Società Cattolica di Assicurazione - Società Cooperativa
Sede in Verona, Lungadige Cangrande n.16
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Società iscritta all'Albo delle Società Cooperative al n. A100378

PRESS RELEASE

APPROVAL OF FY2010 RESULTS OF CATTOLICA GROUP:

- **PROPOSED DIVIDEND AT € 0.90 PER SHARE (+5.9%)**
- **TOTAL PREMIUM INCOME AT € 4,817 MILLION (+10.6%)**
  - **Non-Life direct premiums at +4.1%**
  - **Life direct premium income at +14.1%**
- **NET PROFIT:**
  - **Consolidated net profit at € 70 million (+3.3%)**
  - **Group net profit at € 62 million (+6.4%)**
- **OPERATING PERFORMANCE**
  - **Combined Ratio at 97.7% vs. 97.5% at end of 2009**
- **SOLVENCY MARGIN AT 1.46x REGULATORY MINIMUM**

Verona, 30 March 2011. Today the Board of Directors of Cattolica Assicurazioni, under the chairmanship of Paolo Bedoni, approved the 2010 consolidated year-end accounts and the parent company's draft separate accounts.

Notwithstanding the challenging macroeconomic and market environment, the Group's 2010 reflected ongoing growth of the volume of premiums, consolidation of operating performance and improvement of overall profitability.

Total premium income[1] for direct and indirect Life and Non-Life business rose to € 4,817 million (mn) – with a 10.6% increase vs. € 4,357 mn in FY2009 – of which € 1,608 mn in the Non-Life business (+4.1%) and € 3,209 mn in the Life business (+14.1%).

The Group ended FY2010 with **consolidated net profit** of € 70 mn vs. € 68 mn in FY2009 (+3.3%) and **Group net profit**[2] of € 62 mn vs. € 58 mn in FY2009 (+6.4%).

[1] Includes life insurance premiums and revenues from investment contracts as defined by IFRS 4.
[2] Consolidated net profit less net profit attributable to non-controlling interests.

The one-off effects of non-recurring operations adversely affected FY2010's consolidated bottom line. These included those related to restructuring of some index- and unit-linked products with underlying financial instruments issued by Lehman Brothers and Icelandic banks – today in default – with a net impact of about € 9 mn.
The bottom line was also weighed down by € 13 mn of impairment net of tax effects.

Non-Life business
Premiums for direct business rose from € 1,531 mn in FY2009 to € 1,594 mn in FY2010, with improvement of +4.1%. In the **Motor segment** premiums amounted to € 887 mn, growing by +4.1% vs. FY2009. Strengthening of the Group was confirmed in the **Non-Motor** segments, which featured an increase of +4.1% YoY with premiums totalling € 707 mn. In the Non-Life business the good operating performance achieved was reflected in the **combined ratio**[3] of 97.7%, which remained substantially stable vs. 2009 (97.5%).

Life business
Premium income for direct business[4] once again grew over the previous year, rising to € 3,209 mn vs. € 2,812 mn in FY2009 (+14.1%).
The Life business featured further growth of premiums for traditional **whole-life** and **capital redemption** products (+12.1%) and a decrease of premiums for **index- and unit-linked** products (-22.5%). **Pension funds** grew by +74.9%.

Financial operations and capital status
Investment income[5] amounted to € 433 mn (vs. € 352 mn in FY2009, +23%). This result was achieved despite impairment of equity securities and, to a lesser extent, of debt securities, by a total of € 20 mn.

Investments amounted to € 16,310 mn (vs. € 16,344 mn at 2009 year-end). **Non-Life gross technical reserves** amounted to € 2,941 mn (vs. € 2,906 mn as at 31 December 2009, +1.2%) and **Life reserves**, including financial liabilities, amounted to € 13,105 mn (vs. € 12,734 mn as at 31 December 2009, +2.9%).

