

PRESS RELEASE

INTESA SANPAOLO VITA: THE RESULTS AS AT 31 DECEMBER 2014 APPROVED:

- **Life Gross written premium at 20,849.3 €/mln** (13,946.2 €/mln in December 2013 +49.5%)
- **Life claims paid at 9,803.3 €/mln** (9,890.3 €/mln in December 2013 -0.9%)
- **Life net inflow at 11,046.0 €/mln** (4,055.9 €/mln in December 2013 +172.3%)
- **Investments at 97,192.8 €/mln** (76,861.9 €/mln in December 2013 +26.5%)¹
- **Insurance provisions at 74,413.9 €/mln** (58,402.4 €/mln in December 2013 +27.4%)²
- **Financial liabilities (unit and index linked) at 20,464.1 €/mln** (16,813.7 €/mln in December 2013 +21.7%)
- **Shareholders' equity at 4,379.5 €/mln** (4,329.3 €/mln in December 2013 +1.2%)
- **Net Income at 480.4 €/mln** (346.7 €/mln in December 2013³ +38.6%)
- **Solvency Ratio equal to 173.9%** (189.6% in December 2013)

Milan, 10 February 2015 – The Board of Directors of Intesa Sanpaolo Vita, in the presence of Chairman Luigi Maranzana, approved the results as at 31 December 2014 of the Intesa Sanpaolo Vita Insurance Group.

The Intesa Sanpaolo Vita insurance group, directed by Managing Director Nicola Maria Fioravanti, achieved a significant increase in earnings and consolidated its position in the domestic insurance market thanks to a final balance of gross inflows above 20.8 billion euro. The 2014 results are characterised by excellent sales results, sound performance, and strong capital adequacy.

The end of 2014 confirmed the growth of the sales performance thanks to the contribution of the Intesa Sanpaolo Group's distribution networks: **Life new business** recorded an **increase by 50.8%** from 13,673.0 €/mln in 2013 to 20,625.2 €/mln at the end of 2014. **Life gross written premium** increased from 13,946.2 €/mln to 20,849.3 €/mln (+49.5%). Such growth was made possible thanks to:

- an increase by 3,131.4 million in inflows from Unit Linked products, appreciated for their innovative features and their focus on meeting Customers' requirements: in 2014, such products recorded gross inflows equal to 5,943.8 €/mln against 2,812.4 €/mln recorded during 2013;
- an increase by 34.0% in inflows on traditional products developed with a strong *value proposition* for Customers and designed to mitigate risk levels for the Company. Gross

¹ The investments for the periods prior to 1 January 2014 were restated following the application of the IFRS 10 standard
² Insurance provisions include deferred liabilities to policyholders (shadow accounting) equal to 5,749.5 €/mln in 2014 and equal to 1,307.0 €/mln in 2013
³ Net income is impacted by the application of Legislative Decree 133/2013 (additional IRES 8.5%). On a like for like basis, income for 2013 would have recorded a net income equal to 396 €/mln



inflows in the aforesaid category of products went from 11,020.1 €/mln at end of 2013 to 14,763.1 €/mln at the end of 2014 recording an increase by 3,743.0 €/mln;

- an increase by 25.2% of inflows in Pension products, which went from 113.7 €/mln recorded at the end of 2013 to 142.4 €/mln recorded at the end of 2014.

Net inflow equal to **11,046.0 €/mln**, up by 172.3% from the 4,055.9 €/mln recorded in 2013, contributed to an increase by 26.1% in *assets under management* of the insurance group, which went from 75,216.1 €/mln in 2013 to **94,878.0 €/mln**.

The increase in *assets under management* is recorded both in insurance provisions⁴ and in financial liabilities referred to *index* and *unit linked* products:

- +27.4% on insurance provisions increasing from 58,402.4 €/mln in 2013 to 74,413.9 €/mln in 2014;
- +21.7% on financial liabilities increasing from 16,813.7 €/mln in 2013 to 20,464.1 €/mln in 2014.

