

PRESS RELEASE

APPROVAL OF HALF-YEARLY RESULTS AS AT 30 JUNE 2010:

- **CONSOLIDATED NET PROFIT AT € 31 MILLION (+14.8%)**
- **CONSOLIDATED PREMIUM INCOME AT € 2,893 MILLION (NON-LIFE +4.0%, LIFE +79.1%)**
- **CONFIRMATION OF POSITIVE OPERATIONAL TREND**
 - **Combined ratio at 97.7%**
- **SOLVENCY MARGIN ABOUT 1.63x REGULATORY MINIMUM**

Verona, 25 August 2010. Today the Board of Directors of Cattolica Assicurazioni, chaired by Paolo Bedoni, unanimously approved the Cattolica Group's Half-Year Financial Report as at 30 June 2010.

Consolidated net profit of the period (1H10) totalled € 31 million, improving by 14.8% over € 27 million of the same period in 2009 (1H09). Group Net profit also grew, rising to € 31 million (with improvement of 34.8% vs. € 23 million in 1H09). This result was burdened by € 10 mn of impairment net of tax effects. 1H10 performance reflects consolidation of the good trend of insurance operations.

Total premiums¹ from direct and indirect business amounted to € 2,893 million (increasing by 48.5% vs. € 1,948 million in 1H09). There was improvement compared with 1H09 both of premiums for direct **Non-Life** business (+4.0%) and of those for direct **Life** business (+79.1%).

In a market environment that continues to feature fierce competition, the trend of premiums in the **Non-Life** business – continuing to apply a careful underwriting policy – was positive in the **Motor** business (+3.6% vs. 1H09). The Group continued to strengthen its premiums in the **Non-Motor** business, with a growth of +4.4% over 1H09.

In the **Life segment** premiums for direct business improved by 79.1% to € 2,069 million² (vs. € 1,155 million in 1H09). More significantly, traditional products featured an increase of 53.5% YoY. There was also improvement vs. 1H09 of Class III (unit- and index-linked) products, which achieved premiums of € 103 million (with growth of 43.1% vs. € 72 million in 1H09). Premiums relating to pension funds, inclusive of renewal of

¹ Includes life insurance premiums and revenues from investment contracts as defined by IFRS 4.

² Net of BCC Vita, the Group's Life premiums totalled € 1,794 million, with an increase over 1H09 that would therefore be +55.3%.

management of the guaranteed compartment of the Cometa pension fund, rose to € 288 million (growing by 126.8% vs. € 127 million in 1H09).

The first six months featured **confirmation of a positive operational trend**. In the Non-Life business the **combined ratio**³ was 97.7%, showing substantial stability compared with 2009 year-end and the first quarter of 2010 (97.5%).

As at 30 June 2010 **consolidated shareholders' equity** totalled € 1,531 million, confirming the Group's strong capital soundness and its high **solvency margin** – equal to about 1.63x the regulatory minimum.

Investments amounted to € 16,966 million. **Gross technical reserves** of the Non-Life segment amounted to € 2,985 million while those of the Life segment, inclusive of financial liabilities, amounted to € 13,428 million. Investment income⁴ - net of the impairment mentioned earlier - rose from € 148 million in 1H09 to € 221 million in 1H10.

The Chairman of Cattolica Assicurazioni – Paolo Bedoni – commented: *“We note with satisfaction the positive results presented in the half-yearly report – the result of structural choices that have given the Group drive and competitiveness and enable it to set itself growth and development objectives, albeit in an economic environment that, despite the signs of production recovery, remains challenging and problematically from the financial point of view”*.

The CEO of Cattolica Assicurazioni – Giovan Battista Mazzucchelli – stated: *“Cattolica confirms and further strengthens its positive trend. The choice made to pursue balanced business development has taken root in our culture and produces stable results over time, despite the fact of operating in a market scenario featuring uncertainty, turmoil and difficulties”*.

Marco Cardinaletti 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 company advises that the Cattolica Group's Consolidated Half-Yearly Financial Report as at 30 June 2010, complete with the independent auditor's report, will be at the public's disposal at the company's registered headquarters and c/o Borsa Italiana SpA within the legally established deadlines.

