

PRESS RELEASE

CATTOLICA GROUP'S EARNINGS AND PREMIUMS WRITTEN RISE.

The results for the first quarter of 2015 approved by the Board of Directors. The comments of the Chairman Paolo Bedoni and the Managing Director Giovanni Battista Mazzucchelli.

Total premiums written amounting to € 1,702 million (+21.1% compared with the first quarter of 2014) with a **net consolidated profit** of € 33 million, up 32% when compared with March 2014. Total premiums for direct business were made up of P&C premiums for € 487 million and Life premiums for € 1,212 million. The **combined ratio** came to 93%¹. **Solvency margin**² equal to 1.91 times the supervisory minimum. These are the highlights of the Interim Management Report as at March 31st, 2015 approved by the Board of Directors of Cattolica Assicurazioni, which met today in Verona under the chairmanship of Paolo Bedoni.

Verona, May 13th, 2015. The first three months of the year revealed a **consolidated net profit** of € 33 million, compared with € 25 million in the same period in 2014 (+32%).

The **Group net profit**³ amounted to € 30 million, compared with € 23 million in March 2014 (+30.4%).

Total premiums written for direct and indirect life and P&C business⁴ amounted to € 1,702 million, up 21.1% with respect to the € 1,405 million in the first quarter of 2014.

P&C business

Premiums written for direct business rose from € 404 million as at March 31st, 2014 to € 487 million at the end of March 2015 (+20.7%). In the **Motor segment**, premiums written amounted to € 289 million, up (+17.2%) when compared with March 31st, 2014. **Non-motor classes**, with premiums written for € 198 million, in turn rose by 26.3% with respect to March 2014 (€ 157 million). The Fata contribution, acquired in June 2014, involved P&C premiums for € 89 million in the first quarter of 2015 (of which Motor € 54 million and € 35 million Non-motor).

In general, the market context discloses a decreasing phase both with regard to premiums written and volumes, particularly in the motor classes, where market competition has led to a drop on the average premium also in the first quarter of 2015. In this context, Cattolica managed to deal with the competitiveness on the market,

¹ Combined ratio of retained business: 1 - (Technical balance / Net premiums) inclusive of other technical items.

² Already net of the dividend which will be distributed as from May 20th, 2015.

³ Net of minority interests.

⁴ They include insurance premiums and life insurance investment contracts as defined by IFRS 4.

increasing the Motor policy portfolio, without failing to make the usual accurate undertaking decisions.

The **combined ratio**¹ rose from 92.5% as at March 31st, 2014⁵ to 93%, having been affected in the last quarter by the drop in the average premium in the Motor sector and the extraordinary atmospheric events in Tuscany.

Life business

With regard to Life business, direct premiums written came to € 1,212 million. The improvement with respect to the first quarter of 2014 (+22.7%) is mainly due to the premiums written for classes I (+14.3%) and III (+216.1%). During the first quarter, the majority of the new issues of Life policies which can be revalued by the Group companies, presented guaranteed minimum rates equal to zero.

Both the agency channel and the banking channel positively affected the rise in premiums written.

Financial operations and statement of financial position

The **result of investments**⁶ came to € 150 million (compared with € 119 million as at March 31st, 2014).

Investments amounted to € 21,231 million. **Gross technical provisions for P&C business** amounted to € 3,596 million (€ 3,583 million as at December 31st, 2014), while **Life business provisions**, inclusive of financial liabilities, came to € 16,210 million (€ 15,218 million as at December 31st, 2014).

The figures as at March 31st, 2015 confirm the Group's statement of financial position solidity with **consolidated shareholders' equity** of € 2,272 million (€ 2,188 million as at December 31st, 2014).

The Group's **solvency margin** came to 1.91 times the regulatory minimum (already net of the dividend of € 0.35 which will be distributed on May 20th, 2015, with coupon detachment date on the 18th of said month and record date as at May 19th, 2015, as already disclosed previously).

Sales Network

The agency network at the end of March 2015 had 1,524 agencies and bank branches which place Group products as at March 31st, 2015 numbered 5,835.

Outlook for business activities

The Group continues with its action to achieve the objectives of the 2014-2017 Business Plan, despite the continuation of the context of sharp competition on the insurance market and very low rates of financial return.

The **Chairman** of Cattolica Assicurazioni, **Paolo Bedoni**, declared: *"The results for the first quarter of 2015 show that the choices made at the end of last year, together with a strategic plan and a share capital increase in support of a development project, are allowing Cattolica's continuous growth in a context of strong financial and capital solidity. All this gives even more strength and credibility to Cattolica's business model that confirms to be a dynamic and competitive one and, thanks to the quality and*

⁵ The figure as at March 31st, 2014 does not include Fata, acquired in June 2014.

⁶ Financial assets excluding investments whose risk is borne by the policyholders, gross of the tax effects.

extent of its distribution networks, more and more integrated into the new plan, Cattolica holds a powerful tool to establish an increasingly close, continuous and personalised relationship with its customers, every day more demanding and selective in their choices”.

