**Società Cattolica di Assicurazione - Società Cooperativa**
Sede in Verona, Lungadige Cangrande n.16
C.F. 00320160237 – Iscritta al Registro delle Imprese di Verona al n. 00320160237
Società iscritta all'Albo delle Società Cooperative al n. A100378

# PRESS RELEASE

## CATTOLICA GROUP 2012 RESULTS APPROVED:

- **CONSOLIDATED NET PROFIT OF € 84 MILLION (42 million in December 2011)**
- **DIVIDEND OF € 0.8 PER SHARE PROPOSED dividend yield equal to 6.85%**[1]
- **TOTAL PREMIUMS WRITTEN € 3,677 MILLION (-7.2%)**
  - **Direct business non-life premiums € 1,686 million (+3.6%)**
  - **Direct business life premiums € 1,976 million (-14.8%)**
- **COMBINED RATIO 95.7% DOWN FROM 96.9% AT THE END OF 2011 (94.7% excluding effect of Emilia Romagna earthquake)**
- **SOLVENCY MARGIN EQUAL TO 1.61 TIMES THE SUPERVISORY MINIMUM**

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*Verona, March 13th, 2013* The Board of Directors of Cattolica Assicurazioni, chaired by Paolo Bedoni, today unanimously approved the 2012 consolidated financial statements and the draft statutory financial statements of the Parent Company Cattolica.

The Cattolica Group ended 2012 with an economic result up sharply with respect to the previous year and balance sheet stability at the highest level in the last three years, in a year featuring the continuation of the difficult economic situation and significant catastrophic events. Therefore, the Board of Directors proposes the distribution of profits via a dividend of € 0.8 per share.

The Group ended 2012 with a **net consolidated profit** of € 84 million, double with respect to the € 42 million in 2011; the profit is net of the € 48 million in writedowns on the portfolio investments and goodwill.
The **Group net profit**[2] amounted to € 62 million, compared with € 38 million in the previous year (+63%).

[1] Dividend Yield: dividend / closing price as at December 28th, 2012 (equal to € 11.68 per share).
[2] Net of minority interests.

**Total premiums written for direct and indirect** life and non-life business[3] amounted to € 3,677 million, down 7.2% with respect to the € 3,961 million in the previous year. The entire Italian market, penalised by a minor capacity for households to spend and save, saw a drop in premiums, especially in the life sector.

**Non-life business**
**Direct premiums written** rose from € 1,627 million as at 31 December 2011 to € 1,686 million at the end of 2012 (+3.6%) in a declining market context. In the **motor segment**, premiums written amounted to € 976 million, up 5.3% when compared with the end of 2011. **Non-motor classes**, with premiums written for € 710 million, reported an increase of 1.4% when compared with last year.
In the non-life sector, the satisfactory business performance was reflected in the **combined ratio**[4], which disclosed a further improvement with respect to 2011, decrising from 96.9% to 95.7%. Net of the effects deriving from the earthquake in Emilia Romagna during the first half of 2012, the combined ratio stands at 94.7%.

**Life business**
With regard to life business, direct premiums written came to € 1,976 million. The decrease with respect to the previous year (-14.8%) is in line with the market trend and is essentially due to the drop in premiums written via the banking channel which, despite continuing to feel the effects of the market situation, however revealed a progressive improvement in the second half of 2012. In terms of product types, premiums written were mainly concentrated on **class I** and **V** products.

**Financial operations and balance sheet position**
The **result of investments** [5] came to € 542 million (compared with € 259 million as at December 31st, 2011).

**Investments** amounted to € 15,939 million (€ 15,095 million as at December 31st, 2011). **Gross technical provisions for non-life business** amounted to € 3,014 million (€ 2,957 million as at December 31st, 2011), while **life provisions**, inclusive of financial liabilities, came to € 12,323 million (€ 12,303 million as at December 31st, 2011).

