Società Cattolica di Assicurazione - Società Cooperativa
Sede in Verona, Lungadige Cangrande n.16
C.F. 00320160237 – Iscritta al Registro delle Imprese di Verona al n. 00320160237
Società iscritta all'Albo delle Società Cooperative al n. A100378
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PRESS RELEASE

THE RESULTS AS AT JUNE 30th, 2012 WERE APPROVED:

- **CONSOLIDATED NET PROFIT OF € 32 MILLION (+28%)**
- **TOTAL CONSOLIDATED PREMIUMS WRITTEN, € 1,798 MILLION**
  - **Direct non-life premiums of € 857 million (+3.6%)**
  - **Direct life premiums of € 926 million (-25.8%)**
- **COMBINED RATIO OF 96.1% (97.4% AS AT JUNE 30th, 2011), 94.6% net of the effects of the earthquake**
- **SOLVENCY MARGIN 1.45 TIMES THE REGULATORY MINIMUM**

Verona, August 8th, 2012. The Board of Directors of Cattolica Assicurazioni, chaired by Paolo Bedoni, today unanimously approved the Interim Report as at June 30th, 2012 of the Cattolica Group.

The results of the first part of 2012 grew both in terms of business and income, confirming the Group's financial soundness.

Consolidated net profit amounted to € 32 million, a 28% improvement compared to the € 25 million of the same period of 2011; the result was affected by write-downs on portfolio securities, which amounted to € 11 million[1]. Net of extraordinary items, net profit would have been € 43 million.
Group net profit amounted to € 24 million (unchanged from June 30th, 2011).
Excluding the extraordinary effects of the write-downs on portfolio securities, Group net profit would be € 35 million.

Total direct and indirect business premiums written[2] amounted to € 1,798 million (€ 2,089 million in the same period of 2011, i.e. -13.9%).
Direct non-life premiums written increased from € 827 million as at June 30th, 2011 to € 857 million in the first six months of 2012, with an improvement of 3.6%. The automotive business reported premiums of € 503 million, up by 5% from the same period of 2011. The Group's premiums in non-motor businesses also grew, to € 354 million (+1.7%).
In the life business, premiums amounted to € 926 million (€ 1,248 million as at June 30th, 2011) down by 25.8% but improved compared to the first quarter of 2012 and in line with market performance; the contraction is mainly due to the decline in premiums written via the banking channel.

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[1] Impairment net of tax effects and of the effect of shadow accounting
[2] Including insurance premiums and the investment contracts of the life business as defined by IFRS 4.

The first six months of 2012 confirmed the positive performance of business management. In the non-life business, the combined ratio[3] was 96.1%, vs. 97.4% as at June 30th, 2011, further improving with respect to 2011 and to the first quarter of 2012. Net of the effects deriving from the catastrophic events occurred during the half year in Emilia and in the neighbouring regions, the combined ratio is 94.6%.

The data as at June 30th, 2012 confirm the Group's financial soundness, with consolidated shareholders' equity of € 1,395 million (€ 1,223 million as at December 31st, 2011). The increase is mainly as result of the reduction in hidden capital losses on securities available for sale.
At the end of June 2012, the solvency margin of the Group, before the application of the anti-crisis ISVAP Regulations, was 1.45 times the regulatory minimum (1.25 times as at December 31st, 2011); taking into account the application of the anti-crisis ISVAP regulations, the margin is 1.48 times (1.40 times as at December 31st, 2011).

Investments amounted to € 15,110 million. **Gross non-life technical provisions** amount to € 3,005 million and **life business provisions**, including financial liabilities, were € 12,120 million. The result of investments[4] was € 256 million in the first six months of 2012 (€ 176 million as at June 30th, 2011), net of the aforesaid write-downs.

Sales Network
The rationalisation of the agency network, which had 1,393 agencies at the end of June 2012, is ongoing. Bank branches selling Group products as at June 30th, 2012 were 5,966; the number of financial advisors was 937.

Business outlook
For the second half of 2012, the result of the non-life and life businesses is expected to consolidate.
Development work will continue in the non-life businesses, and close attention will be paid to the performance of the life business, in relation to the complex market situation, with the goal of achieving adequate profitability in both segments.
The persistence of severe volatility in financial markets will drive the need to continue managing investments according to highly prudential criteria.

