Società Cattolica di Assicurazione - Società Cooperativa
Registered office in Verona, Lungadige Cangrande no. 16
Tax code: 00320160237 – Verona Company Register: no. 00320160237
Register of Cooperative Companies: no. A100378
www.cattolica.it

PRESS RELEASE

RESULTS TO 31 MARCH 2011 APPROVED:

- **CONSOLIDATED NET PROFIT AT € 17 MILLION (+13.3%)**

- **CONSOLIDATED PREMIUMS AT € 1,080 MILLION**
  - **Non-life premiums +2.3%**
  - **Direct network life premiums[1] +11.7%**
  - **Bank partnership life premiums -45.9%**

- **POSITIVE BUSINESS PERFORMANCE CONFIRMED**
  - **Combined ratio 97.7%**

- **SOLVENCY MARGIN APPROXIMATELY 1.45 TIMES REGULATORY MINIMUM**

MERGER OF SAN MINIATO PREVIDENZA WITH CATTOLICA ASSICURAZIONI UNDER WAY

Verona, 13 May 2011. Today the Board of Directors of Cattolica Assicurazioni, chaired by Paolo Bedoni, approved the Cattolica Group's Interim Management Statement to 31 March 2011[2].

Consolidated net income for the first three months of the year was € 17 million, up 13.3% on the € 15 million recorded for the same period of 2010. **Group net income** totalled € 15 million (€ 14 million at 31 March 2010: +7.1%). These results confirm the strong performance of the insurance business.

Total premiums[3] from direct and indirect business came in at € 1,080 million (€ 1,451 million in the same period of 2010: -25.5%), of which € 399 million in the non-life divisions (+2.3%) and € 681 million in the life divisions (-35.8%).

Direct premiums in the non-life divisions increased from € 380 million at 31 March 2010 to € 385 million in the first quarter 2011, up 1.4%. In the **motor sector,** premiums reached € 227 million, up 2.4% year on year. Group **non-motor** premiums were flat at € 158 million (+0.1%). In the non-life business, the positive operational performance is

1 Cattolica Soc. Coop. and Cattolica Previdenza: agencies, brokers and life-assurance advisors.
2 The Interim Management Statement for the first quarter 2011 was prepared pursuant to Article 154-ter of the Italian Consolidated Finance Act and Consob (Italian Securities & Exchange Commission) Memorandum DEM/8041082 of 30 April 2008. It is not an interim financial report prepared pursuant to IAS 34.
3 Includes life insurance premiums and revenues from investment contracts as defined by IFRS 4.

reflected in a combined ratio[4] of 97.7%, broadly stable compared with the first quarter 2010 (97.5%) and 31 December 2010 (97.7%)

Direct premiums in the life divisions totalled € 681 million, compared with € 1,060 million in the first quarter 2010 (-35.8%). This was in line with the market trend. The decrease mainly reflects a drop in premiums from the bank channel, which had been boosted in 2010 by a particularly favourable economic climate, unlikely to be repeated. Meanwhile, premiums from the direct networks increased by 11.7%.

Investment income[5] was € 107 million (€ 95 million at 31 March 2010: +12.6%). **Investments** totalled € 16,417 million. **Gross non-life technical reserves** were € 2,931 million and life reserves, inclusive of financial liabilities, were € 13,108 million.

The figures at 31 March 2011 confirm the Group's robust capital position, with **consolidated shareholders' equity** of € 1,398 million (€ 1,353 million at 31 December 2010: +3.3%). The Group **solvency margin** increased from 1.40[6] times the regulatory minimum at 31 December 2010 to 1.45 times at end-March 2011, mainly reflecting a € 27 million increase in the AFS (available for sale)[7] reserve.

Rationalisation of the agency network continues. At end-March 2011, the network comprised 1,384 agencies, distributed as follows: 54% in the north of Italy, 24% in the centre and 22% in the south and islands. Bank branches selling Group products totalled 5,828 at 31 March 2011; there were 1,030 financial advisors and 441 life-assurance advisors.

Outlook for FY 2011

The non-life divisions are expected to meet their business performance targets in 2011 due to measures taken by Cattolica and the Group companies to increase efficiency and technical profitability in a market situation that remains difficult. Action will continue to ensure the continued development of the life divisions based on adequate profitability. A suitably cautious approach will be taken to financial operations, since the market remains very volatile.

Merger of San Miniato Previdenza with Cattolica Assicurazioni

To pursue initiatives to optimise the Group's business architecture, operations were launched today to merge **San Miniato Previdenza**, which is wholly owned by the Parent Company, with **Cattolica Assicurazioni**.

The merger is part of a programme to further integrate Group operations and to simplify its corporate structure, partly to generate economies of scale[8].