The figures as at December 31st, 2012 confirm the Group's balance sheet solidity with **consolidated shareholders' equity** of € 1,609 million (€ 1,223 million as at December 31st, 2011). The increase with respect to December 31st, 2011 is above all else due to the improvement of the available for sale reserve, which reflects the recovery in the value of Italian government securities in the portfolio.

The Group's **solvency margin** [6]**,** prior to the proposed dividend**,** came to 1.61 times the regulatory minimum (1.25 times as at December 31st, 2011).

[3] They include insurance premiums and life insurance investment policies as defined by IFRS 4.
[4] Combined ratio of retained business: 1 - (Technical balance / Net premiums) inclusive of other technical items.
[5] Financial assets excluding investments whose risk is borne by the policyholders, gross of the tax effects.
[6] It is hereby disclosed that the Company does not apply the IVASS anti-crisis regulations. Taking into account the dividend proposal, the solvency margin comes to 1.55 times the regulatory minimum.

**Sales Network**

The process for the rationalisation of the agency network continued; at the end of 2012, there were 1,391 agencies (1,398 at the end of 2011) distributed as follows: 55.3% in Northern Italy, 25% in Central Italy and 19.7% in Southern Italy and the islands. Bank branches which placed Group products as at December 31st, 2012 numbered 5,967 (5,990 at the end of 2011).

**The Parent Company**

Premiums written[7] for direct and indirect business of the Parent Company reached € 2,110 million (€ 2,121 million as at December 31st, 2011; -0.5%), of which € 1,468 million for direct non-life business (€ 1,447 million as at December 31st, 2011; +1.5%) and € 613 million for life (€ 645 million as at December 31st, 2011; -5%). The **net profit** on the basis of the Italian accounting standards amounted to € 59 million.

**Shareholders' remuneration**

The Board of Directors will propose to the shareholders' meeting **a unit dividend** of € 0.8 per share.

The dividend proposed will be payable as from May 23rd 2013, with coupon detachment date on the 20th of said month (coupon number 22) and record date as at May 22nd, 2013, in compliance with Borsa Italiana's calendar.

**Indications for the first few months of 2013**

The results in the first few months of 2013 confirm the positive trend of the business performance, without prejudice to the uncertainty on financial markets.

Action is envisaged to develop the non-life classes segment, as well as initiatives for the recovery of production on the life segment.

The management of investments will continue in accordance with highly prudent criteria, in relation to the continuation of significantly violate conditions on the financial markets.

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The **Chairman Paolo Bedoni** declared: "*The positive 2012 Financial Statement figures permit us to propose the allocation to the shareholders' meeting held on April 20th, of a truly significant dividend in an overall context of improvement in efficiency and consolidation of the Group fundamentals. These results are the reward for long-term work and choices which have led us to renew, step by step, the business model within the sphere of governance which, also with the recent reform of the By-laws, has focused on strengthening the autonomy and identity of a highly original co-operative form. Fortified by its social and geographic positioning and the ample front of strategic alliances established over the last few years, the Cattolica Group is now in the position to deal with - on an optimum basis of efficiency and ability to innovate - the great competitive challenge which is decisive for the future of the Italian insurance sector*".

The **Managing Director Giovan Battista Mazzucchelli** declared: "*There are many positive elements which emerge from the 2012 Financial Statement figures which we*

7 For the purpose of ensuring a standardised comparison, the Parent Company's premiums written as at December 31st 2011 take into account the premiums in the first four months of 2011 relating to the business segment Duomo Unione Assicurazioni spin off to Cattolica as from April 29th, 2011 and those for the whole of 2011 of San Miniato Previdenza merged within Cattolica with accounting and tax effects as from January 1st, 2012. These transactions have been illustrated by means of press releases dated respectively January 28th, 2011 for Duomo Unione Assicurazioni and November 11th, 2011 for San Miniato Previdenza.