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Chairman Paolo Bedoni commented: "*Cattolica recorded an overall improvement in its accounts, in a period that was severely affected by the domestic and international economic crisis. This confirms the soundness of our businesses, coupled with our decisions to pursue innovation and development with the aim of enhancing our Group's competitiveness in an ever more selective market. In this way, Cattolica shows it is fully capable of withstand the impact of the crisis and at the same time it is ready to exploit the opportunities provided by an economic recovering that, we hope, is not far into the future".*

Giovan Battista Mazzucchelli, Cattolica Assicurazioni Managing Director, commented: "*The data of the interim report confirm that Cattolica is holding its own in a market situation characterised by a severe recession and contracting demand. Net profit before*

3 Combined ratio of retained business: 1 - (Technical balance/net premiums), including the other technical items.
4 Financial assets excluding the investments for which the insured parties bear the risk, before tax effects.

the write-downs of financial assets, amounting to € 11 million, is improving and in line with forecasts. The significant improvement in the combined ratio and the consolidation of the solvency margin are the result of an effective, constant effort to rationalise and best employ our internal resources, which enhances the Group's efficiency and competitiveness".

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The Executive appointed to draw up the corporate accounting documents, Giuseppe Milone, hereby declares that pursuant to Article 154 bis, paragraph 2, of the Consolidated Finance Law, the accounting information provided in this release matches the information reported on the company's documents, books and accounting records.

The Company informs that the Consolidated Interim Report as at June 30th, 2012 of the Cattolica Group, including the auditing firm's report, will be available to the public within the terms prescribed by the law.

The reclassified statements as at June 30th, 2012 of the Consolidated Interim Report of the Cattolica Group are attached; the Report has not yet been certified by the auditing firm.

SOCIETÀ CATTOLICA DI ASSICURAZIONE

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Cattolica Group - Consolidated Interim Report as at June 30th, 2012

(prepared in accordance with international accounting standards)

Reclassified Balance Sheet (€ millions)	30/06/2012	31/12/2011	Items from obligatory statements (*)
Assets			
Property investments and property	176	177	4.1 + 2.1
Equity investments in subsidiary and associated companies and joint ventures	74	103	4.2
Loans and receivables	1.618	1.518	4.4
Investments held to maturity	286	285	4.3
Financial assets available for sale	8.713	8.512	4.5
Financial assets at fair value recorded in the income statement	3.634	4.093	4.6
Cash and cash equivalents	609	407	7
Investments	**15.110**	**15.095**	
Intangible assets	336	328	1
Technical provisions - reinsurance amount	683	640	3
Other assets net of other liabilities	979	996	(**)
ASSETS	**17.108**	**17.059**	
Liabilities and shareholders' equity			
Share capital and reserves	1.363	1.181	
Consolidated result	32	42	
Consolidated shareholders' equity	**1.395**	**1.223**	1
Provision for unearned premiums	653	626	
Provision for outstanding claims	2.352	2.331	
Gross technical provisions - non-life	**3.005**	**2.957**	3
Gross technical provisions - life	**11.130**	**11.299**	3
Other gross non-life technical provisions	2	2	3
Other gross life technical provisions	329	324	3
Financial liabilities	1.247	1.254	4
of which deposits from policyholders	*990*	*1.004*	
SHAREHOLDERS' EQUITY AND LIABILITIES	**17.108**	**17.059**	

Reclassified Income Statement (€ millions)	30.06.2012	30.06.2011	Items from obligatory statements (*)
Revenues and income			
Net premiums	1.545	1.817	1.1
Commission income	2	3	1.2
Income and charges deriving from financial instruments valued at fair value recorded in the income statement	113	32	1.3
of which class D	*103*	*30*	
Income deriving from equity investments in subsidiary and associated companies and joint ventures	0	0	1.4
Income deriving from other financial instruments and property investments	369	269	1.5
of which change in other financial liabilities	*20*	*3*	
Other revenues	16	21	1.6
Total revenues and income	**2.045**	**2.142**	
Costs and charges			
Net charges relating to claims	-1.591	-1.703	2.1
Commission expense	0	-2	2.2
Charges deriving from equity investments in subsidiary and associated companies and joint ventures	-3	-1	2.3
Charges deriving from other financial instruments and property investments	-94	-85	2.4
Operating expenses	-236	-236	2.5
Commission and other acquisition costs	*-161*	*-162*	
Operating expenses relating to investments	*-8*	*-7*	
Other administrative expenses	*-67*	*-67*	
Other costs	-62	-70	2.6
Total costs and charges	**-1.986**	**-2.097**	
Pre-tax results	**59**	**45**	
Taxation	-27	-20	3
Net profit for the period	**19**	**17**	
Profit from discontinued operations	**0**	0	4
CONSOLIDATED PROFIT FOR THE PERIOD	**19**	**17**	
Net income pertaining to minority shareholders	3	2	
NET INCOME PERTAINING TO THE GROUP	**16**	**15**	

(*) Indicates the items on 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 (balance sheet items under assets = 5 + 6 + 2.2) net of allowances, payables and other liability items (balance sheet items under liabilities = 2 + 5 + 6)