Società Cattolica di Assicurazione - Società Cooperativa
Registered office in Verona, Lungadige Cangrande n.16
Tax Code 00320160237 – Enrolled in the Verona Companies' Register with no. 00320160237
Company enrolled in the Register of Cooperative Companies with no. A100378

PRESS RELEASE

THE CATTOLICA GROUP'S 2014-2017 BUSINESS PLAN: GROWTH, INVESTMENT, PROFITABILITY

The new Business Plan speeds up profitable growth, enhancing our heritage of assets, skills and distribution channels.

MAIN TARGETS TO BE ACHIEVED IN 2017[1]:

- Total premiums written[2] of € 5.8 billion
- Consolidated net profit of € 209 million, RoE[3] of 9%
- Non-life business
  - Non-life premiums[4] of € 2.4 billion
  - Combined ratio of 93%[5]
  - Non-life business net profit of € 139 million
- Life business
  - Life business premiums written[6] of € 3.4 billion
  - Life business net profit of € 70 million
  - Technical provisions[7] for Life business of € 15.9 billion
- Solvency I ratio: >160% [8]

EXERCISE OF MANDATE FOR SHARE CAPITAL INCREASE OF € 500 MILLION TO SUPPORT GROWTH AND INVESTMENT

Milan, 19 September 2014. Growth acceleration (increase of over one billion € in premiums written in the reference period[9]), investments in technology and innovation (around € 100 million), increase in profitability (net profit of over € 200 million, RoE of 9%): these are the goals for 2017 stated in the Cattolica Group's Business Plan.
The Business Plan was approved last night by the Board of Directors of Cattolica Assicurazioni, chaired by **Paolo Bedoni**, and will be presented today in Milan by the Managing Director**, Giovan Battista Mazzucchelli,** at a meeting with financial analysts, which will be followed by a press conference.

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[1] 2013 figures do not include FATA Assicurazioni Danni S.p.A. ("FATA"), a company acquired on 11 June 2014, the economic impact of which will be consolidated by the Cattolica Group only from the second half of 2014.
[2] Includes insurance premiums and investment contracts of Life business as defined in IFRS 4.
[3] ROE: Consolidated net profit / Average consolidated shareholders' equity for the period
[4] Direct business.
[5] Combined ratio of retained business: 1-(Technical balance/net premiums), including other technical items.
[6] See note 2.
[7] Including financial liabilities.
[8] Considers the impact of the share capital increase of a maximum of € 500 million. As at 30 June 2014, the Solvency I ratio, already including the impact of the Fata acquisition, was 145%.
[9] Total premiums written for direct business in 2013 - 2017

To support the initiatives of the Business Plan, and to seize any opportunities for acquisitions and partnerships, last night the Board of Directors therefore exercised the mandate awarded by the Shareholders' Meeting held on 30 April 2011 to increase the share capital up to a maximum of € 500 million, through the issue of new shares, to be offered under option to holders of ordinary shares.

2014-2017 Business Plan

Cattolica seeks to increasingly be a successful Group, with a strong and distinctive position in the Italian insurance market, technologically advanced and profitable for its shareholders, while remaining true to its co-operative model and its distinctive values.

Cattolica aims to strengthen its competitive market positioning, by increasing its market share in both Life and Non-life segments.

The consolidated targets to be achieved in 2017[10] are illustrated below:

- **Consolidated net profit** of € 209 million (from € 109 million in 2013[11])
- **RoE[12]** of 9**%** (from 6.9% di fine 2013[13])
- Increase of technical profitability of **Non-life business:**
  - **Non-life business net profit** of € 139 million from € 79 million in 2013[14]
  - **total premiums written for direct Non-life business** expected to rise from € 1.7 billion in 2013 to € 2.4 billion in 2017
  - ***Combined ratio*[15]** of ~93% from 93.5% in 2013
- Improvement of profitability of **Life business** by developing Pension and Welfare segments:
  - **provisions for Life business,** including financial liabilities, expected to rise from the current € 13.2 billion to € 15.9 billion in 2017
  - **Life business net profit** of € 70 million from € 26 million in 2013[16]
  - **Life business direct premiums written** expected to rise from € 2.7 billion in 2013 to € 3.4 billion in 2017

