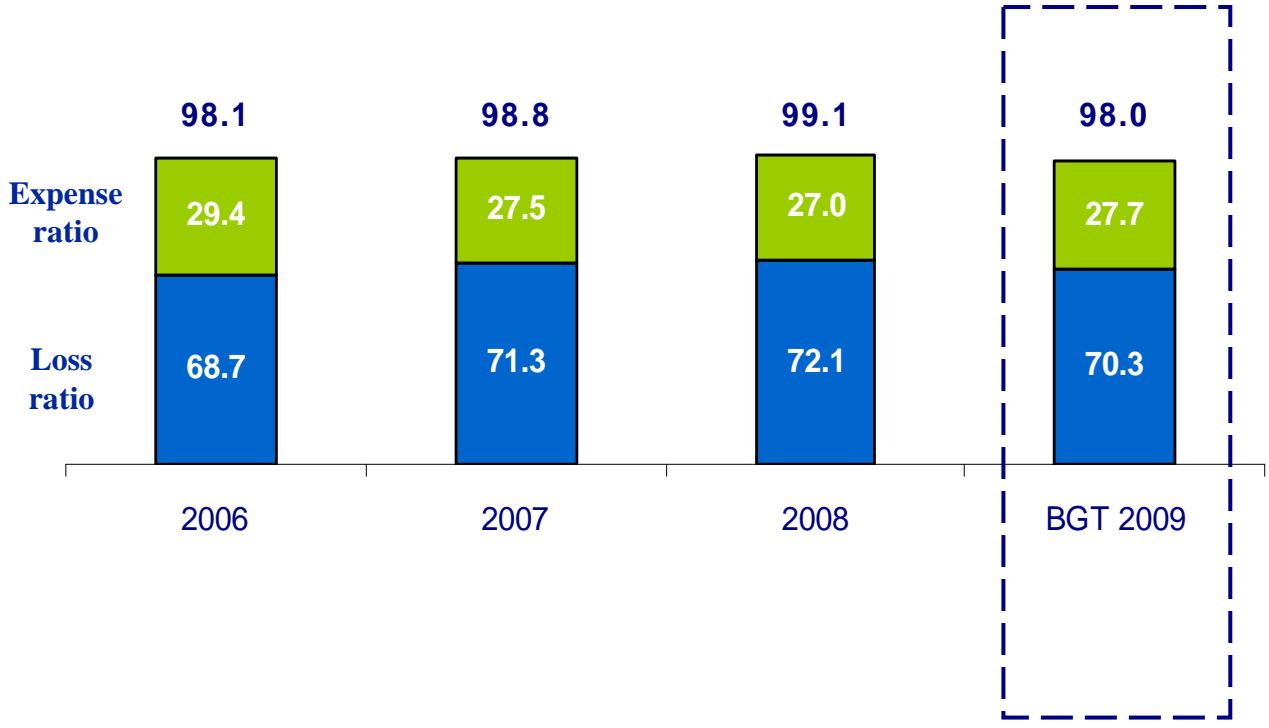
✓ Premium growth also in 2009 - planned start up of 25/30 new agencies

✓ target: families and small / medium enterprises

✓ focus and specialization on Affinity Groups



# TOTAL NON-LIFE COMBINED RATIO



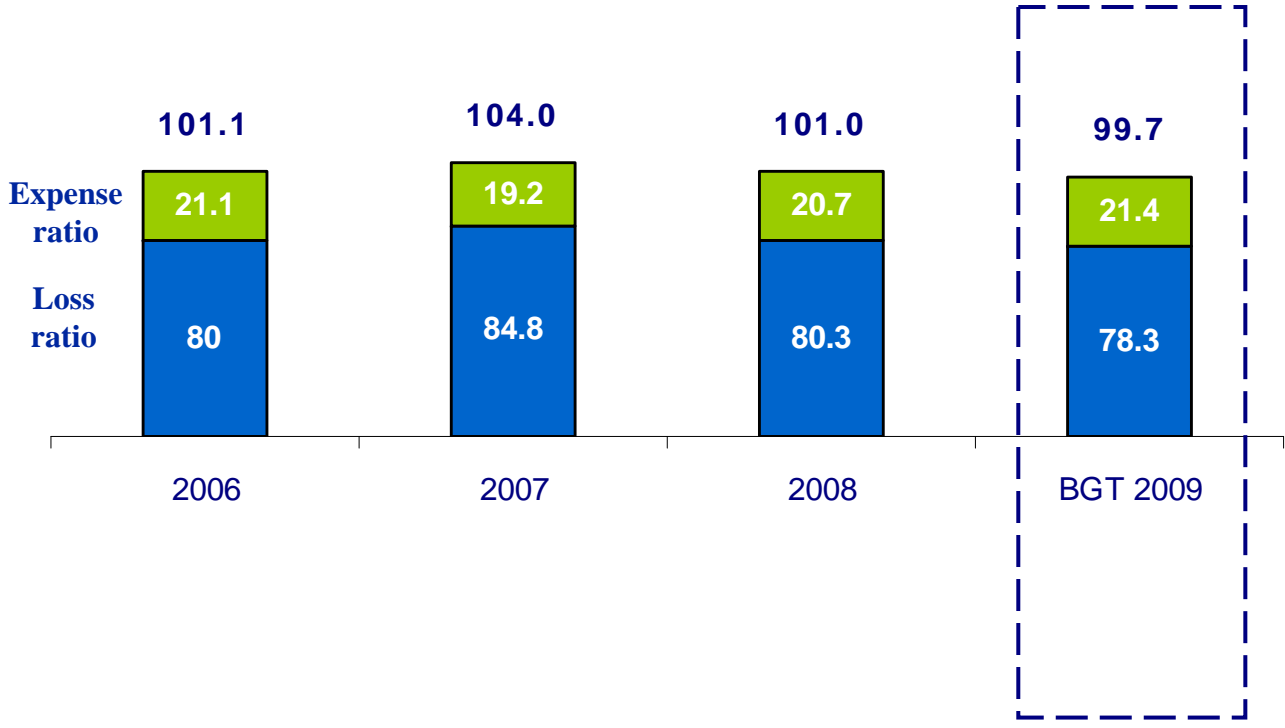
✓ Increase in Expense ratio to support the premium volume's growth (expenses gross of intangibles amortization for about 0.7%)

