

## PRESS RELEASE

### Growth in first six months of 2015 for the Cattolica Group

## PREMIUMS OVER 3 BILLION IN THE FIRST SIX MONTHS AND PROFIT AT 67 MILLION (+19.6%).

**Results for the first six months of 2015 approved by the Board of Directors  
Comments of the Chairman Paolo Bedoni and the Managing Director  
Giovan Battista Mazzucchelli.**

Total premiums written for 3,203 million (+8.3% compared with the first half of 2014), with a **consolidated net profit** of 67 million, up 19.6% compared with June 2014. P&C premiums for 1,033 million and life premiums for 2,164 million contributed to total direct business premiums written. The **combined ratio**<sup>1</sup> came to 93.4%. The **solvency margin** stood at 1.92 times the regulatory minimum.

These are the main figures of the Consolidated interim report as of June 30th, 2015 approved by Cattolica Assicurazione's Board of Directors which met today in Verona under the chairmanship of Paolo Bedoni.

---

Verona, August 7th, 2015 – The first six months of the year disclosed growth for the Cattolica Group in the **consolidated net profit**, of 67 million, up 19.6% compared with the 56 million in the same period during 2014.

The **group net profit**<sup>2</sup>, amounting to € 53 million, also reported an increase of 10.4% when compared with the € 48 million in June 2014.

The significant growth in profit takes into account write-downs of portfolio investments for around 18 million<sup>3</sup>, mainly regarding investments in banks.

**Total premiums written for direct and indirect business** - life and P&C<sup>4</sup> - came to 3,203 million, up 8.3% compared with 2,957 million in the first six months of 2014.

### P&C business

**Premiums written for direct business** rose from 844 million as of June 30th, 2014 to 1,033 million at the end of June 2015 (+22.3%).

The **motor segment** posted premiums written of 575 million, up 14.8% compared with June 30th, 2014, against market figures that showed a decline in motor premiums of 5.4% solely for the first quarter of 2015<sup>5</sup>. The Group countered the generalised drop in the average premium on the market, acquiring new customers (more than 81 thousand new motor policies sold from the beginning of the year; +2.8%<sup>6</sup>).

---

<sup>1</sup> Combined ratio of retained business: 1-(Technical balance/net premiums), inclusive of other technical items

<sup>2</sup> Net of minority interests.

<sup>3</sup> Net of the tax effect and shadow accounting.

<sup>4</sup> Includes insurance premiums and investment policies for life classes as defined by IFRS 4.

<sup>5</sup> Source: IVASS premiums quoted on Ania Trends July 2015.

<sup>6</sup> Figure relating to the period between January 1st, 2015 and July 31st, 2015.

**Non-motor classes**, with premiums written for € 458 million, increased with respect to June 2014 (€ 343 million, +33.4%).

The contribution from Fata, acquired in June 2014, on premiums written for the P&C classes relating to the first half of 2015, came to € 211 million (of which € 108 million motor and € 103 million non-motor).

The **combined ratio**<sup>7</sup> rose from 91.5% as of June 30th, 2014 to 93.4%, mainly affected by the drop in the average premium in the motor class, a market trend that started in 2012 as a consequence of the strong competition between the insurance companies, which brought to significant reduction in prices.

Despite a very competitive environment, motor TPL technical result remains positive thanks to a slight decrease in the average cost paid and in the claims frequency.

### Life business

In the life sector, direct business premiums came to 2,164 million, up slightly with respect to the first half of 2014 (+4.5%): class III rose sharply (+165.9%), while the traditional classes I and V were by contrast down (-9.9%). During the first six months of the year, the majority of the new issues of life policies subject to revaluation by the Group companies presented guaranteed minimum rates equal to zero.

### Financial operations and statement of financial position

The **result from investments**<sup>8</sup> came to 327 million (compared with 264 million as of June 30th, 2014).

**Investments** as of June 30th, 2015 amounted to 20,779 million (compared with 19,958 million as of December 31st, 2014).

Gross **technical provisions** for P&C business amounted to 3,653 million (3,583 million as at December 31st, 2014). Provisions for life business, which include financial liabilities, amounted to 16,081 million (15,218 million as of December 31st, 2014).

The figures as of June 30th, 2015 confirm the Group's equity soundness with **consolidated shareholders' equity** of 2,151 million (2,188 million as of December 31st, 2014, prior to distribution of dividends for around 60 million).

The Group's **solvency margin** came to 1.92 times the regulatory minimum.