[10] See note 1.
[11] Normalised net profit of € 109 million. Normalised net profit, as per the press release dated 19 March 2013, does not include the impact of the additional IRES (company earnings' tax) of 8.5% corresponding to € 31 million, as well as other extraordinary components, such as write-downs on goodwill and other assets, net of shadow accounting and of the relative taxes, of € 27 million, and capital gains realised, net of taxes, of € Euro 13 million. Net of the latter, the profit was € 64 million (€ 50 million from the Non-life business, € 13 million from the Life business, € 1 million Other – expected profit in 2017 from Other business is close to zero).
[12] See note 3.
[13] Indicator calculated on a consolidated net profit of € 109 million.
[14] Normalised net profit of € 79 million. Normalised net profit does not include the impact of the additional IRES (company earnings' tax) of 8.5% corresponding to € 17 million, as well as other extraordinary components, such as write-downs on goodwill and other assets, net of relative taxes, of € 12 million, and capital gains realised, net of taxes, of € Euro 12 million. Net of the latter, the profit was € 50 million.
[15] See note 5.
[16] Normalised net profit of € 26 million. Normalised net profit does not include the impact of the additional IRES (company earnings' tax) of 8.5% corresponding to € 14 million, as well as other extraordinary components, such as write-downs on goodwill and other assets, net of shadow accounting and of the relative taxes, of € 12 million, and capital gains realised, net of taxes, of € Euro 13 million. Net of the latter, the profit was € 13 million

- **Investments** over three years of around € 100 million, mainly to fund innovation and technology
- **Solvency I ratio:** >160% from 162% as at 31 December 2013[17]
- Attractive **dividend policy**, careful to shareholders value.

The Plan is based on six main strategic priorities:

1. **Profitable growth of Non-life business.** Maintenance of technical excellence in Motor business also by strongly focusing on containing the cost of claims . Expansion of the product range in the retail and corporate segments, also by using new technologies.
2. **Leadership in the Agro-food segment**. Development of the insurance potential of the segment, by leveraging the leadership position following the acquisition of FATA. Strong focus on cross selling both to individuals and families in the agricultural sector and development of partnerships with the main actors of the agro-food chain.
3. **Development of Life, Pension and Welfare businesses**. Focus on advanced products, through a global Protection offer combining both Life and Non-life components. Significant development of Pension business, also through banking channel and agency network.
4. **Distribution excellence and digital transformation**. Focus on service to customers and distribution channels, through integrated management of the various networks, also leveraging on technology and multichannel distribution models.
5. **Operational efficiency and productivity.** Simplification of structures, processes and organisation, major investment in technology and people to increase productivity.
6. **Innovative approach to capital and financial asset management.** Advanced approach to capital allocation process and investments management, optimising financial returns and capital solidity.

The way to growth and innovation objectives develops through:

- **share capital increase**: up to € 500 million (by 30 June 2015) to support business growth, to fund growth of business, industrial transformation and investments in innovation and technology and to be able to seize any opportunities for acquisitions/partnerships on the market;
- **significant investment**: around € 100 million to fund innovation and technology;
- **a new organisational structure:** coherent with market evolution and strategic priorities of Cattolica Group

The Board of Directors, which met last night, therefore resolved to exercise the mandate to increase share capital, granted by the Shareholders' Meeting on 30 April 2011 pursuant to art. 2443 of the Italian civil code for € 500 million, including any share premium, or for a slightly lower total amount, established by a subsequent Board of Directors' Meeting for the

[17] See note 8.

sole purpose of establishing the exact allocation ratio under option (the "**Share Capital Increase**").

The Share Capital Increase, for the fixed amount, will take place by means of the issue of ordinary shares for consideration, at a nominal value of € 3.00, standard entitlement, to be offered under option to the holders of the Company's ordinary shares, in proportion to the shares held.

The number of shares issued and the unit issue price of the shares, as well as the other characteristics of the Share Capital Increase, will be established by a subsequent Board of Directors, at a meeting to be called close to the date on which the offer under option is launched. At that time, the allocation ratio under option will be established, as well as the procedures and the terms for the subscription of said shares.
The deadline for the subscription of the newly-issued shares is 30 June 2015.

