INTESA SANPAOLO VITA

# PRESS RELEASE

## INTESA SANPAOLO VITA GROUP: RESULTS AS AT 31 DECEMBER 2012

- **Important results achieved in complex scenarios both for the financial and the insurance markets only one year on from the merger of the four Companies dedicated to the Group's Vita Bancassurance**
- **Results showing a strong growth thanks to the excellent financial management performance, increase in assets under management, sharp decline in operating costs**
- **Contribution to the net revenues of the parent company Intesa Sanpaolo to the tune of over one billion[1]**
- **In the Life[1] insurance segment, investments and cash and cash equivalents record a 10% growth compared to the 7% increase in provisions and financial liabilities**
- **Sharp decline in operating charges despite the investments for growth**
- **Robust solvency ratio without the adoption of anti-crisis measures**

*Turin, 25 March 2013* – Intesa Sanpaolo Vita's Shareholders' Meeting, in the presence of the Chairman, Mr. Salvatore Maccarone, approved the 2012 financial statements of the insurance Parent Company of the Intesa Sanpaolo Group's *bancassurance* entities. Aside from the Parent Company, the group[2] comprises Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, Bentos Assicurazioni and EurizonVita Beijing Consulting Company.

In 2012 Intesa Sanpaolo Vita, led by the Managing Director Gianemilio Osculati, achieved **important and solid results,** despite the challenging market scenario and the corporate merger process completed at the end of 2011. Such results were made possible by a **strategy focused on targeting capital adequacy, excellent performance, sustainable profitability and the development of best-in-class products and services.**

---

[1] *The contribution does not include the insurance business results of Fideuram Vita and does not include the indirect contributions to the revenues of the Intesa Sanpaolo Group resulting from the revenues of Eurizon Capital and Banca IMI originated by the insurance business.*

[2] *Intesa Sanpaolo Vita is the insurance Parent Company of the Intesa Sanpaolo Vita Insurance Group, included in the IVASS National Register of Insurance Groups under no. 28 pursuant to ISVAP Regulation no. 15 of 20 February 2008.*

**Excellent performance and sustainable profitability**: the **consolidated result[3] of the Intesa Sanpaolo Vita Insurance Group as at 31 December 2012 stands at 343[4] million** (+268%) compared to 93 million recorded at the end of 2011**:**

- The **net income deriving from financial management** amounts to **2,582 million** in 2012, up **130%** compared to 1,121 million in the previous financial period.
- In 2012 the charges deriving from other management components were equal to 2,065 million, up 120% compared to 936 million in the previous financial period. Among these, the **operating charges** amounted to 121 million, recording a **sharp decline** compared to 130 million in the previous financial period (**-7%**). With reference to the **Life insurance segment, operating charges record an even more marked drop** with a final 2012 figure amounting to 86 million compared to 102 million in the 2011 financial period **(-15%**). **The impact of operating costs on assets under management stands with its 13 bps** at levels of absolute excellence in the market, while still ensuring a best-practice service level. In the non-life segment, **investments for growth** were made **(the "Viaggia con me" advertising campaign);** such initiatives resulted in a marginal increase in operating charges.
- **Earnings before tax** amounts to **517 million** compared to 185 million in 2011 (**+180%**).

The contribution to the Intesa Sanpaolo Group's results exceeded one billion thanks to **the result of the insurance business amounting to 713 million and the commissions paid to the distribution networks, which were over 400 million.**

In terms of sustainable profitability, Intesa Sanpaolo Vita operated across several areas. In the ***fine tuning*** **of the profitability of the insurance portfolio** it increased the impact of *profit sharing*[5] products and transformed lesser value assets for Clients and the Company[6]. In the **financial management it captured the opportunities offered by the recovery of the markets** in order to improve Asset Liability Management profiles under separate management.

