

Press Release

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Milano, 12 September 2018

Vittoria Assicurazioni S.p.A.

Vittoria Assicurazioni is an independent insurance company, founded in Milan in 1921. The company is active in all life and non-life lines, covering the whole of Italy via an extensive commercial network. Vittoria's mission is to be the elective insurer of families and small and medium sized enterprises.

Vittoria Assicurazioni S.p.A.

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Registered in the Section I of the Register of Insurance and Reinsurance Companies at n.1.00014.

Company belonging to the Vittoria Assicurazioni Group registered in the Register of Insurance Groups n.008.

Subject to the management and coordination of the Parent Company Yafa S.p.A.

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1st Half 2018 - Consolidated Results.

Net profit growth by 2.5% vs 30 June 2017.

Non-Life Premium increase by 4.8%.

Retained Combined Ratio 89.6%.

The **Consolidated Financial Statement** as of 30 June 2018 reports a **Net Profit** of € 42.1 million (IFRS accounting standards) increasing by 2.5% with respect to 30 June 2017.

Non-Life Premium (direct business) increase by 4.8% and **Life Premium** (direct business) increase by 9.7%.

Non-Life Loss Ratio¹ (retained business) is 64.3% (63.9% in 2017) and the **Combined Ratio**² is 89.6% (89.6% in 2017).

¹ Claims / earned premiums (retained business)

² (Claims + operating expenses + intangibles amortisation + net technical accounts) / earned premiums (retained business)

Today the Company Board of Directors reviewed the 1st Half 2018 results.

Consolidated Financial Result (IFRS accounting standards)

The Financial Statements as of 30 June 2018 show a Net Profit of € 42.1 million increasing by 2.5% with respect to € 41.0 million reported in the same period of 2017.

The Group net equity amounts to € 839.3 million, with an increase of 1.3% vs € 828.6 as of 31 December 2017.

The result of the insurance business, gross of taxes and intercompany adjustment, amounts to € 65.4 million and increases by 8.9% compared to the same period of 2017 result of € 60,1 million.

Non-Life Business

Total non-life premium, (direct and indirect business) increase by 4.8% and amount to € 587.8 million (€ 560.9 million in the same period of 2017).

Motor volumes growth by 7.3% and amount to € 435.2 million (€ 405.5 million at 30 June 2017). Non Motor premium decrease by 1.8% and amount to € 152.5 million (€ 155.4 million at 30 June 2017) due to a more accurate classification of premiums relating other motor line of business. On a like-for-like basis Motor premium would increase by +5.0% and Non Motor premium by +4.2%.

The retained combined ratio is 89.6% (unchanged respect to the same period of 2017) and reflects a loss ratio of 64.3% (63.9% at 30 June 2017).

Gross non-life profit increases from € 56.8 million to € 64.7 million at 30 June 2018 (+13.9%) mainly due to a stable the technical result and an increase of the net income from investments respect to June 2017.

Life Business

Direct Life premium, which do not include contracts considered to be financial instruments, amount to € 94.0 million, increasing by 9.7% vs the same period of 2017 also due the new business deriving from new distribution agreements.

The gross life result amount to € 0.7 million at 30 June 2018 (€ 3.3 million at 30 June 2017).

Real Estate

The real estate segment reports a loss of € 1 million vs a loss of € 0.3 million recorded in the same period of 2017, due to lower trading margin in the 1st half 2018, amounting to € 2.4 million (€ 3.1 million al 30 June 2017).

Investments Result

Total Investments amount to € 3,717.8 million, increasing by 2.9% vs 31 December 2017; € 83.8 million refer to Investments with risk borne by the policyholders amount to (+9.4%) while € 3,634.0 million are investments with risk borne by the Group (+2.7%).

Net income from investments with risk borne by the Group amounts to € 26.0 million vs € 23.9 million of the same period of the previous year (+8.8%).

The comprehensive income at 30 June 2018 is equal to € 29.6 million, down by 16.3% compared to the € 35.3 million recorded as at 30 June 2017, due to the significant change in Italian government bonds price during the 1st half 2018, which negatively affected the changes in unrealized gains.

Consolidated Net Equity

The Group net equity amounts to € 839.3 million and increase by 1.3% compared to 31 December 2017 (€ 828.6 million).

The 1st half 2018 performance is in line with the communicated targets.

Vittoria Assicurazioni S.p.A. Result (Italian accounting standards)

The Financial Statements as of 30 June 2018 show a Net Profit of € 45.9 million increasing by 9.8% with respect to € 41.8 million of the same period of 2017.

Total premium, (direct and indirect business) amount to € 693.0 million of which € 587.8 million refer to Non-life business (+4.8% vs June 2017) and € 105.2 million refer to Life business (+11.5% vs June 2017).

The consolidate half-year financial report will be available in accordance with the law, at the registered office of the Company, as well as on the Company website www.vittoriaassicurazioni.com (under the Section Investor Relation), on that of the Italian Stock Exchange www.borsaitaliana.it and on the authorized eMarket-Storage.

The C.F.O. of Vittoria Assicurazioni S.p.A., Mr. Luca Arensi, herewith declares, pursuant to paragraph 2, Article 154/2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), that the accounting disclosure contained in this press release matches documentary evidence, corporate books, and accounting records.