✓ Decrease in Loss Ratio caused by :  
- reduction in Motor frequency due to the worldwide crisis  
- technical reforms in non motor portfolio





# MTPL COMBINED RATIO

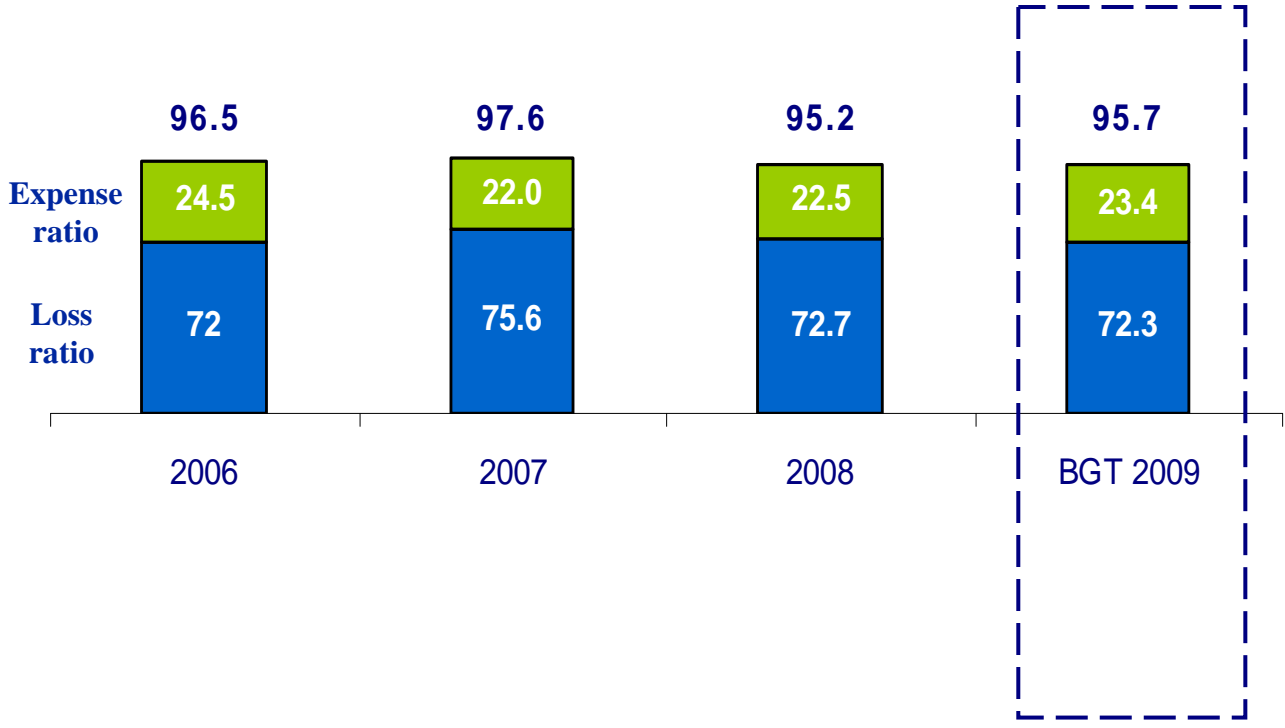


✓ Reduction in MTPL frequency due to the current market crisis

✓ Increase of estimated average cost of claims in line with inflation