*will submit for the approval of the next Cattolica shareholders' meeting, with the proposal of a dividend of € 0.8 per share which corresponds to a dividend yield of 6.85%. The considerable growth in the economic result (with the doubling of the profit with respect to last year) came about in unison with the further improvement of balance sheet stability in a year of heavy economic recession in Italy, that is more aggravated in the insurance sector by the effects of the earthquake in Emilia Romagna. The further improvement in the combined ratio and the solvency margin was significant in this connection.*
*Over the last few years, not only has Cattolica withstood the impact of a devastating crisis, but has also created the conditions for a further period of development, which will demand the greatest of attention in terms of productivity and innovation on products and services. The continuation of this trend, which we foresee as positive in 2013, permits us to look to the Group's future prospects with confidence*".

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

The Board of Directors has also checked the independence requirements of the Directors on the basis of the matters envisaged by the Code of Conduct. Cattolica's Board of Directors has therefore qualified the following non-executive directors as independent: Barbara Blasevich, Bettina Campedelli, Paolo Garonna, Giovanni Maccagnani, Giuseppe Manni, Luigi Mion, Angelo Nardi, Domingo Sugranyes Bickel and Enrico Zobele.

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Cattolica Assicurazioni's Board of Directors resolved the calling of the shareholders' meeting for **April** 19th and **20th 2013**, in first and **second calling** respectively.
The agenda of the shareholders' meeting is as follows:

1. Amendments to the General Meeting Regulations. Inherent and consequent resolutions.
2. Approval of the 2012 annual financial statements and the accompanying reports, with consequent and correlated resolutions.
3. Decisions relating to the remuneration policies, in compliance with the legislative and By-laws provisions in force.
4. Establishment, for 2013, of the remuneration of the members of the Board of Directors and the Executive Committee and the related attendance fee.
5. Appointment of the Board of Directors.
6. Appointment of the Ethics and Disciplinary Board.
7. Authorisation to purchase and sell own shares in accordance with the law. Inherent and consequent resolutions.

In this connection, it is disclosed in particular that:

- the amendments to the General Meeting Regulations are justified essentially by the need to take into account the possibility of setting up, during shareholders' meeting, one or more remote connections so as to permit the shareholders to follow the meetings' work and express their vote;

- the integral renewal of the Board of Directors shall take place in compliance with the By-laws amendments approved by the extraordinary shareholders' meeting held on December 15th, 2012, to which reference is therefore made;
- under point 7, the renewal is proposed - for eighteen months - of the authorisation to purchase and sell own shares, already resolved by the shareholders' meeting held on April 12th, 2012, in terms essentially unchanged with respect to the previous resolution.

The reports on the business placed on the agenda shall be made available at the Registered offices and on the website www.cattolica.it by the deadlines envisaged by current legislation.

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The Company hereby discloses that Cattolica Assicurazioni's statutory financial statements for the year, the Cattolica Group's consolidated financial statements and the Report on Corporate Governance and Ownership Set-ups as at December 31st, 2012 shall be made available to the public at the registered offices and on the company's website www.cattolica.it, as per the formalities and by the deadlines envisaged by current legal and regulatory provisions.

*The reclassified consolidated and Parent Company's balance sheet and income statement schedules at December 31st, 2012 are enclosed, with notification that the statutory and consolidated financial statements and the related documentation have not yet been audited by the independent auditing firm.*

SOCIETÀ CATTOLICA DI ASSICURAZIONE

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## Cattolica Group – CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2012

