

PRESS RELEASE

RESULTS AS AT JUNE 30th, 2013 APPROVED:

- **CONSOLIDATED NET PROFIT CAME TO € 43 MILLION (+34.4%)**
- **TOTAL PREMIUMS WRITTEN CAME TO € 2,264 MILLION (+25.9%)**
 - **Direct non-life premiums € 875 million +2.1%**
 - **Direct life business premiums written € 1,376 million +48.6%**
- **COMBINED RATIO 93.5% (96.1% AS AT JUNE 30th, 2012)**
- **SOLVENCY MARGIN 1.56 TIMES THE REGULATORY MINIMUM**

Verona, August 7th, 2013. The Board of Directors of Cattolica Assicurazioni, convened today under the chairmanship of Paolo Bedoni, approved unanimously the Interim Report as at June 30th, 2013 of the Cattolica Group.

The first half of 2013 marks an increasing profit, a significant recovery of life premiums written and an improving industrial trend of non-life business.

The **consolidated net profit** amounted to € 43 million, up by 34.4% compared to € 32 million of the same period of 2012 and takes account of write-downs on goodwill and portfolio investments of € 18 million¹.

The **Group's net result**² came to € 30 million (€ 24 million at June 30th, 2012; +25%); the effect of write-downs on goodwill and portfolio investments came to € 17 million³.

Total premiums written of direct and indirect life and non-life⁴ sectors reached € 2,264 million (€ 1,798 million in the same period of 2012, +25.9%), thanks to a very significant growth in life production, in particular through the banking distribution channel, and an increase in non-life business, also in this case, higher than the market.

Non-life business

Direct premiums written increased from € 857 million as at June 30th, 2012 to € 875 million in the first six months of 2013, increasing by 2.1%. The Group increased its market share in the **car industry**, and in connection with a contraction in the Italian market, recorded premiums written of € 530 million, up by 5.4% compared to the same period of 2012.

¹ Values net of shadow accounting and tax effects.

² Net of minority interests.

³ Values net of shadow accounting and tax effects.

⁴ Includes insurance premiums and investment contracts of life classes as defined in IFRS 4.

Non-motor classes, with premiums written of € 345 million, slightly decreased compared to the same period last year (€ 354 million -2.6%), in line with market trends.

In the non-life segment, the good industrial performance affected the **combined ratio**⁵, which decreased from 96.1% as at June 30th, 2012 to 93.5%, showing further improvement even when compared to the end of 2012 (95.7%). This result was determined by the virtuous drop in the claims frequency common to the market, as well as by the assumptive choices and by the Group's efficient handling of claims.

Life business

In the **life business**, direct premiums written stood at € 1,376 million. The strong growth compared to the previous year (€ 926 million; +48.6%) was mainly due to the traditional class I (+56.6%) and class V (+52.1%) premiums that mark a net recovery. Class III premiums were also positive (+49.7%).

In general, the agency channel as well as the banking channel (+67.7%) and Cattolica Previdenza (+87.3%) increased considerably the premiums written.

Financial operations and financial position

The **result of investments**⁶ came to € 252 million (compared to € 256 million as at June 30th, 2012).

Investments amounted to € 16,053 million. **Gross non-life technical provisions** amounted to € 3,045 million (€ 3,014 million as at December 31st, 2012). **Life provisions**, including financial liabilities, thanks to the favourable trend of premiums written and to the reduction in redemptions and maturities, reached € 12,487 million (€ 12,323 million as at December 31st, 2012).

The figures as at June 30th, 2013 confirm the equity soundness of the Group with a Group solvency margin equating to 1.56 times the regulatory minimum (an improvement compared to December 31st, 2012).

Consolidated shareholders' equity amounted to € 1,492 million (€ 1,609 million as at December 31st, 2012).

Sales network

The agency network at the end of June 2013 had 1,419 agencies. Bank branches that place products of the Group as at June 30th, 2013 were 5,948.

Outlook for business activities

The difficult economic and financial situation affects the Italian insurance market, which records a reduction in premiums written in the non-life sector whereas the trend in interest rates makes life policies more attractive, a sector in which there is an increase in premiums written.

In this context, the Group, for the current year, continued the development programmes of life and non-life classes, with a technical performance still being improved.

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

⁵ *Combined ratio* of retained business: 1-(Technical balance/net premiums), including other technical items.

⁶ Financial assets excluding investments whose risk is borne by the policyholders, gross of tax effects.

The Chairman – Paolo Bedoni – declared: "This year's interim report falls within a framework of industrial and financial consolidation that makes growth prospects of the Insurance Company and of the Group concrete, physiological and realistic. The breadth of the process of renewal and subsequent stabilisation of the governance framework and the focus on the efficiency and profitability of the industrial policies of the Group supported by the good results of financial management contributed significantly to determine these prospects that provide a strategic respite. There are all the bases for opening a new phase of growth and development of Cattolica, all the more so if there will be an actual improvement of the national and European economic framework".