The **Share Capital Increase** under option will take place as soon as the necessary authorisations have been received from the relevant authorities.

More specifically, in the next few days, the Company will submit a request to Consob for authorisation to publish the offer and listing prospectus pursuant to articles 94 and 113 of Italian legislative decree 58/98 and subsequent amendments and supplements and to IVASS for authorisation to make changes to the articles of association pursuant to art. 196 of Italian legislative decree 209/2005. Note that the changes to the articles of association consequent to the resolution of the Shareholders' Meeting held on 30 April 2011 awarding the mandate to the BoD have already been approved by IVASS pursuant to art. 196 of Italian legislative decree 209/2005 with provision no. 17/11/002861 dated 9 June 2011.

As regards the Share Capital Increase, **Banca IMI** will act as **Global Coordinator and Bookrunner** and **Mediobanca** will act as **Co-Global Coordinator and Bookrunner.** Banca Imi and Mediobanca have signed a **pre-underwriting agreement** with the Company on 18 September 2014, under which they have undertaken to guarantee – at the standard conditions and terms for this type of operation – to underwrite any portion of the Share Capital Increase that is still un-opted at the end of the offer period on the stock market for un-opted rights, up to a maximum amount of € 500 million, without prejudice to Banca IMI, Mediobanca and the Company coming to an agreement to form an extended guarantee consortium close to the launch of the offer under option.

The Board of Directors has defined a new operational structure, by putting the General Manager, Marco Cardinaletti in charge of technical and administrative activities of the Group. Flavio Piva has been appointed General Manager, in charge of the distribution networks and of operations. Carlo Ferraresi has been appointed CFO and Deputy General Manager.

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The objectives and the strategic lines of the Cattolica Group's 2014-2017 Business Plan will be presented today 19 September 2014 to the financial community, at the Hotel Principe di Savoia in Milano (Piazza della Repubblica, 17). This event can also be attended via *Conference Call*. The telephone numbers to dial are: + 39 02 805 88 11 from Italy, + 44 1212 818003 from the UK and +1 718 7058794 from the United States. The other technical details relating to attending the event and the relative presentation are available on the home page of the website www.cattolica.it and in the Investor Relations section.

