

Press Release

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Milano, 23 February 2023

About Vittoria Assicurazioni

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 is subject to the management and coordination activity of the Parent Company Yafa S.p.A.

Vittoria Assicurazioni S.p.A.

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APPROVED THE 2022 FINANCIAL STATEMENTS

2022 Results:

- **Total Non life Premiums 2022 amount to € 1,325.1 million, growth by +4.9% respect the previous year 2021 (€1,263.5 million in 2021)**
- **Non-Life Retained Combined Ratio equal to 96.3% (87.5% in 2021)**
- **Life Premiums 2022 amount to € 354.3 million, growth by +8.3% with respect the 2021 (€327.3 million in 2021)**
- **Group Net Consolidated Result equal to € 74.8 million**
- **Group Consolidated Net Equity amount to € 645.3 million**
- **Consolidated ROE equal to 9.5%**
- **N. Agencies 490 (480 as at 31 December 2021)**
- **N. Employees 550 (538 as at 31 December 2021)**

Proposed dividend per share of 0.47 euro

The Company Board of Directors, held in Milan on 22 February 2023, approved the Financial Statements as at 31 December 2022.

Overview of Vittoria Assicurazioni 2022 Results (ITA-GAAP)

Non-Life Premium (direct business) increase by 4.9%, and Life Premium (direct business) increase by 8.3%.

Non Life Loss Ratio¹ (retained business) is 69.2% (60.6% in 2021) and the **Combined Ratio**² is 96.3% (87.5% in 2021).

Net Profit amount to € 62.5 million (ITA-GAAP) and the **Net Equity** at 31 December 2022 amount to € 768.6 million.

¹ Claims / earned premiums (retained business)

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

Financial Statements Vittoria Assicurazioni S.p.A. (Italian accounting standards)

The net profit of Vittoria Assicurazioni S.p.A. amounts to € 62.5 million vs € 102.1 million of last year.

This result should be seen in an exceptionally negative economic environment, which led to a surge in the inflation rate, causing a rapid and significant increase in interest rates by the Central Banks.

The extraordinary nature of this inflationary period, negatively affected the technical result of the Non-Life insurance segment, affecting, for the year 2022, the average cost of claims of which, in addition, there is an increasing frequency in the Motor TPL segment, following the recovery of circulation after the slowdown of the national "lockdowns" that occurred during the pandemic period. The progressive worsening in the Non-Life business is due to the higher incidence of large claims and the higher frequency of natural events. In this context, the persist decrease in the MTPL average premium also negatively affected the technical result. Consequently, the Company took action to remedy the insufficiency of the MTPL average premium. In fact, a progressive campaign to increase these premiums is underway, which will fully explain its effect over the next two years. Also with regard to the increase in damages deriving from atmospheric event, the contractual conditions of the line of business most affected have been modified in such a way as to mitigate the negative impact on the result. Furthermore, stricter criteria have been introduced for the signing of new contracts that provide for such guarantees.

The actions taken lead us to forecast, starting from 2023, a progressive return to the results recorded in previous years, bringing the combined ratio currently maintained to 96.3% (87.5% as at 31 December 2021), in line with previous years.

Thanks to the commercial actions implemented, aimed at consolidating and developing the existing portfolio, premiums volume recorded an overall increase of 5.6%, mainly thanks to the contribution recorded in the Non Motor (+14.6%). The total premiums written as at 31 December 2022 amounted to €1,679.4 million (€1,590.8 million as at 31 December 2021) with an increase in the Non-Life business of 4.9% and an increase in the Life business of 8.3%.

Non-Life Business

Total non-life premium (direct and indirect business) growth by 4.9% respect the previous year and amount to € 1,325.1 million (€ 1,263.5 million in 2021).

Motor volumes reach € 886.7 million, +0.7% on the previous year (€ 880.9 million in 2021) and Non Motor premium amount to € 438.4 million and increase by +14.6% on the previous year (€ 382.6 million in 2021).

Life Business

Life premium amount to € 354.3 million, increasing by 8.3% vs 2021, and the life business technical result amounts to - € 6.2 million (+ € 1.6 million in 2021).