---

3 *Result drawn up in accordance with IFRS.*

4 *343 million is the consolidated result of the Intesa Sanpaolo Vita Insurance Group companies not including Fideuram Vita. Intesa Sanpaolo Vita is required, pursuant to art. 96 of the Italian Insurers' Code (Legislative Decree 209/2005), to prepare the consolidated/aggregated financial statements in accordance with IFRS international standards insofar as Intesa Sanpaolo, the ultimate holding company of the insurance companies, is a non-insurance company and, therefore, the obligations of the consolidated financial statements in support of Surveillance fall to the insurance company that presents the greatest amount of total assets in the individual financial statements. There are no equity stakes or operational relationships between Fideuram Vitae and the Intesa Sanpaolo Vita Insurance Group companies. The result of the consolidated/aggregated financial statements which, therefore, also considers Fideuram Vita, shows an operating result for 2012 amounting to 395 million (102 million in 2011).*

5 *Profit sharing products (sharing the extra revenues from financial management with Clients) exceeded 15% of the overall portfolio within two years of being placed.*

6 *Almost 1.2 billion provisions referred to index-linked contracts with very low to no optional content to the Client were transformed into capital collateral products and minimum yield with recurring management commission.*

Key indicators show:

- ROE for 2012 equal to 7.5% compared to 3.0% in 2011.
- RoTE[7] up from 7.6% in 2011 to 13.1% in 2012.
- RoTA[8] up from 0.3% in 2011 to 0.7% in 2012.
- **Capital adequacy**: consolidated net equity stood at 4,578 million at the end of 2012, with a 49.6% increase compared to 3,060 million recorded at the end of 2011.

  **Capital ratios are robust and reached excellent levels:**

  - The group's solvency[1] shows a solvency ratio equal to **197%.**
  - The individual solvency ratio of the Parent Company Intesa Sanpaolo Vita stands at **163%** with excess levels of capital of 1,265 million compared to the required minimum equal to 2,016 million. The subordinated debt leverage is extremely contained as it is equal to 6% of the capital resources used for calculation for the purposes of the solvency margin. In drafting the 2012 financial statements, **no recourse was made to the rights pursuant to ISVAP Regulation no. 43 relating to anti-crisis measures**. In 2011 the solvency ratio had stood at 114% with capital levels in excess of the minimum required in the amount of 267 million.

  **Investments and cash equivalents at year-end are equal to 72,848 million** compared to 66,281 million recorded at the end of 2011 **(+9.9%)**.

  The insurance provisions and financial liabilities as at 31 December 2012 are equal to 68,761 million compared to 64,376 million recorded at the end of the previous financial period (+6.8%).

- **Best-in-class products and services**: the corporate merger, completed in December 2011, was followed **a month later** by the **launch of fully unified operations** and the release of an innovative front end for the distribution networks. The planning of a “day-one merger” led to the attainment of major **cost synergies already before the actual merger and their full implementation from the very launch**.

  In the Life insurance segment, despite the still difficult market conditions, some products recorded particularly significant performances: “**Base sicura” achieved a yield of 4.2%, “Orizzonte 7 Anni” of 4.4%**, while the ***unit-linked*** **“Base 24” recorded a double-digit yield (+24%)** in 2012, the year in which the product was launched.

  From a commercial viewpoint, in the non-insurance segment, the most significant project was the new motor policy **ViaggiaConMe**, which marks a **strong departure from the traditional**

---

7 *Return on Tangible/Equity ratio between net balance of revenues and costs before tax and net equity inclusive of result minus intangible assets.*

8 *Return on Tangible/Assets ratio between net balance of revenues and costs before tax and total assets minus intangible assets.*

**products currently available on the market**. Aside from the traditional civil liability coverage for motor vehicles, ViaggiaConMe combines an **immediate assistance service based on a satellite technology system** capable of identifying the vehicle's exact position and providing assistance in all kinds of travel emergencies as well as additional assistance services such as reporting the nearest affiliated workshop and providing support in the completion of the jointly-agreed motor accident statement. Such **distinctive aspects are extended even further by the integration with the banking platform** which, compared to more traditional motor product proposals, enriches its offer with the option to pay the premium by way of **expense-free installments** and the option to **reduce the premium by using a rate with fee-exemption limit**, which can be easily recovered in view of the Clients' existing bank current accounts held with the Group.

*For information*

**Intesa Sanpaolo**
Media Banca dei Territori Office and Local Media
T. + 39 06 67124992  C. +39 335 5454102
stampa@intesasanpaolo.com