Data as at 31 December confirmed the Group's capital soundness with **consolidated shareholders' equity** of € 1,353 mn.
The Group's **solvency margin** went from 1.78x as at 31 December 2009 to 1.46x the regulatory minimum[6] at 2010 Year-end. This was mainly due to the effect of investments consequent to renewal of bancassurance agreements with the UBI Group and Banca Popolare di Vicenza (€ 174 mn) and to the change in the AFS (Available for Sale) reserve[7] (€ 182 mn).

Sales network
Rationalization continued of the agency network, which at 2010 year-end numbered 1,389 agencies (vs. 1,463 at the end of 2009) spread as follows: 54.1% in Northern Italy, 24.2% in Central Italy and 21.7% in mainland Southern Italy and the islands. As at

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[3] Combined ratio of retained business: 1-(Technical result/earned premiums), inclusive of other technical items.
[4] Group Life premiums net of BCC Vita amounted to € 2,788 mn; the increase over 2009 would thus be +16.2%.
[5] Excluding investments for which risk is borne by policyholders.
[6] Before dividends proposed by the parent company and consolidated companies for the part attributable to non-controlling interests. Taking the proposed dividend into account, the solvency margin was 1.40x the regulatory minimum (vs. 1.68x as at 31 December 2009).
[7] Net of shadow accounting and tax effects.

31 December 2010 there were 5,888 bank branches selling Group products (vs. 5,503 at 2009 year-end), 1,103 financial advisors and 420 pension advisors.

Parent company

The parent company's **total premium income** for direct and indirect business rose to € 1,879 mn (vs. € 1,640 mn in FY2009, +14.6%), of which € 996 mn for **Non-Life** direct business (vs. € 921 mn in FY2009, +8.1%) and € 861 mn in the **Life** business (vs. € 700 mn in FY2009, +23%). **Net profit** based on Italian GAAPs amounted to € 67 mn.

Dividend

The Board of Directors will propose to the Shareholders' Meeting distribution of a **per-share dividend** of € 0.90.

The dividend proposed will be payable as from 12 May 2011, with coupon detachment on 9 May.

Outlook based on the initial months of 2011

It is expected that, for FY2011, Non-Life operating performance will keep in line with objectives, thanks to the actions undertaken by Cattolica and by Group companies aiming to increase efficiency and technical underwriting profitability in a market environment that will continue to be difficult.

As regards the Life business, we will continue actions designed to pursue growth based on adequate profitability.

Financial operations will be based on our customary prudential approach in a market environment that continues to be highly volatile.

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The Chairman of Cattolica Assicurazioni – Paolo Bedoni – stated: *"Today we have approved a set of accounts showing results that confirm the effectiveness and rightness of the choices made by us in these last few years to restore Cattolica to adequate levels of profitability and competitiveness in a tough market and in a historical phase of great instability and uncertainty. We can view future prospects with great confidence because the increase of earnings – which makes it possible this year once again to distribute a significant dividend – is the fruit of clear and marked improvement of operating performance. We have thus created the conditions for a phase in which consolidation and development can continue hand in hand and be self-fuelling. This is also the merit of confirmation of the agreements with our banking partners, which, together with further development of our agency network – for which we are aiming with determination – are assets of great importance for our group".*

The CEO of Cattolica Assicurazioni, Giovan Battista Mazzucchelli, said: *"The data in the accounts for 2010 draw a picture of consolidation of Cattolica's growth process based on choices of a structural nature that enable the Company and the Group to provide a solid base for a medium-/long-term development plan. Improvement of overall profitability – reflecting the increase in the volume of premium income and the consolidation of operating performance – enables us to propose to the Shareholders' Meeting distribution of a dividend of € 0.90 per share. It should be noted that the increase in earnings was achieved in an FY that we affected by the negative one-off effects inherited from the international financial crisis of previous years.*

Notwithstanding continuation of a remarkably difficult general economic situation, the indications of the initial months of 2011 confirm the positive trend of the previous year".

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Giuseppe Milone, the Corporate Financial Reporting Manager, herewith declares pursuant to Article 154-*bis*, second paragraph, of the Italian Consolidated Finance Act, that the financial disclosures contained in this press release match documentary evidence, corporate books, and accounting records.