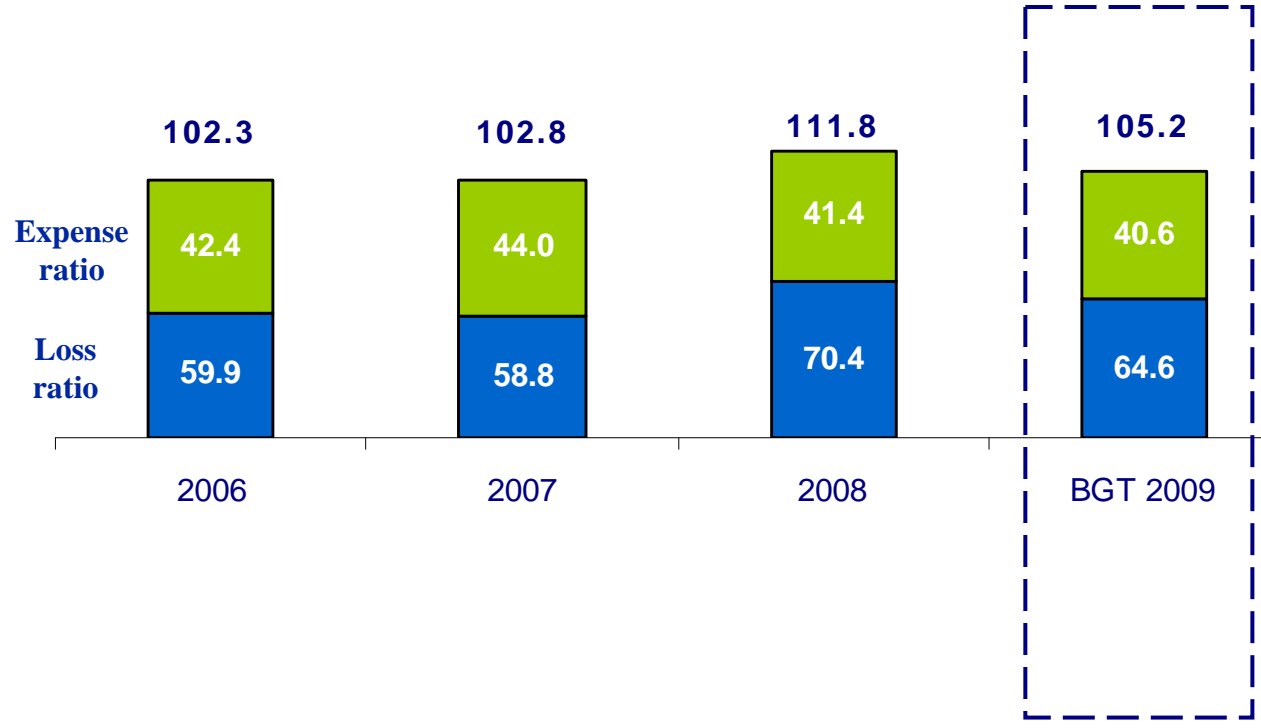


# MOTOR COMBINED RATIO





# NON-MOTOR COMBINED RATIO

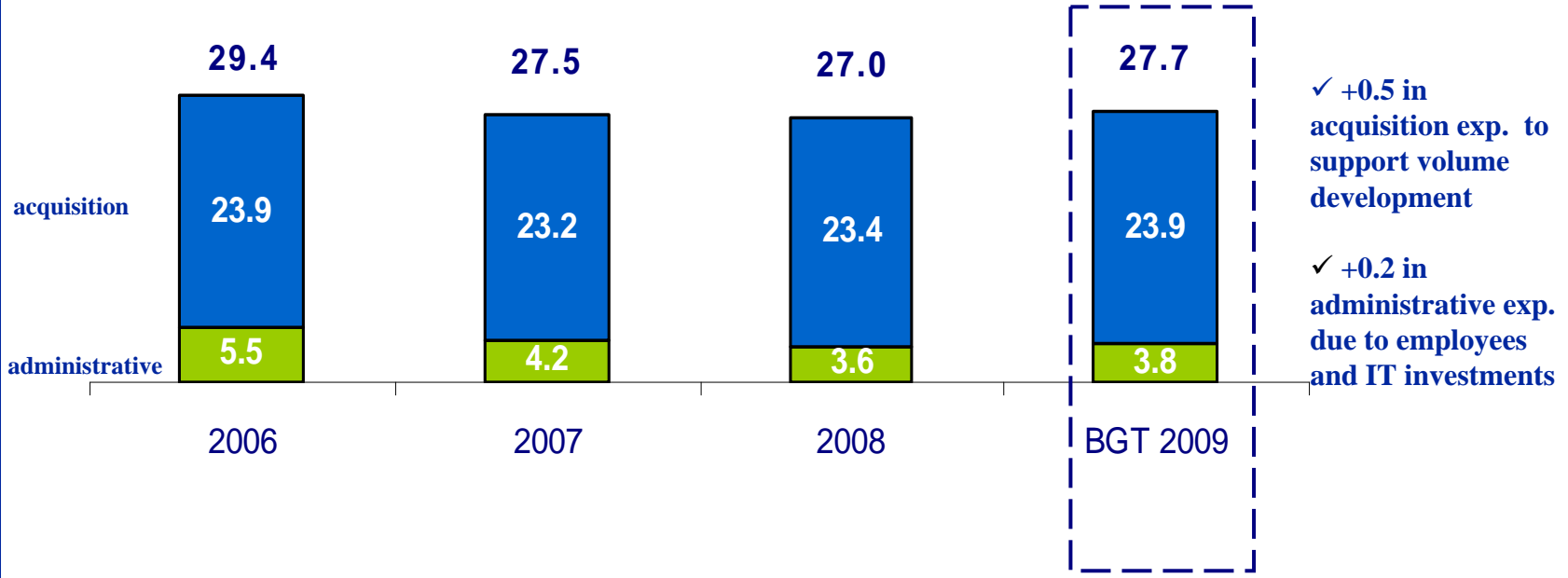


✓ Better technical results in Fire and Other Damages line of business due to portfolio reforms

✓ Continuing of actions to improve the technical results of the Bonds line of business