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

| Reclassified balance sheet *(€ millions)* | 2012 | 2011 | *Items from obligatory statements (*)* |
|---|---|---|---|
| **Assets** | | | |
| Property investments and properties | 268 | 177 | *4.1 + 2.1* |
| Investments in subsidiaries, associates and joint ventures | 82 | 103 | *4.2* |
| Loans and receivables | 1.239 | 1.518 | *4.4* |
| Held to maturity investments | 287 | 285 | *4.3* |
| Available for sale financial assets | 9.740 | 8.512 | *4.5* |
| Financial assets at fair value through profit or loss | 3.715 | 4.093 | *4.6* |
| Cash and cash equivalents | 608 | 407 | *7* |
| **Investments** | **15.939** | **15.095** | |
| Intangible assets | 310 | 328 | *1* |
| Technical provisions - reinsurance amount | 673 | 640 | *3* |
| Other assets net of other liabilities | 679 | 996 | *(**)* |
| **ASSETS** | **17.601** | **17.059** | |
| **Liabilities and shareholders' equity** | | | |
| Capital and reserves | 1.525 | 1.181 | |
| Consolidated result | 84 | 42 | |
| **Consolidated shareholders' equity** | **1.609** | **1.223** | *1* |
| Provision for unearned premiums | 702 | 626 | |
| Provision for outstanding claims | 2.312 | 2.331 | |
| **Gross technical provisions - non-life** | **3.014** | **2.957** | *3* |
| **Gross technical provisions - life** | **11.366** | **11.299** | *3* |
| Other gross non-life technical provisions | 2 | 2 | *3* |
| Other gross life technical provisions | 346 | 324 | *3* |
| Financial liabilities | 1.264 | 1.254 | *4* |
| *of which deposits from policyholders* | *957* | *1.004* | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | **17.601** | **17.059** | |

| Reclassified income statement *(€ millions)* | 2012 | 2011 | *Items from obligatory statements (*)* |
|---|---|---|---|
| **Revenues and income** | | | |
| Net premiums | 3.162 | 3.439 | *1.1* |
| Commission income | 3 | 5 | *1.2* |
| Income and charges deriving from financial instruments at fair value through profit or loss | 228 | 27 | *1.3* |
| *of which class D* | *214* | *17* | |
| Income deriving from investments in subsidiaries, associates and joint ventures | - | - | *1.4* |
| Income deriving from other financial instruments and investment property | 813 | 550 | *1.5* |
| *of which changes in other financial liabilities* | *20* | *3* | |
| Other revenues | 78 | 96 | *1.6* |
| **Total revenues and income** | **4.284** | **4.117** | |
| **Costs and charges** | | | |
| Net charges relating to claims | -3.219 | -3.194 | *2.1* |
| Commission expense | -3 | -4 | *2.2* |
| Charges deriving from investments in subsidiaries, associates and joint ventures | -4 | -16 | *2.3* |
| Charges deriving from other financial instruments and investment property | -245 | -269 | *2.4* |
| Operating expenses | -457 | -456 | *2.5* |
| *Commission and other acquisition costs* | *-305* | *-306* | |
| *Operating expenses relating to investments* | *-16* | *-14* | |
| *Other administrative expenses* | *-136* | *-136* | |
| Other costs | -197 | -157 | *2.6* |
| **Total costs and charges** | **-4.125** | **-4.096** | |
| **Pre-tax results** | **159** | **21** | |
| Taxation | -75 | 21 | *3* |
| **Net profit (loss) for the period** | **84** | **42** | |
| **Profit from discontinued operations** | **-** | **-** | *4* |
| **CONSOLIDATED PROFIT (LOSS) FOR THE YEAR** | **84** | **42** | |
| Profit pertaining to minority shareholders | 22 | 4 | |
| **PROFIT PERTAINING TO THE GROUP** | **62** | **38** | |

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

*(**) Sundry receivables, other asset items, and other tangible assets (balance sheet items under assets = 5 + 6 + 2.2) net of provisions, payables and other liability items (balance sheet items under liabilities = 2 + 5 + 6).*

## Cattolica Assicurazioni Soc. Coop. - Statutory financial statements
## (drawn up in accordance with the national accounting standards)