The reclassified financial statements as at 30 June 2010 taken from the Cattolica Group's Half-Yearly Financial Report are attached, pointing out that the Report has not yet been certified by the independent auditor.

SOCIETA' CATTOLICA DI ASSICURAZIONE

³ Combined ratio of retained business: 1 - (Technical result / earned premiums), inclusive of other technical items.

⁴ Excluding investments for which risk is borne by policyholders, before tax effects.

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Cattolica Group - Consolidated half-yearly financial report

(IFRS-compliant)

Reclassified Balance Sheet (amounts in € millions)	30.06.2010	31.12.2009	<i>Mandatory reporting items (*)</i>
Assets			
Property investments and property	181	78	4.1 + 2.1
Investments in subsidiaries, associates and joint ventures	118	119	4.2
Loans and receivables	1.322	1.344	4.4
Investments held to maturity	0	0	4.3
Financial assets available for sale	9.527	8.724	4.5
Financial assets at fair value through profit or loss	5.131	5.499	4.6
Cash and cash equivalents	687	580	7
Investments	16.966	16.344	
Intangible assets	316	314	1
Technical provisions - reinsurance amount	558	529	3
Other assets, net of other liabilities	591	500	(**)
<i>of which assets of a disposal group held for sale</i>	6	6	(***)
<i>of which liabilities of a disposal group held for sale</i>	-5	-5	(***)
ASSETS	18.431	17.687	
Liabilities and shareholders equity			
Capital and reserves	1.500	1.552	
Consolidated net profit	31	68	
Consolidated Shareholders' Equity	1.531	1.620	1
Unearned premiums reserve	604	568	
Outstanding claims reserve	2.381	2.338	
Gross technical provisions - non-life	2.985	2.906	3
Gross technical provisions - life	12.238	11.528	3
Other gross non-life technical provisions	3	2	3
Other gross life technical provisions	301	311	3
Financial liabilities	1.373	1.320	4
<i>of which deposits from policyholders</i>	1.190	1.206	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18.431	17.687	

Reclassified Income Statement (amounts in € millions)	1H 2010	1H 2009	<i>Mandatory reporting items (*)</i>
Revenues and income			
Net premiums	2.413	1.665	1.1
Commission income	4	4	1.2
Net income from financial instruments at fair value through profit or loss	158	286	1.3
<i>of which: D class</i>	160	271	
Net income from investments in subsidiaries, associates and joint-ventures	0	2	1.4
Net income from other financial instruments and property investments	293	228	1.5
Other revenues	53	53	1.6
Total revenues and income	2.921	2.238	
Costs and charges			
Net charges relating to claims	-2.451	-1.791	2.1
Commission expense	-5	-5	2.2
Charges arising from investments in subsidiaries, associates and joint ventures	0	-1	2.3
Charges arising from other financial investments and property investments	-62	-89	2.4
Operating expenses:	-236	-222	2.5
<i>Commission and other acquisition costs</i>	-159	-144	
<i>Investment management expenses</i>	-7	-6	
<i>Other administrative expenses</i>	-70	-72	
Other costs	-97	-88	2.6
Total costs and charges	-2.851	-2.196	
Pre-tax profit for the period	70	42	
Taxation	-40	-15	3
Profit for the period after tax	30	27	
Profit from discontinued operations	1	0	4 (***)
CONSOLIDATED NET PROFIT	31	27	
Net profit for the period pertaining to non-controlling interests	0	4	
NET PROFIT PERTAINING TO THE GROUP	31	23	

(*) 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 by Cattolica Immobiliare of the equity interest in Polo Finanziario, economic data up to that date have been classified, as per IFRS 5.33 in the income statement item "4 - Profit (loss) from discontinued operations". As regards Apogeo Consulting SIM, following the transactions underway as at 30 June 2010 causing the parent company to lose control of the investment on 7 July 2010, the related assets and liabilities have been classified, as per IFRS 5.33 and 5.35. These reclassifications have also been made for the economic data of the two companies relating to the corresponding period in the previous financial year, pursuant to IFRS 5.34.

It is pointed out that economic data for 1H 2009 do not include those of BCC Vita, which was consolidated as of July 2009