Investments and **cash and cash equivalents** went from 76,861.9 €/mln at the end of December 2013 to **97,192.8 €/mln** with an increase by 20,330.9 €/mln equal to 26.5%

The excellent performance is also reflected in **net income**, which went from 346.7 €/mln in 2013 to **480.4 €/mln in 2014** with an increase equal to 38.6%.

The insurance group's Shareholders' equity stands at 4,379.5 €/mln up by 50.2 €/mln (+1.2%) compared to the end of 2013, which had recorded a Shareholders' equity figure equal to 4,329.3 €/mln. The latent value appreciation relating to *Available for Sale* investments entered under Shareholders' equity was equal to 590.5 €/mln in 2014, up by 84% from the 321.0 €/mln recorded at the end of 2013.

The group's **Solvency I ratio**, defined as the ratio between the available margin and the required margin, confirms the **capital adequacy** of the Intesa Sanpaolo Vita Insurance Group. Said ratio stands at **173.9%** at the end of the year (189.6% as at 31 December 2013), with an excess of **2,051.9 €/mln** (2,089.1 €/mln at the end of 2013).

The total amount of the Intesa Sanpaolo Vita Insurance Group's subordinated liabilities is equal to 1,337.6 €/mln of which 1,250.0 €/mln are outstanding through the two subordinated bond issues listed on the Grand Duchy of Luxembourg's Stock Exchange.

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⁴ Insurance provisions include deferred liabilities to policyholders (shadow accounting) equal to 5,749.5 €/mln in 2014 and equal to 1,307.0 €/mln in 2013

Key figures

millions €

	31-12-2014	31-12-2013	Change	
Life Gross written premium:	20,849.3	13,946.2	6,903.1	49.5%
- of which Traditional products	14,763.1	11,020.1	3,743.0	34.0%
- of which Unit Linked products	5,943.8	2,812.4	3,131.4	111.3%
- of which Pensions products	142.4	113.7	28.7	25.2%
Premiums of Non-life business	210.6	232.3	-21.7	-9.4%
Life new business	20,625.2	13,673.0	6,952.2	50.8%
Claims paid:	-9,803.3	-9,890.3	87.0	-0.9%
- of which IFRS4 products	-6,446.2	-6,199.4	-246.8	4.0%
- of which IAS 39 products	-3,357.1	-3,690.9	333.7	-9.0%
Net inflow	11,046.0	4,055.9	6,990.1	172.3%
Investments	97,192.8	76,861.9	20,330.9	26.5%
Insurance provisions	74,413.9	58,402.4	16,011.6	27.4%
- Life insurance contracts	7,605.7	7,285.9	319.8	4.4%
- Life financial contracts with DPF	60,574.6	49,334.6	11,240.0	22.8%
- Shadow accounting provision	5,749.5	1,307.0	4,442.5	339.9%
- Non-life insurance policies	484.2	474.9	9.3	2.0%
Financial liabilities	22,243.7	17,718.3	4,525.4	25.5%
- Unit-linked financial policies	20,015.4	15,715.2	4,300.2	27.4%
- Index-linked financial policies	448.7	1,098.6	-649.9	-59.2%
- Subordinated liabilities	1,337.6	617.2	720.3	116.7%
- Other liabilities	504.5	287.3	217.2	75.6%
Shareholders' equity	4,379.5	4,329.3	50.2	1.2%
Profit before taxes	696.1	570.0	126.1	22.1%
Net Income	480.4	346.7	133.7	38.6%
Available margin	4,828.7	4,420.06	408.7	9.2%
Required margin	2,776.9	2,330.92	446.0	19.1%
Solvency ratio	173.9%	189.6%	-15.7%	-8.3%