The Board of Directors also checked directors' compliance with independence requisites as envisaged by the Corporate Governance Code. Cattolica's Board of Directors has therefore rated as independent the non-executive Giuseppe Manni, Angelo Nardi, Aldo Poli, Pilade Riello, Domingo Sugranyes Bickel and Antonio Tessitore.

The Board of Directors also approved the FY2010 Report on Corporate Governance & Ownership Structure.

Cattolica Assicurazioni's separate annual financial report, the consolidated annual financial report, together with the report on corporate governance & ownership structure, will be made available in the ways and by the deadlines established by current legal and regulatory requirements.

Readers are reminded that the Cattolica Assicurazioni Shareholders' Meeting has been called, in ordinary and extraordinary sessions, for 29 April and **30 April 2011**, respectively on first and **second call.**

The reclassified consolidated and separate parent company balance sheets and income statements as at 31 December 2010 are attached, pointing out that year-end separate and consolidated financial statements and related documentation have not yet been certified by the independent auditor.

SOCIETA' CATTOLICA DI ASSICURAZIONE

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Cattolica Group - Consolidated Annual Financial Statements

(IFRS-compliant)

Reclassified Balance Sheet (amounts in € millions))	31.12.2010	31.12.2009	*Mandatory reporting items (*)*
Assets			
Property investments and property	179	78	*4.1 + 2.1*
Investments in subsidiaries, associates and joint ventures	119	119	*4.2*
Loans and receivables	1.290	1.344	*4.4*
Investments held to maturity	74	0	*4.3*
Financial assets available for sale	9.254	8.724	*4.5*
Financial assets at fair value through profit or loss	4.808	5.499	*4.6*
Cash and cash equivalents	586	580	*7*
Investments	**16.310**	**16.344**	
Intangible assets	327	314	*1*
Technical provisions - reinsurance amount	606	529	*3*
Other assets, net of other liabilities	773	500	*(**)*
of which assets of a disposal group held for sale	*0*	*6*	
of which liabilities of a disposal group held for sale	*0*	*-5*	
ASSETS	**18.016**	**17.687**	
Liabilities and shareholders equity			
Capital and reserves	1.283	1.552	
Consolidated net profit	70	68	
Consolidated Shareholders' Equity	**1.353**	**1.620**	*1*
Unearned premiums reserve	596	568	
Outstanding claims reserve	2.345	2.338	
Gross technical reserves - non-life	**2.941**	**2.906**	*3*
Gross technical reserves - life	**12.069**	**11.528**	*3*
Other gross non-life technical reserves	3	2	*3*
Other gross life technical reserves	358	311	*3*
Financial liabilities	1.292	1.320	*4*
of which deposits from policyholders	*1.036*	*1.206*	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**18.016**	**17.687**	

Reclassified Income Statement (amounts in € millions)	2010	2009	*Mandatory reporting items (*)*
Revenues and income			
Net premiums	4.140	3.838	*1.1*
Commission income	7	10	*1.2*
Net income from financial instruments at fair value through profit or loss	217	579	*1.3*
of which: Class D investments	*213*	*545*	
Net income from investments in subsidiaries, associates and joint-ventures	2	3	*1.4*
Net income from other financial instruments and property investments	576	475	*1.5*
Other revenues	83	94	*1.6*
Total revenues and income	**5.025**	**4.999**	
Costs and charges			
Net charges relating to claims	-4.119	-4.105	*2.1*
Commission expense	-9	-11	*2.2*
Charges arising from investments in subsiaries, associates and *joint ventures*	-1	-1	*2.3*
Charges arising from other financial investments and property investments	-132	-149	*2.4*
Operating expenses:	-468	-443	*2.5*
Commission and other acquisition costs	*-316*	*-290*	
Investment management expenses	*-14*	*-9*	
Other administrative expenses	*-138*	*-144*	
Other costs	-176	-177	*2.6*
Total costs and charges	**-4.905**	**-4.886**	
Pre-tax profit for the period	**120**	**113**	
Taxation	-53	-44	*3*
Profit for the period after tax	**67**	**69**	
Profit from discontinued operations	**3**	**-1**	*4 (***)*
CONSOLIDATED NET PROFIT	**70**	**68**	
Net profit for the period attributable to non-controlling interests	8	10	
NET PROFIT ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	**62**	**58**	