| Reclassified balance sheet *(€ millions)* | 2012 | Pro-forma (*) 2011 | 2011 | *Items from obligatory statements* |
|---|---|---|---|---|
| **Assets** | | | | |
| Land and buildings | 44 | 38 | 38 | *C.I* |
| Shares and holdings | 1.071 | 1.140 | 1.166 | *C.II.1 + CIII.1* |
| Bonds and other fixed income securities | 4.022 | 3.954 | 3.688 | *C.II.2 + C.III.3* |
| Units of mutual investment funds | 366 | 315 | 312 | *C.III.2* |
| Loans and other investments | 15 | 10 | 10 | *C.II.3 + C.III.4 + C.III.6 + C.III.7* |
| Deposits with transferring companies | 9 | 9 | 9 | *C.IV* |
| Class D investments | 958 | 1.039 | 992 | *D* |
| Cash at bank and in hand | 230 | 95 | 75 | *F.II* |
| **Investments** | **6.715** | **6.600** | **6.290** | |
| Intangible assets | 196 | 200 | 184 | *B* |
| Technical provisions - reinsurance amount | 533 | 529 | 529 | *D.bis* |
| Own shares or holdings | 4 | 0 | 0 | *F.III* |
| Other receivables and other assets net of other payables and other liabilities | 553 | 598 | 588 | *(1)* |
| **ASSETS** | **8.001** | **7.927** | **7.591** | |
| **Liabilities and shareholders' equity** | | | | |
| Share capital and equity reserves | 1.244 | 1.248 | 1.239 | |
| Profit (loss) for the year | 59 | -4 | 5 | |
| **Shareholders' equity** | **1.303** | **1.244** | **1.244** | *A* |
| Gross technical provisions - non-life (premiums and claims) | 2.795 | 2.784 | 2.784 | *C.I.1 + C.I.2* |
| Gross technical provisions - life (actuarial and class D) | 3.730 | 3.789 | 3.468 | *C.II.1 + D* |
| Other gross non-life technical provisions | 12 | 11 | 11 | *C.I.4 + C.I.5* |
| Other gross life technical provisions | 161 | 99 | 84 | *(2)* |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | **8.001** | **7.927** | **7.591** | |

| Reclassified income statement *(€ millions)* | 2012 | Pro-forma (*) 2011 | 2011 | *Items from obligatory statements* |
|---|---|---|---|---|
| Premiums for the period | 1.853 | 1.884 | 1.832 | *I.1 + II.1* |
| Claims for the period and change in technical provisions | 1.663 | 1.605 | 1.546 | *I.4 + II.5 + II.6* |
| Operating expenses | 341 | 340 | 338 | *I.7 + II.8* |
| Other technical items | -26 | 8 | 8 | *(3)* |
| Net income from class C investments | 183 | 115 | 119 | *II.2 - II.9 + III.3 - III.5* |
| Net income from class D investments | 111 | -10 | -10 | *II.3 - II.10* |
| Other income net of other charges | -27 | -24 | -24 | *III.7 - III.8* |
| **RESULT (LOSS) FROM OPERATIONS** | **90** | **28** | **41** | ***III.9*** |
| Profit (loss) from extraordinary operations | 18 | -3 | -3 | *III.12* |
| **PRE-TAX PROFIT (LOSS)** | **108** | **25** | **38** | ***III.13*** |
| Income taxes for the year | 49 | 29 | 33 | *III.14* |
| **PROFIT (LOSS) FOR THE YEAR** | **59** | **-4** | **5** | ***III.15*** |

*(1) Other receivables and other assets (balance sheet asset items = E + F.I. + F.IV. + G) net of other payables and other liabilities (balance sheet liability items = B + E + F + G + H)*

*(2) Other gross life technical provisions (balance sheet items = C.II.2 + C.II.3 + C.II.4 + C.II.5)*

*(3) Other technical items (income statement items = I.3 + I.5 + I.6 + I.8 + I.9 + II.4 + II.7 + II.11)*

*(*) Further to the merger of San Miniato Previdenza within Cattolica whose accounting and tax effects apply as from January 1st, 2012, the balance sheet and income statement figures for 2011 of the Parent Company were appropriately stated on a* pro forma *basis for the purpose of permitting comparability on a consistent basis.*

*It is also hereby stated that the 2011 figures and the 2011 pro forma data includes, as from April 29th, the business segment Duomo Uni One Assicurazioni partially and proportionally spun off to Cattolica Assicurazioni.*