Balance Sheet

thousands €

INTESA SANPAOLO VITA S.p.A.		Total 31-12-2014	Total 31-12-2013	Change	
1	INTANGIBLE ASSETS	635,676	631,985	3,691	0.6%
1.1	Goodwill	634,580	631,656	2,924	0.5%
1.2	Other intangible assets	1,096	329	767	233.1%
2	TANGIBLE ASSETS	634	884	-250	-28.3%
2.1	Lands and buildings (self used)	-	-	-	-
2.2	Other tangible assets	634	884	-250	-28.3%
3	AMOUNT CEDED TO REINSURERS FROM INSURANCE PROVISIONS	27,216	14,134	13,082	92.6%
4	INVESTMENTS	97,192,771	76,861,851	20,330,920	26.5%
4.1	Land and buildings (investment properties)	19,414	19,579	-165	-0.8%
4.2	Investments in subsidiaries, associates and joint ventures	-	-	-	-
4.3	Investments held to maturity	-	-	-	-
4.4	Loans and receivables	80,934	78,138	2,796	3.6%
4.5	Financial assets available for sale	71,043,926	54,649,328	16,394,598	30.0%
4.6	Financial assets at fair value through profit and loss	26,048,497	22,114,806	3,933,691	17.8%
5	RECEIVABLES	482,557	588,435	-105,878	-18.0%
5.1	Receivables arising from direct insurance operations	17,129	24,405	-7,276	-29.8%
5.2	Receivables arising from reinsurance operations	1,319	2,073	-754	-36.4%
5.3	Other receivables	464,109	561,957	-97,848	-17.4%
6	OTHER ASSETS	1,706,345	1,494,670	211,675	14.2%
6.1	Non-current assets held for sale and discontinued operations	-	-	-	-
6.2	Deferred acquisition costs	48	331	-283	-85.5%
6.3	Deferred tax assets	180,473	160,205	20,268	12.7%
6.4	Current tax assets	1,359,560	1,248,102	111,458	8.9%
6.5	Other assets	166,264	86,032	80,232	93.3%
7	CASH AND CASH EQUIVALENTS	2,560,638	2,117,695	442,943	20.9%
	TOTAL ASSETS	102,605,837	81,709,654	20,896,183	25.6%

thousands €

INTESA SANPAOLO VITA S.p.A.		Total 31-12-2014	Total 31-12-2013	Change	
1	SHAREHOLDERS' EQUITY	4,379,484	4,329,327	50,157	1.2%
1.1	attributable to the Group	4,379,484	4,329,327	50,157	1.2%
1.1.1	Share capital	320,423	320,323	100	0.0%
1.1.2	Other equity instruments	-	-	-	-
1.1.3	Capital reserves	1,328,097	1,327,197	900	0.1%
1.1.4	Revenue reserves and other reserves	1,660,635	2,014,450	-353,815	-17.6%
1.1.5	(Own shares)	-	-	-	-
1.1.6	Reserve for currency translation differences	40	-3	43	1433.3%
1.1.7	Reserve for unrealized gains (losses) on available for sale financial assets	590,534	321,048	269,486	83.9%
1.1.8	Reserve for other unrealized gains (losses) through equity	-686	-387	-299	-77.3%
1.1.9	Result of the period	480,441	346,699	133,742	38.6%
1.2	attributable to minority interests	-	-	-	-
1.2.1	Share capital and reserves	-	-	-	-
1.2.2	Reserve for other unrealized gains (losses) through equity	-	-	-	-
1.2.3	Result of the period	-	-	-	-
2	OTHER PROVISIONS	10,648	8,315	2,333	28.1%
3	INSURANCE PROVISIONS	74,413,933	58,402,370	16,011,563	27.4%
4	FINANCIAL LIABILITIES	22,243,677	17,718,292	4,525,385	25.5%
4.1	Financial liabilities at fair value through profit and loss	20,834,274	17,100,776	3,733,498	21.8%
4.2	Other financial liabilities	1,409,403	617,516	791,887	128.2%
5	PAYABLES	520,756	414,247	106,509	25.7%
5.1	Payables arising from direct insurance operations	89,323	78,069	11,254	14.4%
5.2	Payables arising from reinsurance operations	1,132	863	269	31.2%
5.3	Other payables	430,301	335,315	94,986	28.3%
6	OTHER LIABILITIES	1,037,339	837,103	200,236	23.9%
6.1	Non-current liabilities held for sale and discontinued operations	-	-	-	-
6.2	Deferred tax liabilities	602,399	463,439	138,960	30.0%
6.3	Current tax liabilities	344,350	333,576	10,774	3.2%
6.4	Other liabilities	90,590	40,088	50,502	126.0%
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	102,605,837	81,709,654	20,896,183	25.6%

