

## PRESS RELEASE

### CATTOLICA ASSICURAZIONI'S SHAREHOLDERS' MEETING

- **2010 FINANCIAL STATEMENTS APPROVED**
- **DIVIDEND OF € 0.90 PER SHARE**
- **MEMBERS OF BOARD OF DIRECTORS APPOINTED**
- **APPROVAL OF AMENDMENTS TO BYLAWS**
- **BOARD OF DIRECTORS GRANTED MANDATE TO INCREASE SHARE CAPITAL**

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*Verona, 30 April 2011.* Under the chairmanship of Paolo Bedoni, the ordinary and extraordinary shareholders' meetings of Società Cattolica di Assicurazione took place today in Verona. The shareholders approved the financial statements to 31 December 2010 and voted for a dividend of € 0.90 per share, to be paid from 12 May. They also appointed six members of the Board of Directors to replace the outgoing members, and subsequently, the extraordinary shareholders' meeting approved certain amendments to the bylaws and the proposal to grant the Board of Directors a mandate to increase the share capital via a rights issue.

#### ORDINARY SESSION

##### 2010 financial statements and dividend

The shareholders approved the company's 2010 financial statements, which closed with total premium income from direct and indirect business of € 1,879 million (**up 14.6% on the figure of € 1,640 million at 31 December 2009**), of which **€ 996 million relates to the direct P&C business (€ 921 million at 31 December 2009; +8.1%) and € 861 million to the Life business (€ 700 million at 31 December 2009; +23%). Net profit based on Italian accounting standards totalled € 67 million.**

The Group closed 2010 with **consolidated profit** of € 70 million, compared with € 68 million for the previous year (up 3.3%). **Net profit pertaining to the Group<sup>1</sup>** amounted to € 62 million, compared with € 58 million a year earlier (up 6.4%).

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<sup>1</sup> Excluding that attributable to non-controlling interests.

The Shareholders' Meeting therefore approved the distribution of a **total dividend of € 0.90 per share**, (+5.9% versus 2009, coupon no. 20, gross of withholding tax required by law), deriving fully from distribution of the year's earnings. The total dividend is € 49 million. The dividend will be payable from 12 May 2011, with ex-dividend date on 9 May.

**Total premiums<sup>2</sup>** for direct and indirect Group business amounted to € 4,817 million, up 10.6% compared with € 4,357 million in 2009.

Premiums for direct **P&C** business totalled € 1,531 million at 31 December 2009, and € 1,594 million at end-2010, an improvement of 4.1% despite a market environment that remains problematic. In the **motor segment**, premiums amounted to € 887 million, a rise of 4.1% versus the end of 2009. The Group continued to show improved results in its **non-motor business**, registering growth in premium income of 4.1% versus the previous year to € 707 million.

In the **P&C** segment, the positive industrial performance is reflected in a combined ratio<sup>3</sup> of 97.7%, broadly stable compared with 2009 (97.5%).

Direct premiums<sup>4</sup> for the **life business** continued to show strong growth compared with the previous year, reaching € 3,209 million, compared with € 2,812 million at end-2009 (up 14.1%). The life business was marked by a further increase in premiums for traditional **class I and V** products (+12.1%) and a reduction in **class III**, index- and unit-linked products (-22.5%). **Pension funds** registered growth of 74.9%.

The **investment result<sup>5</sup>** amounted to € 433 million, up 23% versus € 352 million at 31 December 2009. This result was affected by impairments of equity securities and, to a lesser extent, of bond securities, for a total of € 20 million.

Figures at 31 December 2010 confirm the Group's robust capital position, with **consolidated shareholders' equity** of € 1,353 million.

The Group's **solvency margin** fell from 1.78 times at 31 December 2009 to 1.46 times the regulatory minimum<sup>6</sup> at end-2010, mainly owing to investments resulting from the renewal of bancassurance agreements with the UBI Group and Banca Popolare di Vicenza for € 174 million, and a change in the AFS (Available for Sale)<sup>7</sup> reserve for € 182 million.

### Appointment of the members of the Board of Directors

Shareholders appointed the following directors based on the list submitted by Cattolica's Board of Directors: Giovanni Zonin, Giuseppe Camadini, Domingo Sugranyes Bickel, Barbara Blasevich, Giovanni Maccagnani and Enrico Zobele for the three-year period 2011-2013.