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IL PRESENTE COMUNICATO NÉ LA SUA CONSEGNA AD ALCUN DESTINATARIO COSTITUISCE O INTENDE COSTITUIRE O CONTIENE O FORMA PARTE DI ALCUNA OFFERTA, SOLLECITAZIONE O INVITO A COMPRARE O VENDERE TITOLI O STRUMENTI FINANZIARI COLLEGATI.
IL PRESENTE COMUNICATO NON COSTITUISCE UN'OFFERTA DI VENDITA DI STRUMENTI FINANZIARI NEGLI STATI UNITI D'AMERICA. GLI STRUMENTI FINANZIARI NON POTRANNO ESSERE OFFERTI O VENDUTI NEGLI STATI UNITI D'AMERICA IN ASSENZA DI REGISTRAZIONE O DI UN'APPOSITA ESENZIONE DALLA REGISTRAZIONE. NON È INTENZIONE DELLA SOCIETÀ REGISTRARE, NÉ IN TUTTO NÉ IN PARTE, L'OFFERTA DI STRUMENTI FINANZIARI NEGLI STATI UNITI D'AMERICA O EFFETTUARE UN'OFFERTA AL PUBBLICO DI STRUMENTI FINANZIARI NEGLI STATI UNITI D'AMERICA. COPIE DEL PRESENTE COMUNICATO NON SONO E NON POSSONO ESSERE DISTRIBUITE O INVIATE NEGLI STATI UNITI D'AMERICA.
LA DISTRIBUZIONE DI QUESTI MATERIALI IN ALCUNI PAESI POTREBBE ESSERE CONTRARIA ALLA NORMATIVA APPLICABILE IN TALI PAESI. QUESTI MATERIALI NON SONO DESTINATI ALLA DISTRIBUZIONE IN CANADA, GIAPPONE, O AUSTRALIA O IN QUALSIASI ALTRO PAESE NEL QUALE L'OFFERTA O LA VENDITA SIANO VIETATE IN CONFORMITÀ ALLE LEGGI APPLICABILI (GLI "ALTRI PAESI") O AI SOGGETTI IVI RESIDENTI. LE INFORMAZIONI CONTENUTE IN QUESTI MATERIALI NON COSTITUISCONO UN'OFFERTA DI VENDITA DI STRUMENTI FINANZIARI IN CANADA, GIAPPONE, O AUSTRALIA O NEGLI ALTRI PAESI.
IL PRESENTE COMUNICATO È DISTRIBUITO ESCLUSIVAMENTE A SOGGETTI: (I) AVENTI ESPERIENZA PROFESSIONALE IN MATERIE RELATIVE A INVESTIMENTI FINANZIARI AI SENSI DELL'ARTICOLO 19(5) DEL FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (COME MODIFICATO, IL "FINANCIAL PROMOTION ORDER"), (II) RIENTRANTI NELLA DEFINIZIONE DI CUI ALL'ARTICOLO 49, SECONDO COMMA, LETTERE DALLA (A) ALLA (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.") DEL FINANCIAL PROMOTION ORDER, (III) CHE NON SI TROVINO NEL REGNO UNITO, (IV) AI QUALI PUÒ ESSERE ALTRIMENTI COMUNICATA, O FATTO SÌ CHE SIA COMUNICATA, NEL RISPETTO DELLA NORMATIVA APPLICABILE, UNA PROPOSTA DI, O UNA SOLLECITAZIONE A, EFFETTUARE UN INVESTIMENTO (SECONDO IL SIGNIFICATO DI CUI ALLA SECTION 21 DEL FINANCIAL SERVICES AND MARKETS ACT 2000) IN RELAZIONE ALL'EMISSIONE O ALLA VENDITA DI QUALSIASI STRUMENTO FINANZIARIO (COLLETTIVAMENTE, I "SOGGETTI RILEVANTI"). IL PRESENTE COMUNICATO È DIRETTO SOLO A SOGGETTI RILEVANTI E NON PUÒ ESSERE UTILIZZATO, O SULLO STESSO NON PUÒ ESSERE FATTO AFFIDAMENTO, DA PARTE DI SOGGETTI CHE NON SIANO SOGGETTI RILEVANTI. OGNI INVESTIMENTO O ATTIVITÀ DI INVESTIMENTO CUI IL PRESENTE COMUNICATO SI RIFERISCE È A DISPOSIZIONE SOLO DI SOGGETTI RILEVANTI E SARÀ INTRAPRESA ESCLUSIVAMENTE CON SOGGETTI RILEVANTI.
IL PRESENTE COMUNICATO STAMPA CONTIENE INFORMAZIONI PREVISIONALI, COMPRESI RIFERIMENTI CHE NON SONO RELATIVI ESCLUSIVAMENTE A DATI STORICI O EVENTI ATTUALI E PERTANTO, IN QUANTO TALI, INCERTE. LE INFORMAZIONI PREVISIONALI SI BASANO SU DIVERSE ASSUNZIONI, ASPETTATIVE, PROIEZIONI E DATI PREVISIONALI RELATIVI AD EVENTI FUTURI E SONO SOGGETTE A MOLTEPLICI INCERTEZZE E AD ALTRI FATTORI AL DI FUORI DEL CONTROLLO DI CATTOLICA. ESISTONO NUMEROSI FATTORI CHE POSSONO GENERARE RISULTATI ED ANDAMENTI NOTEVOLMENTE DIVERSI RISPETTO AI CONTENUTI, IMPLICITI O ESPLICITI, DELLE INFORMAZIONI PREVISIONALI E PERTANTO TALI INFORMAZIONI NON SONO UNA INDICAZIONE ATTENDIBILE CIRCA LA PERFORMANCE FUTURA. CATTOLICA NON SI ASSUME ALCUN OBBLIGO DI AGGIORNARE PUBBLICAMENTE O RIVEDERE LE INFORMAZIONI PREVISIONALI SIA A SEGUITO DI NUOVE INFORMAZIONI, SIA A SEGUITO DI EVENTI FUTURI O PER ALTRE RAGIONI, SALVO CHE CIÒ SIA RICHIESTO DALLA NORMATIVA APPLICABILE.

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