Attachments

Consolidated Income Statement and Comprehensive Income Statement, Restated Local Income Statement, pending the issuance of the External Auditors' Report

Consolidated Data

			(€/000)
INCOME STATEMENT	30/06/2018	30/06/2017	31/12/2017
Net premiums	661.094	625.111	1.270.013
Gross premiums	677.799	641.846	1.311.685
Ceded premiums	16.705	16.735	41.672
Commission income	1.150	951	333
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-3	0	7
Gains on investments in subsidiaries and associates and interests in joint ventures	308	496	529
Gains on other financial instruments and investment property	42.320	25.012	51.650
Interest income	16.125	14.547	29.969
Other income	25.290	10.433	19.455
Realised gains	905	32	2.226
Unrealised gains	0	0	0
Other income	6.947	7.594	23.483
TOTAL REVENUE	711.816	659.164	1.346.015
Net charges relating to claims	464.718	435.701	900.482
Amounts paid and change in technical reserves	475.065	445.584	942.541
Reinsurers' share	-10.347	-9.883	-42.059
Commission expense	262	389	117
Losses on investments in subsidiaries and associates and interests in joint ventures	521	1.459	1.717
Losses on other financial instruments and investment property	19.508	3.472	9.971
Interest expense	116	219	342
Other expense	1.353	1.225	2.588
Realised losses	425	7	149
Unrealised losses	17.614	2.021	6.892
Operating costs	149.600	143.585	289.860
Commissions and other acquisition costs	121.098	117.792	238.921
Investment management costs	938	886	2.019
Other administrative costs	27.564	24.907	48.920
Other costs	16.750	16.358	33.030
TOTAL COSTS	651.359	600.964	1.235.177
PROFIT FOR THE YEAR BEFORE TAXATION	60.457	58.200	110.838
Income taxes	18.438	17.012	33.068
PROFIT FOR THE YEAR	42.019	41.188	77.770
GAIN (LOSS) ON DISCONTINUED OPERATIONS	31	-150	-290
CONSOLIDATED PROFIT (LOSS)	42.050	41.038	77.480
of which attributable to the shareholders of the parent	42.052	41.009	77.483
of which attributable to minority interests	-2	29	-3
Basic EARNINGS per share	0,62	0,61	1,15
Diluted EARNINGS per share	0,62	0,61	1,15

(€/000)

CONSOLIDATED FINANCIAL STATEMENTS
30/06/2018 30/06/2017 31/12/2017

	30/06/2018	30/06/2017	31/12/2017
CONSOLIDATED PROFIT (LOSS)	42.050	41.038	77.480
Other comprehensive income, net of taxes without reclassification to profit or loss	-18	188	252
Changes in the equity of investees	0	0	0
Changes in intangible asset revaluation reserve	0	0	0
Changes in tangible asset revaluation reserve	0	0	0
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	0	0	0
Actuarial gains and losses and adjustments related to defined benefit plans	-18	188	252
Other items	0	0	0
Other comprehensive income, net of taxes with reclassification to profit or loss	-12.475	-5.880	18.373
Change in translation reserve	0	0	0
Gains or losses on available for sale investments	-12.475	-5.880	18.373
Gains or losses on hedging instruments	0	0	0
Gains or losses on hedging instruments of net investment in foreign operations	0	0	0
Changes in the equity of investees	0	0	0
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	0	0	0
Other items	0	0	0
TOTAL OTHER COMPREHENSIVE INCOME	-12.493	-5.692	18.625
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (LOSS)	29.557	35.346	96.105
of which attributable to the shareholders of the parent	29.559	35.317	96.108
of which attributable to minority interests	-2	29	-3

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(€/000)

RECLASSIFIED INDIVIDUAL PROFIT AND LOSS ACCOUNT	30/06/2018	30/06/2017	31/12/2017
Technical account			
Life businesses:			
Direct insurance			
(+) Gross premiums accounted for	105.143	94.327	191.144
(-) Charges relating to claims	56.079	60.850	115.704
(-) Change in mathematical and other technical reserves	55.006	41.399	92.389
(+) Other technical captions, net	528	-359	-248
(-) Operating costs	8.019	7.985	15.823
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	14.977	15.105	31.309
(+) income on investments where policyholders bear the risk - Class D	-304	2.029	2.416
Direct insurance result	1.240	868	705
Outwards reinsurance result	359	963	1.488
Retained direct insurance result	1.599	1.831	2.193
Indirect and retroceded insurance result	0	0	0
Result of life business technical account	1.599	1.831	2.193
Non-life businesses:			
Direct insurance			
(+) Gross premiums accounted for	587.761	560.864	1.148.072
(-) Change in premium reserve	4.344	5.050	10.318
(-) Charges relating to claims	374.512	353.488	754.462
(+) Other technical captions, net	-5.464	-5.635	-4.515
(-) Operating costs	138.237	133.389	270.661
Direct insurance result	65.204	63.302	108.116
Outwards reinsurance result	-4.764	-6.010	4.585
Retained direct insurance result	60.440	57.292	112.701
Indirect and retroceded insurance result	79	42	57
Total retained direct insurance result	60.519	57.334	112.758
(-) Change in equalisation reserves	316	298	614
(+) Income on investments transferred from the non-technical account	3.671	685	0
Result of non-life business technical account	63.874	57.721	112.144
Result of technical account	65.473	59.552	114.337
(+) Income on non-life business investments net of the portion transferred to the technical account	1.558	269	-2.580
(+) Income on investments transferred from the life business technical account	1.278	1.356	2.776
(+) Other income	1.359	915	2.636
(-) Other charges	5.614	2.573	12.498
Result of ordinary business	64.054	59.519	104.671
(+) Extraordinary income	852	374	8.171
(-) Extraordinary expense	454	183	504
Profit (loss) before taxation	64.452	59.710	112.338
(-) Taxation on profit for the year	18.591	17.905	33.893
Net profit (loss)	45.861	41.805	78.445