<sup>2</sup> Includes life insurance premiums and revenues from investment contracts, as defined by IFRS 4.

<sup>3</sup> Combined ratio of direct business:  $1 - (\text{Technical result}/\text{earned premiums})$ , inclusive of other technical items.

<sup>4</sup> Group Life premiums net of BCC Vita totalled € 2,788 million, an increase of 16.2% versus 2009.

<sup>5</sup> Excluding investments for which risk is borne by policyholders.

<sup>6</sup> Before the dividends proposed by the Parent Company and the companies included in the basis of consolidation, for the portion attributable to non-controlling interests. Taking into account the proposed dividend, the solvency margin was 1.40 times the regulatory minimum (1.68 at 31 December 2009).

<sup>7</sup> Net of shadow accounting and tax effects.

Candidates Domingo Sugranyes Bickel, Barbara Blasevich, Giovanni Maccagnani and Enrico Zobele certified that they met the requirements of independence set out by the Corporate Governance Code of Borsa Italiana S.p.A. Furthermore, Giuseppe Camadini, Domingo Sugranyes Bickel, Barbara Blasevich, Giovanni Maccagnani and Enrico Zobele meet the requirements of independence set out in the combined provisions of article 147-ter, paragraph 4, and article 148, paragraph 3 of Legislative Decree 58/1998 (Italy's Consolidated Finance Act).

The duties of outgoing Board members will be assigned at the meeting of the Board of Directors on 4 May 2011.

The *curricula vitae* and the statements of individual candidates – in which they accept their candidacy and certify that they meet the requirements set out by law and the bylaws, as well as any independence requirements, and that there are no causes for incompatibility or ineligibility – are available on the company website [www.cattolica.it](http://www.cattolica.it) (in the Corporate Governance – Shareholders' Meetings section).

### **Shareholders' Meeting Regulation**

The shareholders also approved the regulation governing the ordinary and extraordinary shareholders' meetings of Cattolica Assicurazioni.

## **EXTRAORDINARY SESSION**

### **Amendments to the Company bylaws**

In the extraordinary session, the Shareholders' Meeting of Cattolica Assicurazioni approved amendments to articles 11, 28, 31, 32, 42, 45 e 48 of the bylaws and the elimination of articles 25, 49, 50, 51, 52 and 53. The approved amendments to the bylaws mainly relate to the growing need to improve the efficiency of certain business transactions, be more precise in wording and the need to make changes to reflect new regulations.

### **Board of Director's mandate to increase share capital**

The extraordinary Shareholders' Meeting of Cattolica also approved the proposal to grant, as already decided in 2006, the Board of Directors a mandate, pursuant to article 2443 of the Italian Civil Code, the power to increase the share capital via a rights issue, also on a divisible basis and possibly to service the issue of convertible bonds and/or other financial instruments including subordinated instruments, in one or more tranches and within five years from the date of the shareholders' resolution, up to a maximum amount of € 500 million, including any share premium, to be offered as an option to holders of rights.

The mandate to increase the share capital was granted following the expiry of the previous mandate granted by shareholders in 2006 for five years, which the company did not use since the need to do so did not arise. The Group can thus maintain its current financial flexibility and its capacity to support growth, maintaining the robust capital position that has always set it apart.

Giuseppe Milone, the corporate financial reporting manager, herewith declares pursuant to article 154-*bis*, paragraph 2, of the Italian Consolidated Finance Act, that the financial disclosures contained in this press release match documentary evidence, company books and accounting records.

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It is also declared that, pursuant to the laws in force, from today Società Cattolica di Assicurazione will make available at its registered office, at Borsa Italiana S.p.A. and on the company website [www.cattolica.it](http://www.cattolica.it), its annual financial report including the financial statements approved by the Shareholders' Meeting of 30 April 2011, the consolidated financial statements, the Report on Operations and the declaration pursuant to article 154-*bis*, paragraph 5 of the Italian Consolidated Finance Act.

The minutes of the Shareholders' Meeting will be made available within legal deadlines at the registered office, Borsa Italiana S.p.A. and on the company website.

The Board of Directors will convene on 13 May 2011 to approve the Cattolica Group's interim management report as at 31 March 2011.

SOCIETÀ CATTOLICA DI ASSICURAZIONE

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