Investments Result

Total Investments amount of € 4,564.0 million increasing by 6.4% vs 2021. Investments with risk borne by the policyholders amount to € 237.1 million (+21.2%) while € 4,326.9 million are investments with risk borne by the Group (+5.7% vs 2021).

The evolution of monetary policies announced by the Central Banks towards the end of last year (subsequently implemented during 2022) and the exceptional nature of the events that occurred during the year mainly caused by the Russian-Ukrainian conflict which broke out towards the end of February, led to the sale of bonds for € 514.6 million, of which € 369.3 million relating to securities assigned to the fixed asset segment, realizing capital gains of € 8.3 million, of which € 6.7 million relating to securities assigned to the fixed asset segment.

Net incomes from investments with risk borne by the Company amount to € 63.8 million (this result includes value adjustments on investments (non-fixed asset) for a total of € 21.9 million following the negative performance of the financial markets and net capital gains on sale for € 12.0 million) against € 73.9 million for the year previous which included capital gains realized for approximately € 14 million deriving from the sale of building C of the Portello business center to AC Milan.

Net Equity

The **Net Equity** amounts to € 768.6 million, +4.4% vs 2021 (€ 736.5 million) and mainly reflects the increase deriving from the result for the period and the 2021 dividend distribution.

Dividend

The Board will propose to the Shareholders' Meeting a distribution of a dividend of 0.47 euro per share (payout ratio around 40.7%). The dividend will be paid from May 5, 2023, ex-dividend date for coupon n. 41 on May 3, 2023.

Consolidated Financial Result (IFRS accounting standards)

The main consolidated results are the following:

The 2022 Consolidated Net Profit amounts to € 74.8 million vs. € 101.3 million reported in 2021.

ROE is therefore 9.5% vs. 13.9% of the previous year.

The result of the insurance business, gross of taxes and intercompany adjustment, is € 113.4 million (€ 141.8 million in 2021) mainly due to the Non-life technical result.

Non-Life Business

Total non-life premiums, (direct and indirect business) increasing by +4.9% vs 2021 and amount to € 1,325.1 million (€ 1,263.5 million in 2021).

The retained combined ratio is 96.3% (87.5% in 2021) and reflects a loss ratio of 69.2% (60.6% in 2021) recording, for the reasons previously highlighted, an increase in the loss ratio compared to 2021.

Life Business

Direct Life premium, which do not include contracts considered to be financial instruments, amount to € 271.7 million, (€ 253.1 million in 2021), and the gross life business result amounts to € 17.1 million, vs € 13.2 million in 2021.

Investments Result

Total Investments decreased by 2.2% and amount of € 4,726.0 million. Investments with risk borne by the policyholders amount to € 237.2 million (+20.9%) while € 4,488.8 million are investments with risk borne by the Group (-3.2% vs 2021). The reduction is linked to the performance of the financial markets and interest rates which reduced the market value of the securities portfolio as at 31 December 2022.

Net incomes from investments with risk borne by the Group amount to € 86.2 million vs € 74.1 million of the previous year that included realized gains of about € 14.1 million following the sales of a building of the Portello Business Centre to AC Milan during the 2021. The increase is also due to net capital gains realized on the sale of bonds and mutual funds relating to Non-Life business for € 8.5 million.

Real Estate

The operating income of the real estate segment amounts to € 6.7 million, higher than the previous year (€ 5.0 million in 2021, without considering the mentioned real estate realized gain).

Consolidated Net Equity

The Group net equity amounts to € 645.3 million (€ 842.7 million as at 31 December 2021) down due to the reduction in the market value of financial assets available for sale. In relation to the nature, maturity and diversification of the bonds in the portfolio, the unrealized losses derive mainly from the trend in bond yields which in the last part of 2022 recorded a significant increase and do not derive from an actual deterioration in the credit quality of the issuers. In fact, no permanent write-downs of their value were booked in 2022.

The Available For Sale reserve is negative and amounts to € 165 million (+ € 76.8 million at year-end 2021). Net equity excluding the gains/losses on available-for-sale financial assets recognized in equity amounted to € 810.3 million at 31 December 2022, an increase compared to € 765.8 million at 31 December 2021.