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[4] Combined ratio of retained business: 1-(technical balance/net premiums), including other technical items.
[5] Excluding investments for which risk is borne by policyholders.
[6] After dividend.
[7] Net of shadow accounting and tax effects.
[8] The Procedure for Related-party Transactions, approved by Cattolica's Board of Directors on 29 November 2010, was not applied to the merger, since the Procedure provides, *inter alia*, for exclusion for infra-group transactions (as in this case), provided that other related parties have no significant interests in the companies involved in relation to the specific transaction. The merger project and the documentation required under laws currently in force were submitted for approval by the Boards of Directors of the incorporated company (on 12 May 2011) and the incorporating company (today). The relative legal filings will be prepared within the deadlines stipulated by laws currently in force, pursuant to Consob Issuer Regulation 11971/1999. Execution remains subject to prior authorisation by ISVAP.

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 disclosure contained in this press release matches documentary evidence, company books and accounting records.

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Please note that the Cattolica Group's Interim Management Statement to 31 March 2011 will be available to the public at the registered office and at Borsa Italiana S.p.A., pursuant to the procedures and deadlines stipulated in the legislation and regulations currently in force.

The reclassified consolidated Balance Sheet and Income Statement to 31 March 2011 are attached.

SOCIETA' CATTOLICA DI ASSICURAZIONE

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Cattolica Group - Interim Management Statement at 31 March 2011

(IAS/IFRS)

Reclassified balance sheet *(in € mn)*	31.03.2011	31.12.2010	*Mandatory reporting items(*)*
Assets			
Property investments and property	178	179	*4.1 + 2.1*
Investments in subsidiaries, associates and joint ventures	119	119	*4,2*
Loans and receivables	1.287	1.290	*4,4*
Investments held to maturity	161	74	*4,3*
Financial assets available for sale	9.668	9.254	*4,5*
Financial assets at fair value through profit or loss	4.567	4.808	*4,6*
Cash and cash equivalents	437	586	*7*
Investments	**16.417**	**16.310**	
Intangible assets	329	327	*1*
Technical reserves - reinsurance amount	620	606	*3*
Other assets, net of other liabilities	614	773	*(**)*
ASSETS	**17.980**	**18.016**	
Liabilities and shareholders' equity			
Group capital and reserves	1.381	1.283	
Group income for the period	17	70	
Consolidated shareholders' equity	**1.398**	**1.353**	*1*
Unearned premiums reserve	675	596	
Outstanding claims reserve	2.256	2.345	
Gross technical reserves - non-life	**2.931**	**2.941**	*3*
Gross technical reserves - life	**12.056**	**12.069**	*3*
Other gross non-life technical reserves	3	3	*3*
Other gross life technical reserves	292	358	*3*
Financial liabilities	1.300	1.292	*4*
of which deposits from policyholders	*1.052*	*1.036*	
LIABILITIES AND SHAREHOLDERS' EQUITY	**17.980**	**18.016**	

Reclassified income statement *(in € mn)*	31.03.2011	31.03.2010	*Mandatory reporting items(*)*
Revenues and income			
Net premiums	942	1.326	*1,1*
Commission income	1	2	*1,2*
Income and charges from financial instruments at fair value through profit or loss	-2	121	*1,3*
of which: D class	*-6*	*120*	
Income from equity interests in subsidiaries, associates and joint ventures	-	-	*1,4*
Income from other financial instruments and property investments	119	108	*1,5*
Other revenues	12	19	*1,6*
Total revenues and income	**1.072**	**1.576**	
Costs and charges			
Net charges relating to claims	-880	-1.394	*2,1*
Commission expenses	-1	-2	*2,2*
Charges from equity interests in subsidiaries, associates and joint ventures	-	-	*2,3*
Charges from other financial instruments and property investments	-12	-12	*2,4*
Operating expenses	-114	-108	*2,5*
Commissions paid and other acquisition expenses	*-77*	*-72*	
Operating expenses relating to investments	*-4*	*-2*	
Other administrative expenses	*-33*	*-34*	
Other costs	-35	-36	*2,6*
Total costs and charges	**-1.042**	**-1.552**	
Profit/(loss) for the period before taxes	**30**	**24**	
Taxes	-13	-9	*3*
Profit/(loss) for the period net of taxes	**17**	**15**	
Profit/(loss) from discontinued operations	**0**	**-**	*4*
CONSOLIDATED NET INCOME	**17**	**15**	
Net income pertaining to minority shareholders	2	1	
NET INCOME PERTAINING TO THE GROUP	**15**	**14**	

(*) Items of the consolidated financial statements provided pursuant to ISVAP Regulation no. 7 of 13 July 2007

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