# TOTAL NON-LIFE EXPENSE RATIO



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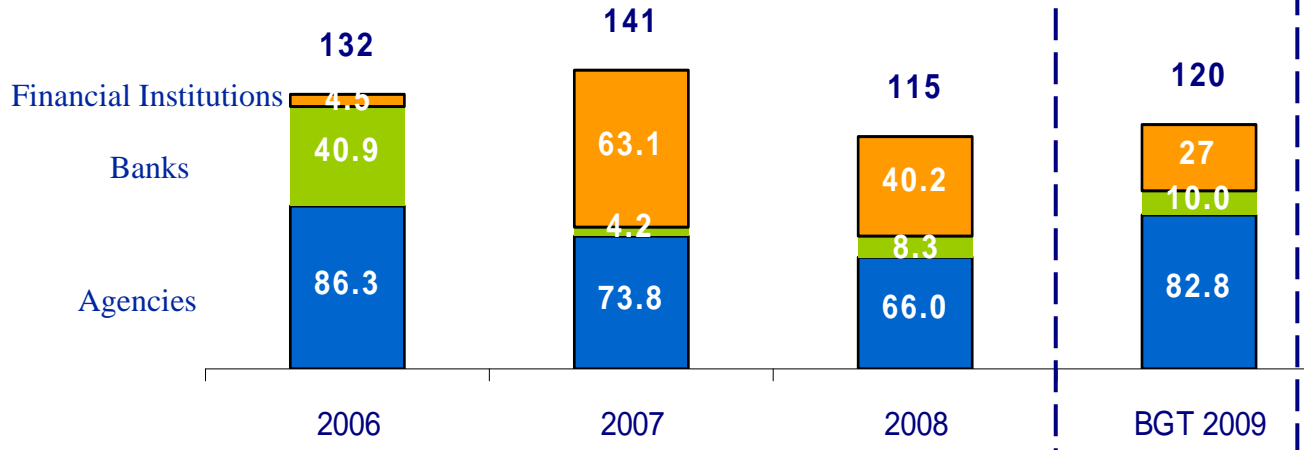
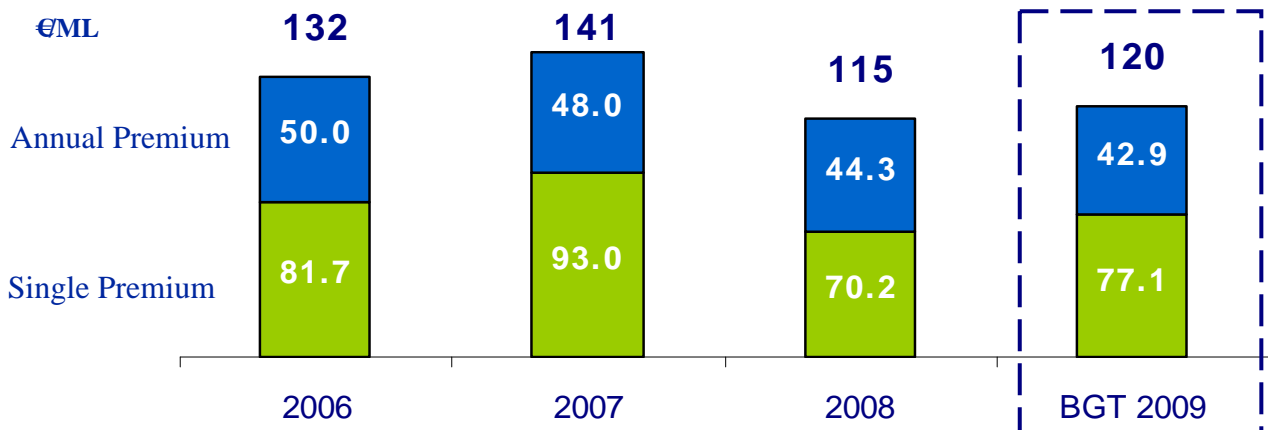
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# LIFE BUSINESS