### Sales network

The agency network at the end of June 2015 was made up of 1,531 agencies (of which 178 Fata Assicurazioni agencies) and the bank branches which place Group products as of June 30th, 2015 numbered 5,842.

### Outlook for business activities

During the first half of 2015, the Group launched and in certain cases has already completed tangible project-related activities for each worksite outlined in the 2014-2017 Business Plan. Among these, the project of digitization of distribution channels, the revision of life products and of trade policies on all sales channels aiming at the creation of greater value, the integration of Fata into the Group and the development of the distribution agreement with Coldiretti, the focalization on P&C retail customers, are currently successfully continuing and will contribute to the Group's future growth.

<sup>7</sup> Combined ratio of retained business: 1-(Technical balance/net premiums), inclusive of other technical items.

<sup>8</sup> Financial assets excluding investments whose risk is borne by the policyholders, gross of the tax effects.

A strong impulse was given to the process of adopting the Solvency 2 rules, soon to be introduced, focusing on the revision of policies on the use of capital and the consequent organizational adjustments.

Therefore, even in a context of heavy competition within the insurance market and of very low financial rates of return, the Group expects to maintain its growth outlook, in line with the guidelines of the 2014-2017 Business Plan.

\*\*\*\*\*

The **Chairman** of Cattolica Assicurazioni, **Paolo Bedoni**, declared: *"We have approved a good half-year report, which in its foundations shows the effectiveness of the choices promptly made last autumn with the business plan and the capital increase. Starting from an already sound basis, thanks to those choices, we have prepared our Group to the new phase of the economic cycle that, as expected, has strongly accentuated, and partly exasperated, the competition within the insurance industry. We are in the heart of this competition which is causing profound structural changes in the sector. Cattolica now owns the capital soundness, the tools and the resources to strategically face an all-around challenge on innovation – in terms of technology, products and service quality – which is mainly played on giving centrality to customers who are increasingly demanding and selective. The premises for this challenge to prove successful are all there. Cattolica's market position also provides certainty to the implementation of its program of commitments in terms of corporate social responsibility"*.

The **Managing Director** of Cattolica Assicurazioni, **Giovan Battista Mazzucchelli**, declared: *"The positive half-year results are the outcome of a growth process that consolidates the Group's position within an increasingly difficult and competitive market. For the first time premiums are over 3 billion (+ 8.3 percent) and the consolidated net profit, equal to 67 million, increases by 19.6 percent. All this in an economic phase characterized by a strong decrease in the motor average premium and in a financial situation characterized by very low rates of return. The targets set in the three-year plan have been achieved despite these negative market trends and despite write-downs of portfolio investments for 18 million. It is significant that these results have been achieved in a period during which, in line with the business plan, Cattolica has accomplished a deep organizational change and started the process of integration and digitization of its sales networks in order to enhance the great heritage of professionalism, specialization and presence within the territory that characterizes and qualifies the Group's distribution channels. The half-year results are a boost for the future of our Group"*.

\*\*\*\*\*

The executive appointed to draw up the corporate accounting documents, Giuseppe Milone, declares pursuant to Article 154 *bis*, section 2 of the Consolidated Finance Law, that the accounting disclosure contained in this press release corresponds with the documental results, the books and the accounting entries.

The Company hereby discloses that the Consolidated interim report as of June 30th, 2015 of the Cattolica Group, inclusive of the independent auditors' report, shall be available to the general public care of the Registered offices and on the company website at the following address [www.cattolica.it](http://www.cattolica.it) and on the storage mechanism authorised by Consob known as "NIS-Storage", managed by Bit Market Services

S.p.a. and accessible from the website [www.emarketstorage.com](http://www.emarketstorage.com), as per the formalities and within the timescales envisaged by current legal and regulatory provisions.

The results for the first six months of 2015 shall be presented to the financial community at 3.00 p.m. today, August 7th, 2015 during the conference call. The telephone numbers to call are as follows: + 39 02 802 09 11 from Italy, + 44 1 212818004 from the United Kingdom and +1 718 7058796 from the United States. The presentation relating to the results will be available on the homepage of the website [www.cattolica.it](http://www.cattolica.it) in the Investor Relations section.