(*) Items of consolidated financial statements provided as required by ISVAP (Italian insurance regulator) regulation no. 7 of 13 July 2007

(**) Other receivables, other assets and other tangible assets (asset accounts = 5 + 6 + 2.2) net of provisions, payables and other liabilities (liability accounts = 2 + 5 + 6)

(***) Following the sale of the equity interests in Polo Finanziario and Apogeo Consulting Sim, which took place on 24 June 2010 and 7 July 2010 respectively, the two companies' income statement data up to

It is pointed out that income statement data for FY2009 also include those of BCC Vita, consolidated as from July 2009

Cattolica Assicurazioni Soc. Coop. - Separate Annual Financial Statements (compliant with Italian GAAPs)

Reclassified Balance Sheet *(amounts in € millions)*	31.12.2010	31.12.2009	*Mandatory reporting items*
Assets			
Land and buildings	39	39	*C.I*
Shares and equity interests	1.253	1.087	*C.II.1 + CIII.1*
Bonds and other fixed-income securities	3.259	3.400	*C.II.2 + C.III.3*
Shares in mutual investment funds	238	128	*C.III.2*
Loans and other investments	53	48	*C.II.3 + C.III.4 + C.III.6 + C.III.7*
Deposits c/o ceding companies	9	9	*C.IV*
Class D investments (investments benefiting policyholders who support related risk and stemming from pension fund management)	982	1.036	*D*
Cash & cash equivalents	156	123	*F.II*
Investments	**5.989**	**5.870**	
Intangible assets	56	47	*B*
Reinsurers' share of technical reserves	448	313	*D.bis*
Other receivables and other assets net of other payables and other liabi	373	302	*(1)*
ASSETS	**6.866**	**6.532**	
Shareholders' equity and liabilities			
Share capital and equity reserves	1.220	1.141	
Period's profit (loss)	67	125	
Shareholders' equity	**1.287**	**1.266**	*A*
Non-life gross technical reserves (premiums and claims)	1.973	1.812	*C.I.1 + C.I.2*
Life gross technical reserves (mathematical and Class D)	3.495	3.340	*C.II.1 + D*
Other Non-Life grosss technical reserves	7	6	*C.I.4 + C.I.5*
Other Life gross technical reserves	104	108	*(2)*
SHAREHOLDERS' EQUITY AND LIABILITIES	**6.866**	**6.532**	

Reclassified Income Statement (amounts in € millions)	2010	2009	*Mandatory reporting items*
Premiums	1.678	1.476	*I.1 + II.1*
Claims and change in technncial reserves	1.505	1.402	*I.4 + II.5 + II.6*
Operating expenses	254	235	*I.7 + II.8*
Other technical items	-22	-22	*(3)*
Net income from Class C investments (risk borne by company)	166	287	*II.2 - II.9 + III.3 - III.5*
Net income from Class D investments	22	116	*II.3 - II.10*
Other income net of costs	-2	-10	*III.7 - III.8*
ORDINARY PROFIT BEFORE TAX	**83**	**210**	***III.9***
Extraordinary profit (loss)	-5	-9	*III.12*
PROFIT BEFORE TAX	**78**	**201**	***III.13***
Income tax for the year	11	76	*III.14*
NET PROFIT FOR THE YEAR	**67**	**125**	***III.15***

(1) Other receivables and other assets (balance sheet asset items = E + F.I + F.III + F.IV + G) net of other payables and other liabilities (balance sheet liability items = B + E + F + G + H)

(2) Other Life gross technical reserves (balance sheet items = C.II.2 + C.II.3 + C.II.4 + C.II.5)

(3)Other technical items (income statement items = I.3 + I.5 + I.6 + I.8 + I.9 + II.4 + II.7 + II.11)