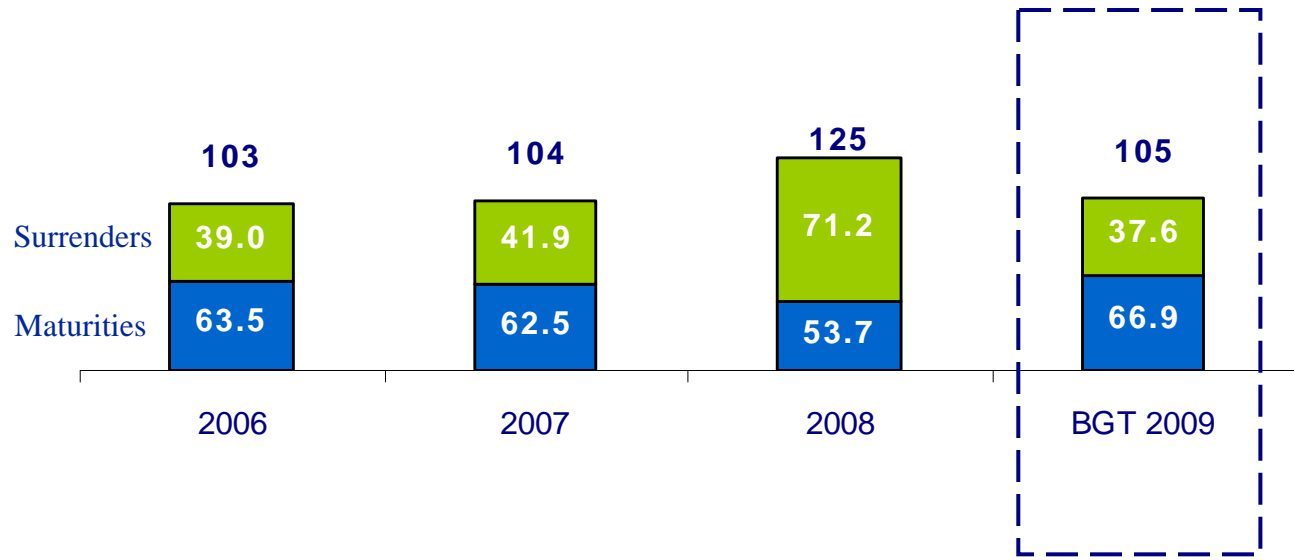


✓ Decrease in financial institutions premiums due to reduction in death insurance related to personal loans



# SURRENDERS AND MATURITIES

€ML



✓2009 Surrenders are in line with previous years (2008 peak due to a few large surrenders)

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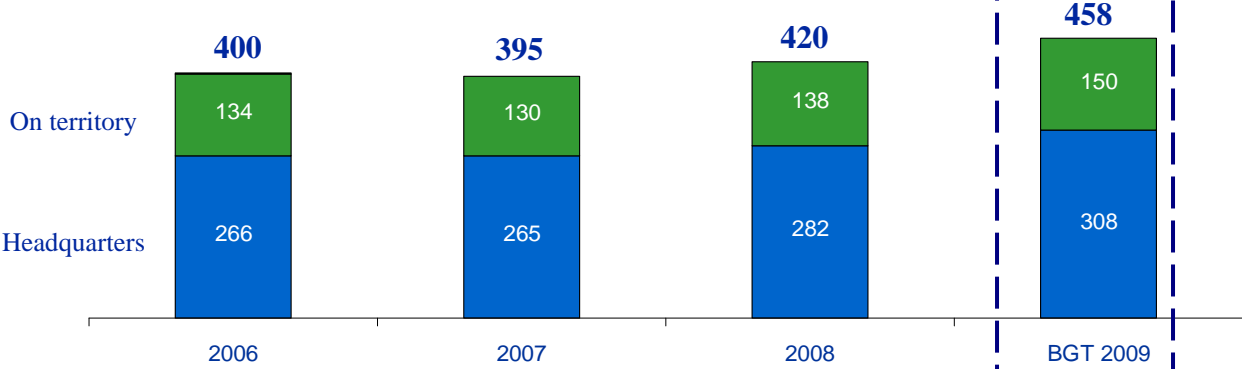
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# EMPLOYEES AND SALES STRUCTURE

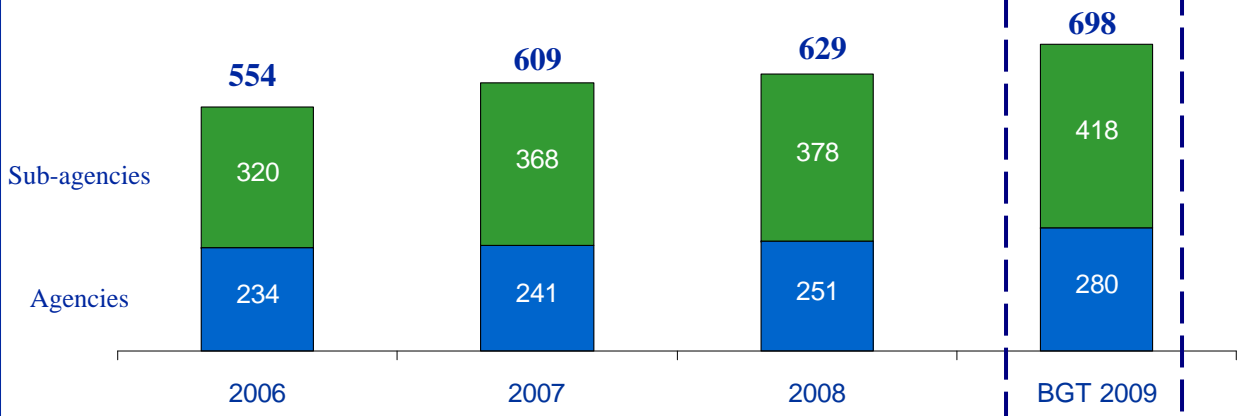
## EMPLOYEES AT YEAR END



✓ Increase in employees to support premium development and the increasing demands arising from new legal requirements

✓ Underwriting and claim settlement departments register the major increase

## AGENCIES AND SUB-AGENCIES



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# INVESTMENT PORTFOLIO

## (local Financial Statements)

DESCRIPTION	2006	2007	2008
<b>INVESTMENT AND LIQUID FUNDS</b>	<b>100</b>	<b>100</b>	<b>100</b>
BUILDINGS AND REAL ESTATE	10.3%	9.4%	11.2%
STRATEGIC EQUITY INVESTMENTS	5.3%	4.1%	3.4%
PRIVATE EQUITY	1.1%	1.3%	1.8%
BONDS	79.5%	81.3%	79.6%
LOANS	0.8%	0.8%	1.0%
LIQUID FUNDS	3.0%	3.1%	3.0%