The Managing Director of Cattolica Assicurazioni – Giovan Battista Mazzucchelli – declared: "The figures of the first half-year confirm and strengthen the tendency of Cattolica to improve its accounts steadily and gradually, consolidating the traditional strengths and increasing in general volumes and competitiveness. These are confirmed, on the one hand, by the further improvement of industrial performance in non-life business and, on the other hand, by a clear and strong recovery of the Life segment, especially through the banking channels that strongly characterise the distribution structure of the Group on the Italian market. Therefore, the conditions required for a good performance of Cattolica also in the second half of the year and in the future for the development of the growth processes of the Group exist, especially if the first, for now small, signs of recovery of the national economy become firmer".

The executive appointed to draw up the corporate accounting documents Giuseppe Milone declares pursuant to paragraph 2 Article 154bis of the Consolidated Finance Law that the accounting information contained in this press release is consistent with the documental results, the corporate books and the underlying accounting records.

The Company informs that the Consolidated interim report as at June 30th, 2013 of the Cattolica Group, inclusive of the Independent Auditors' Report, will be available to the public within the time required by the law.

The reclassified statements as at June 30th, 2013 of the Consolidated interim report of the Cattolica Group are attached herewith, by informing that the expected Independent Auditors' Report has not yet been issued.

SOCIETA' CATTOLICA DI ASSICURAZIONE

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Cattolica Group - CONSOLIDATED INTERIM REPORT AS AT JUNE 30th, 2013

(prepared in accordance with international accounting standards)

Reclassified Balance Sheet (<i>€ millions</i>)	30.06.2013	31.12.2012	<i>Items from obligatory statements (*)</i>
Assets			
Investment property and properties	379	268	4.1 + 2.1
Investments in subsidiaries, associates and joint ventures	79	82	4.2
Loans and receivables	1.211	1.239	4.4
Held to maturity investments	269	287	4.3
Available for sale financial assets	10.316	9.740	4.5
Financial assets at fair value through profit or loss	3.256	3.715	4.6
Cash and cash equivalents	543	608	7
Investments	16.053	15.939	
Intangible assets	293	310	1
Technical provisions - reinsurance amount	659	673	3
Other assets net of other liabilities	597	679	(**)
ASSETS	17.602	17.601	
Liabilities and shareholders' equity			
Share capital and reserves	1.449	1.524	(***)
Consolidated result	43	85	(***)
Consolidated shareholders' equity	1.492	1.609	1
Provision for unearned premiums	722	702	
Provision for outstanding claims	2.323	2.312	
Gross technical provisions - non-life	3.045	3.014	3
Gross technical provisions - life	11.558	11.366	3
Other gross non-life technical provisions	2	2	3
Other gross life technical provisions	282	346	3
Financial liabilities	1.223	1.264	4
<i>of which deposits from policyholders</i>	<i>929</i>	<i>957</i>	
LIABILITIES AND SHAREHOLDERS' EQUITY	17.602	17.601	

Reclassified Income Statement (<i>€ millions</i>)	30.06.2013	30.06.2012	<i>Items from obligatory statements (*)</i>
Revenues and income			
Net premiums	2.044	1.545	1.1
Commission income	1	2	1.2
Income and charges deriving from financial instruments at fair value through profit or loss	22	113	1.3
<i>of which class D</i>	<i>18</i>	<i>103</i>	
Income deriving from investments in subsidiaries, associates and joint ventures	1	-	1.4
Income deriving from other financial instruments and investment property	330	369	1.5
<i>of which changes in other financial liabilities</i>	<i>-1</i>	<i>20</i>	
Other revenues	32	16	1.6
Total revenues and income	2.430	2.045	
Costs and charges			
Net charges relating to claims	-1.931	-1.591	2.1
Commission expense	-2	-	2.2
Charges deriving from investments in subsidiaries, associates and joint ventures	-	-3	2.3
Charges deriving from other financial instruments and investment property	-75	-94	2.4
Operating expenses	-239	-236	2.5
<i>Commission and other acquisition costs</i>	<i>-163</i>	<i>-161</i>	
<i>Operating expenses relating to investments</i>	<i>-8</i>	<i>-8</i>	
<i>Other administrative expenses</i>	<i>-68</i>	<i>-67</i>	
Other costs	-102	-62	2.6
Total costs and charges	-2.349	-1.986	
Pre-tax results	81	59	
Taxation	-38	-27	3
Net profit for the period	43	32	
Profit from discontinued operations	-	-	4
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	43	32	
Profit pertaining to minority interests	13	8	
NET INCOME PERTAINING TO THE GROUP	30	24	

(*) Indicates the items on 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 allowances, payables and other liability items (balance sheet items under liabilities = 2 + 5 + 6)

(***) With reference to the prior period, further to the coming into force of Ias 19 revised, actuarial gains and losses were reclassified from the income statement result to the capital and reserve items.