Income Statement

thousands €

INTESA SANPAOLO VITA S.p.A.		Total 31-12-2014	Total 31-12-2013	Change	
1.1	Net earned premiums	15,131,940	11,363,051	3,768,889	33.2%
1.1.1	Gross earned premiums	15,140,326	11,370,118	3,770,208	33.2%
1.1.2	Earned premiums ceded	-8,386	-7,067	-1,319	18.7%
1.2	Commission income	303,453	265,507	37,946	14.3%
1.3	Gains (losses) on financial instruments at fair value through profit and loss	-83,225	204,305	-287,530	-140.7%
1.4	Income from investments in subsidiaries, associates and joint ventures	-	-	-	-
1.5	Income from other financial instruments and lands and buildings	2,515,653	2,221,417	294,236	13.2%
1.5.1	Interest income	1,919,443	1,812,621	106,822	5.9%
1.5.2	Other income	78,131	51,924	26,207	50.5%
1.5.3	Gains on disposal	518,079	356,872	161,207	45.2%
1.5.4	Unrealized gains	-	-	-	0.0%
1.6	Other income	201,794	75,984	125,810	165.6%
1	TOTAL INCOME	18,069,615	14,130,264	3,939,351	27.9%
2.1	Net insurance benefits and claims	-16,449,125	-12,459,632	-3,989,493	32.0%
2.1.1	Claims paid and change in insurance provisions	-16,459,154	-12,464,676	-3,994,478	32.0%
2.1.2	Reinsurers' share	10,029	5,044	4,985	98.8%
2.2	Fee and commission expense	-182,124	-168,484	-13,640	8.1%
2.3	Expenses from investments in subsidiaries, associates and joint ventures	-	-	-	-
2.4	Expenses from other financial instruments and lands and buildings	-68,595	-229,459	160,864	-70.1%
2.4.1	Interest expense	-31,375	-12,771	-18,604	145.7%
2.4.2	Other expenses	-15	25	-40	-160.0%
2.4.3	Losses on disposal	-34,820	-209,008	174,188	-83.3%
2.4.4	Unrealized losses	-2,385	-7,705	5,320	-69.0%
2.5	Operating expenses	-409,663	-416,063	6,400	-1.5%
2.5.1	Commissions and other acquisition costs	-311,217	-323,281	12,064	-3.7%
2.5.2	Investment management expenses	-50,892	-48,372	-2,520	5.2%
2.5.3	Other administrative expenses	-47,554	-44,410	-3,144	7.1%
2.6	Other expenses	-264,034	-286,607	22,573	-7.9%
2	TOTAL EXPENSES	-17,373,541	-13,560,245	-3,813,296	28.1%
	PROFIT (LOSS) BEFORE TAXES FOR THE PERIOD	696,074	570,019	126,055	22.1%
3	Income taxes	-215,633	-223,320	7,687	-3.4%
	PROFIT (LOSS) AFTER TAX FOR THE PERIOD	480,441	346,699	133,742	38.6%
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-	-	-	-
	CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	480,441	346,699	133,742	38.6%
	of which attributable to the Group	480,441	346,699	133,742	38.6%
	of which attributable to minority interests	-	-	-	-