✓ Investment portfolio with a limited risk profile

✓ Core investment in Government Bonds (93.4% of total Bonds)

✓ Additional returns obtained with satellite investments (real estate, private equity, YAM Invest NV)



# MAIN REAL ESTATE PROJECTS

## (as of 31 March 2009)

Projects	SQM (100%)	Completion date
Milano Area Portello - Residential	51,713	2013
Milano Area Portello - Commercial: Building A	11,629	2010
Milano Area Portello - Commercial: Building C	8,713	2010
<b>Total Portello</b>	<b>72,055</b>	
Peschiera Borromeo lot 3	25,597	2011
Peschiera Borromeo lot 4	15,235	2009
<b>Total Peschiera</b>	<b>40,832</b>	
<b>San Donato Mil.se - Area ex Acsa area</b>	<b>21,548</b>	2010
<b>Collegno (TO)</b>	<b>20,036</b>	2010
Other projects	91,196	
<b>TOTAL PROJECTS</b>	<b>245,667</b>	

✓ Focus on residential developments in Italy

✓ Pro-quota Vittoria exposure not to exceed 300 ML€

✓ Average expected contribution to consolidated result (net of tax and share retroceded to life policyholders) over 10 ML €

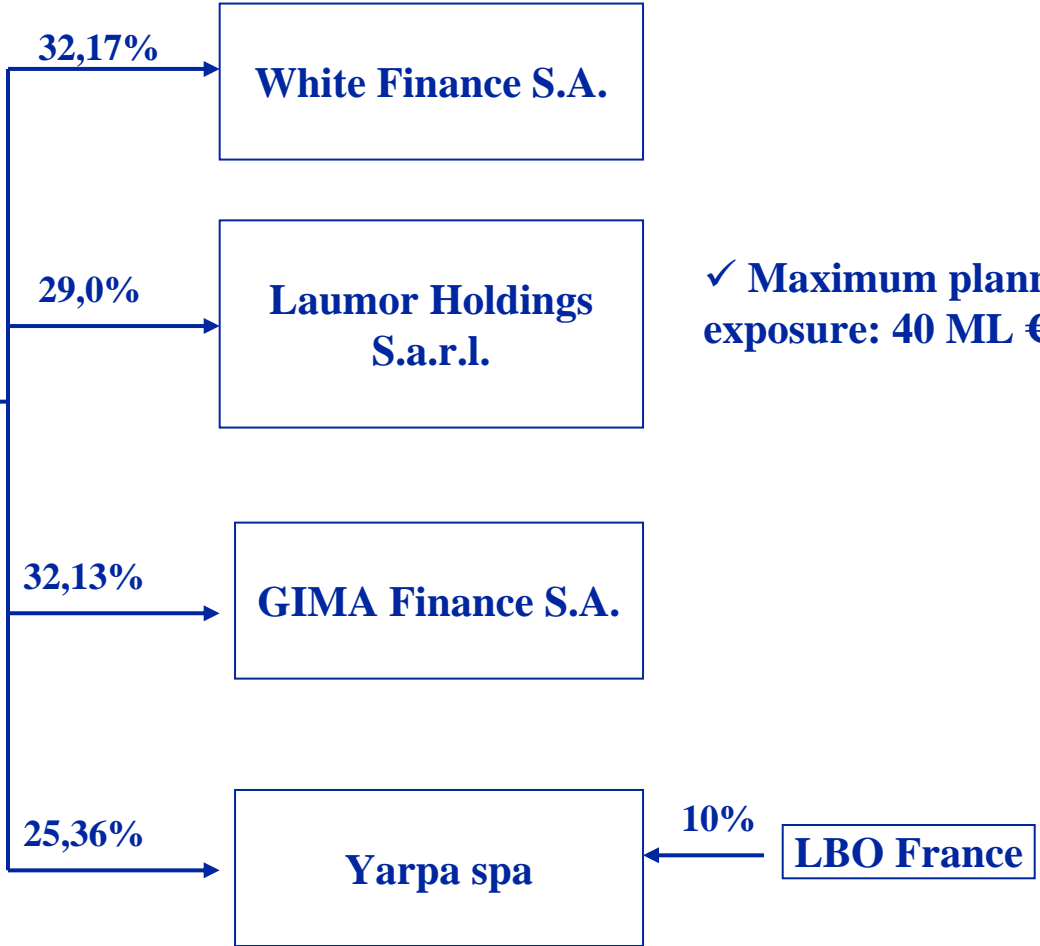
✓ Break-even can still be reached under the assumption of a decrease in market-sale prices in the range of -18% / -20%

Portello project - building B- relating to the new Company's premises is excluded (investment : 82 €ML – 19,186 SQM)



# PRIVATE EQUITY

**VITTORIA  
ASSICURAZIONI  
SPA**



✓ Maximum planned exposure: 40 ML €



# YAM INVEST N.V.

VITTORIA ASSICURAZIONI SPA



18,75%

YAM INVEST N.V.