Cattolica Assicurazioni's **Managing Director, Giovanni Battista Mazzucchelli**, declared: *“The figures at the first quarter of 2015 confirm Cattolica’s positive trend, fully in line with the gradual and steady growth anticipated in the business plan launched last September. The net profit grows by 32 percent compared to the same period of 2014, with total premiums written increasing by 21,1 percent. It is significant to see this happening in a context characterized, on the one end, by strong competition between the major players, as evidenced by the overall reduction in the average Motor premium, and, on the other end, by a low return on financial rates that demands increasingly careful and selective choices in Life business and in the financial management. Overall, the Group grows in a context of strong capital solidity”.*

The Executive appointed to draw up the corporate accounting documents, Giuseppe Milone, declares in pursuance of Article 154 *bis*, section 2 of the Consolidated Finance Law that the accounting disclosure contained in this press release complies with the documental results, the books and ledgers and the accounting entries.

The Company hereby discloses that the Cattolica Group’s Interim management report as at March 31st⁷, 2015 shall be made available to the public at the registered offices and on the company’s website www.cattolica.it and on the storage mechanism authorised by Consob known as “NIS-Storage”, managed by Bit Market Services S.p.a. and accessible from the website www.emarketstorage.com, as per the formalities and by the deadlines envisaged by current legal and regulatory provisions.

The results for the first quarter of 2015 will be presented to the financial community at 6.00 p.m. today, May 13th, 2015 in conference call. The telephone numbers to call are: + 39 02 802 09 11 from Italy, + 44 1 212818004 from the United Kingdom and +1 718 7058796 from the United States. The presentation relating to the results will be available on the home page of the website www.cattolica.it in the Investor Relations section.

The reclassified consolidated statement of financial position and income statement schedules as at March 31st, 2015 are enclosed.

SOCIETÀ CATTOLICA DI ASSICURAZIONI

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⁷The interim management report relating to the first quarter of 2015 has been drawn up on the basis of Article 154 *ter* of the Consolidated Finance Law and Consob Communication No. DEM/8041082 dated April 30th, 2008 and does not represent interim financial statements drawn up in pursuance of IAS 34.

Cattolica Group - CONSOLIDATED INTERIM MANAGEMENT REPORT AS OF MARCH 31, 2015

(drawn up on the basis of the international accounting standards)

Reclassified statement of financial position (€ millions)	March 31st, 2015	December 31st, 2014	Items from obligatory statements (*)
Assets			
Investment property	484	485	4.1 + 2.1
Investments in subsidiaries, associates and joint ventures	88	88	4.2
Loans and receivables	896	968	4.4
Held to maturity investments	251	253	4.3
Available for sale financial assets	15.726	14.543	4.5
Financial assets at fair value through profit and loss	3.265	3.200	4.6
Cash and cash equivalents	521	421	7
Investments	21.231	19.958	
Intangible assets	312	315	1
Technical provisions - reinsurance amount	726	727	3
Other assets net of other liabilities	476	605	(**)
ASSETS	22.745	21.605	
Liabilities and shareholders' equity			
Group capital and reserves	2.009	1.872	
Group profit (loss)	30	91	1.1.9
Group shareholders' equity	2.039	1.963	1.1
Shareholders' equity pertaining to minority interests	233	225	1.2
Consolidated shareholders' equity	2.272	2.188	1
Provision for unearned premiums	776	773	
Provision for outstanding claims	2.820	2.810	
Gross technical provisions - non-life	3.596	3.583	3
Gross technical provisions - life	14.739	13.928	3
Other gross non-life technical provisions	2	2	3
Other gross life technical provisions	382	299	3
Financial liabilities	1.754	1.605	4
<i>of which deposits from policyholders</i>	<i>1.471</i>	<i>1.290</i>	
LIABILITIES AND SHAREHOLDERS' EQUITY	22.745	21.605	

Reclassified income statement (€ millions)	March 31st, 2015	March 31st, 2014	Items from obligatory statements (*)
Revenues and income			
Net premiums	1.482	1.253	1.1
Commission income	2	1	1.2
Income and charges deriving from financial instruments at fair value through profit and loss	76	28	1.3
<i>of which class D</i>	<i>74</i>	<i>25</i>	
Income from investments in subsidiaries, associates and joint ventures	1	1	1.4
Income from other financial instruments and investment property	192	146	1.5
<i>of which changes in other financial liabilities</i>	<i>0</i>	<i>0</i>	
Other revenues	16	9	1.6
Total revenues and income	1.769	1.438	
Costs and charges			
Net charges relating to claims	-1.485	-1.211	2.1
Commission expense	0	-1	2.2
Charges from investments in subsidiaries, associates and joint ventures	0	0	2.3
Charges from other financial instruments and investment property	-41	-27	2.4
Operating expenses	-143	-121	2.5
<i>Commission and other acquisition costs</i>	<i>-102</i>	<i>-87</i>	
<i>Operating expenses relating to investments</i>	<i>-6</i>	<i>-4</i>	
<i>Other administrative expenses</i>	<i>-35</i>	<i>-30</i>	
Other costs	-41	-30	2.6
Total costs and charges	-1.710	-1.390	
Pre-tax profit for the period	59	48	
Taxation	-26	-23	3
Net profit for the period	33	25	
Profit (loss) from discontinued operations	0	0	4
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	33	25	
Profit pertaining to minority shareholders	3	2	
PROFIT PERTAINING TO THE GROUP	30	23	

(*) Indicates the items of the statements in the consolidated financial statements as per ISVAP regulation No. 7 of July 13th, 2007.

(**) Sundry receivables, other asset items, and other tangible assets (statement of financial position items under assets = 5 + 6 + 2.2) net of provisions, payables and other liability items (statement of financial position items under liabilities = 2 + 5 + 6).