*The reclassified statements as of June 30th, 2015 of the Cattolica Group's Consolidated interim report are attached, with indication that the envisaged report of the independent auditors on the same has not yet been issued.*

SOCIETÀ CATTOLICA DI ASSICURAZIONI

### **CONTACT INFORMATION**

#### **Investor Relations Officer**

Carlo Ferraresi

Tel. 045 8391202

[investor.relations@cattolicaassicurazioni.it](mailto:investor.relations@cattolicaassicurazioni.it)

#### **Institutional Communication**

Aldo Canale

Tel. 045 8391666

[aldo.canale@cattolicaassicurazioni.it](mailto:aldo.canale@cattolicaassicurazioni.it)

# Cattolica Group - CONSOLIDATED INTERIM REPORT AS OF JUNE 30th, 2015

(drawn up on the basis of the international accounting standards)

Reclassified statement of financial position (€ millions)	June 30th, 2015	December 31st, 2014	Items from obligatory statements (*)
<b>Assets</b>			
Investment property and properties	490	485	4.1 + 2.1
Investments in subsidiaries, associated companies and joint ventures	81	88	4.2
Loans and receivables	912	968	4.4
Held to maturity investments	251	253	4.3
Available for sale financial assets	15.011	14.543	4.5
Financial assets at fair value through profit and loss	3.683	3.200	4.6
Cash and cash equivalents	351	421	7
<b>Investments</b>	<b>20.779</b>	<b>19.958</b>	
Intangible assets	312	315	1
Technical provisions - reinsurance amount	758	727	3
Other assets net of other liabilities	586	605	(**)
<b>ASSETS</b>	<b>22.435</b>	<b>21.605</b>	
<b>Shareholders' equity and liabilities</b>			
Group capital and reserves	1.870	1.872	
Group profit (loss)	53	91	1.1.9
<b>Group shareholders' equity</b>	<b>1.923</b>	<b>1.963</b>	1.1
Shareholders' equity pertaining to minority interests	228	225	1.2
<b>Consolidated shareholders' equity</b>	<b>2.151</b>	<b>2.188</b>	1
Premium provision	796	773	
Provision for outstanding claims	2.857	2.810	
<b>Gross technical provisions - non-life</b>	<b>3.653</b>	<b>3.583</b>	3
<b>Gross technical provisions - life</b>	<b>14.558</b>	<b>13.928</b>	3
Other gross non-life technical provisions	2	2	3
Other gross life technical provisions	280	299	3
Financial liabilities	1.791	1.605	4
<i>of which deposits from policyholders</i>	1.523	1.290	
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>22.435</b>	<b>21.605</b>	

Reclassified income statement (€ millions)	June 30th, 2015	June 30th, 2014	Items from obligatory statements (*)
<b>Revenues and income</b>			
Net premiums	2.766	2.626	1.1
Commission income	3	1	1.2
Income and charges deriving from financial instruments at fair value through profit and loss	45	62	1.3
<i>of which class D (***)</i>	44	58	
Income from investments in subsidiaries, associated companies and joint ventures	1	2	1.4
Income from other financial instruments and investment property	416	309	1.5
<i>of which changes in other financial liabilities</i>	0	0	
Other revenues	36	26	1.6
<b>Total revenues and income</b>	<b>3.267</b>	<b>3.026</b>	
<b>Costs and charges</b>			
Net charges relating to claims	-2.657	-2.549	2.1
Commission expense	0	-1	2.2
Charges from investments in subsidiaries, associated companies and joint ventures	0	0	2.3
Charges from other financial instruments and investment property	-82	-40	2.4
Operating expenses	-296	-248	2.5
<i>Commission and other acquisition costs</i>	-207	-173	
<i>Operating expenses relating to investments</i>	-13	-11	
<i>Other administrative expenses</i>	-76	-64	
Other costs	-104	-72	2.6
<b>Total costs and charges</b>	<b>-3.139</b>	<b>-2.910</b>	
<b>Pre-tax profit (loss) for the period</b>	<b>128</b>	<b>116</b>	
Taxation	-61	-60	3
<b>Net profit (loss) for the period</b>	<b>67</b>	<b>56</b>	
<b>Profit (loss) from discontinued operations</b>	<b>0</b>	<b>0</b>	4
<b>CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD</b>	<b>67</b>	<b>56</b>	
Profit (loss) pertaining to minority interests	14	8	
<b>PROFIT (LOSS) PERTAINING TO THE GROUP</b>	<b>53</b>	<b>48</b>	

(\*) Indicates the items of the statements in the consolidated financial statements as per ISVAP Regulation No. 7 dated July 13th, 2007.

(\*\*) Sundry receivables, other asset items, and other tangible assets (statement of financial position items under assets = 5 + 6 + 2.2) net of the provisions, payables and other liability items (statement of financial positions under liabilities = 2 + 5 + 6).

(\*\*\*) Includes the Class D profits recognised in the operating expenses relating to investments amounting to less € 1 million.