✓ Liquid funds available: 315.1 ML €  
Currently they are mainly invested in French, German bonds and bank deposits.  
Vittoria's share: 59.1 €ML

✓ Real estate investments in Poland.  
Local book value: 38.6 ML €

✓ 2008 Local book value: 6.6 ML €  
Consolidated F/S Vittoria's share: 65.3 ML €

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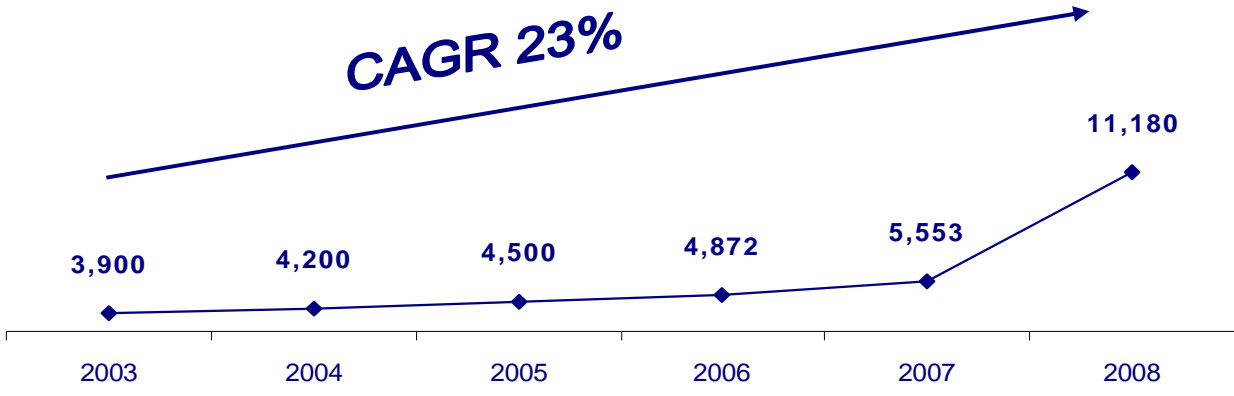
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# DIVIDEND POLICY

€ML



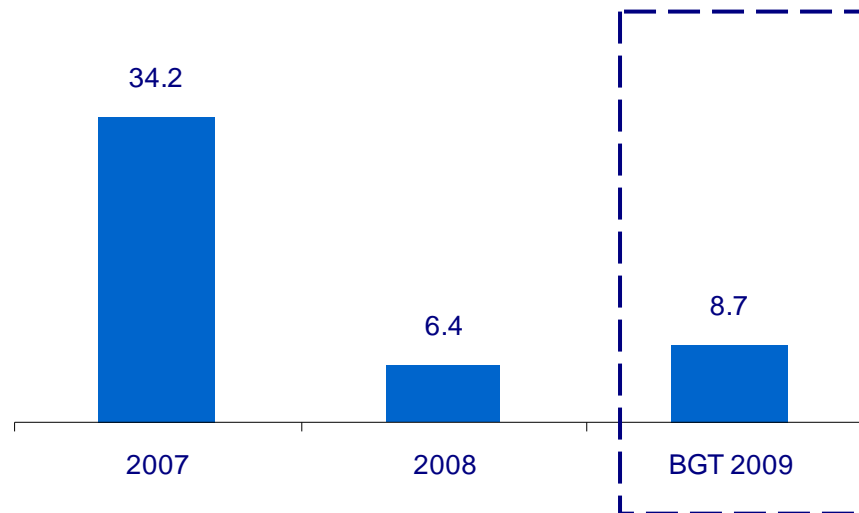
✓ Stable annual increase in dividend per share (from 0,13 € to 0,17€).

✓ In 2008 bonus capital increase (1:1).

✓ CAGR 2003-2007 of 9%



## CONSOLIDATED NET ROE



✓ Shareholders' equity net of unrealised gain / losses

✓ 2007 ROE impacted by gain on sale of COGEDIM for approx. 67 mio €



## CONSOLIDATED NET PROFIT

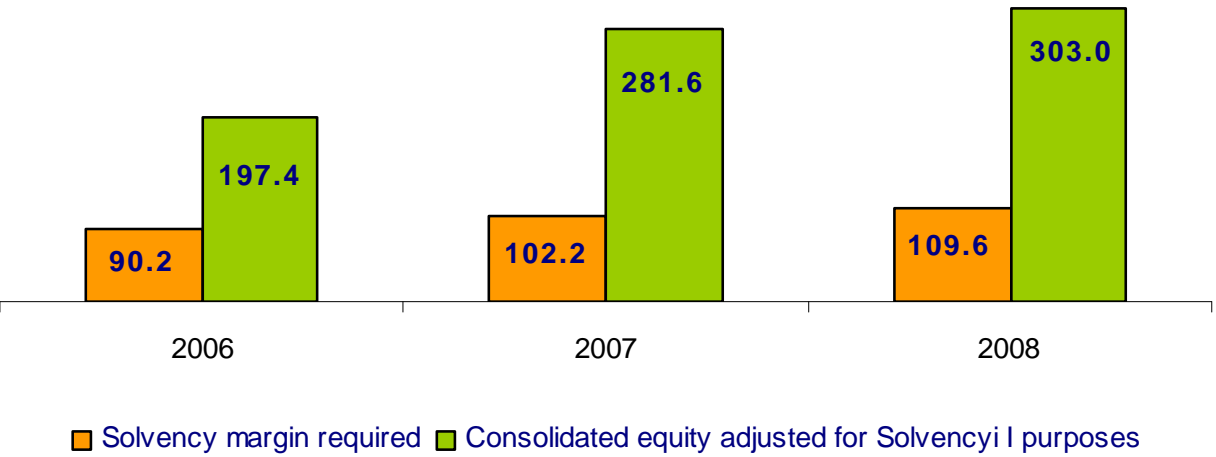
€ML	2006	2007	2008	2009 budget
Vittoria Assicurazioni net local result (Local GAAPs)	27,447	36,495	37,939	25,200
Dividends from group companies (written off in the Consolidated Accounts)	(11,237)	(24,604)	(24,903)	(1,618)
IFRS adjustments	(108)	1,361	4,719	-
Italian Real Estate Companies	3,183	511	713	5,645
Other Italian Companies (service and financial)	102	328	407	-
Yarpa / Yam	7,980	72,188	1,553	1,000
Laumor (foreign real estate)	248	(69)	(61)	-
Private Equity	7,802	3,362	(196)	-
<b>Consolidated Net Result</b>	<b>35,417</b>	<b>89,572</b>	<b>20,171</b>	<b>30,227</b>
<b>CONSOLIDATED ROE</b>	<b>17.8</b>	<b>34.2</b>	<b>6.4</b>	<b>8.7</b>



# SHAREHOLDERS EQUITY AND SOLVENCY MARGIN

✓ Net equity sharp increase notwithstanding the unfavourable market trends

✓ Solvency ratio over market peers levels

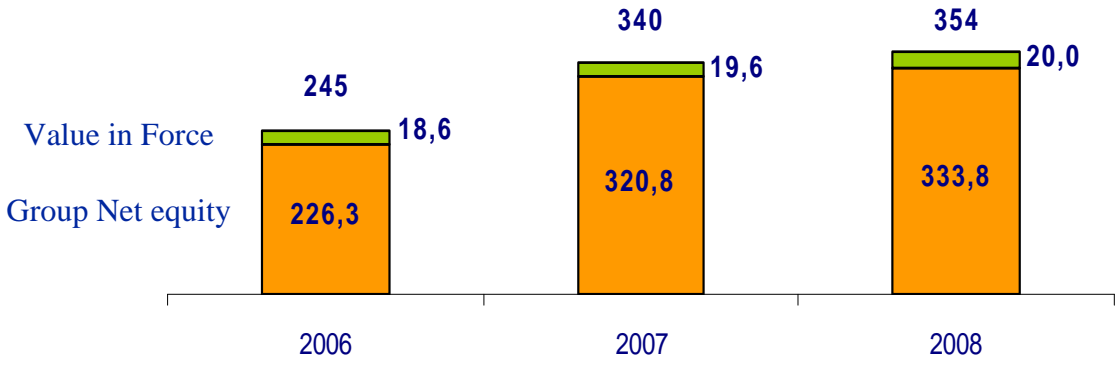


SOLVENCY RATIO	Consolidated	2006	2007	2008
		219%	276%	276%

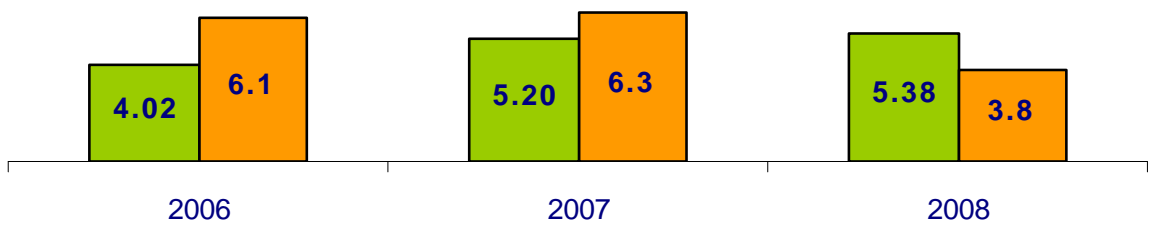


# GROUP EMBEDDED VALUE

€/ML



✓ Embedded Value increase



✓ Shares market value in 2008 significantly over Embedded Value

✓ Vittoria's market price as of 27 May 2009: 4,4 €

■ EV per share ■ Market price



## LEGENDA

- **PREMIUMS**  
WRITTEN PREMIUMS DIRECT BUSINESS
  
- **LOSS RATIO – RETAINED BUSINESS**  
INCURRED CLAIMS / EARNED PREMIUMS
  
- **EXPENSE RATIO**  
NON-LIFE BUSINESS: ADMINISTRATION EXPENSES / PREMIUMS WRITTEN DIRECT BUSINESS  
LIFE BUSINESS: ADMINISTRATION EXPENSES / AVERAGE MATHEMATICAL RESERVES DIRECT BUSINESS
  
- **COMBINED RATIO – RETAINED BUSINESS**  
(INCURRED CLAIMS + ADMINISTRATION EXPENSES + INTANGIBLE ASSET AMORTISATION + OTHER TECHNICAL CHARGES) / EARNED PREMIUMS RETAINED BUSINESS
  
- **CONSOLIDATED ROE**  
CONSOLIDATED NET PROFIT FOR THE YEAR / CONSOLIDATED AVERAGE SHAREHOLDERS' EQUITY (CONSOLIDATED OPENING SHAREHOLDERS' EQUITY + CONSOLIDATED CLOSING SHAREHOLDERS' EQUITY). EQUITY IS NET OF RESERVES FOR UNREALISED GAINS / LOSSES
  
- **CAGR (Compound Annual Growth Rate)**