

## PRESS RELEASE

### RESULTS AS AT SEPTEMBER 30th, 2013 APPROVED:

- **CONSOLIDATED NET PROFIT OF € 65 MILLION (+25%)**
- **CONSOLIDATED PREMIUMS WRITTEN FOR € 3,205 MILLION (+22.2%)**
  - **Direct non-life premiums € 1,211 million, +2.1%**
  - **Direct life premiums € 1,981 million, +39.4%**
- **COMBINED RATIO AT 93.5% (95.9% AS AT SEPTEMBER 30th, 2012)**
- **SOLVENCY MARGIN EQUAL TO 1.56 TIMES THE REGULATORY MINIMUM**

Verona, November 13th, 2013. The Board of Directors of Cattolica Assicurazioni, meeting under the chairmanship of Paolo Bedoni, today unanimously approved the Interim Management Report as at September 30th, 2013 of the Cattolica Group<sup>1</sup>.

Despite a macro-economic context which confirmed itself as difficult, the first nine months of 2013 disclosed particularly important growth in life business, a positive business trend and a resolute rise in profit.

The **consolidated net profit** came to € 65 million, up 25% with respect to the € 52<sup>2</sup> million in the same period in 2012 and also takes into account the write-downs on goodwill and other assets for € 24 million<sup>3</sup>.

The **Group's net result**<sup>4</sup> came to € 47 million (€ 42<sup>2</sup> million as at September 30th, 2012; +11.9%); the effect of write-downs on goodwill and other assets amounted to € 23 million<sup>3</sup>.

**Total premiums written for direct and indirect non-life and life business**<sup>5</sup> came to € 3,205 million (€ 2,622 million in the same period of 2012, +22.2%), thanks to very

<sup>1</sup> The Interim management report relating to the third quarter of 2013 has been drawn up on the basis of Article 154 ter of the Consolidated Finance Law (TUF) and Consob Communication No. DEM/8041082 dated April 30th, 2008 and does not represent interim financial statements drawn up in pursuance of IAS 34.

<sup>2</sup> It is pointed out that, with reference to the previous period, following the enforcement as from January 1st, 2013 of revised IAS 19 regarding employee severance indemnities, the actuarial gains and losses were reclassified from under the income statement result (other administrative expenses) to the capital and reserves items. As a result of the new IAS 19, the consolidated result as at September 30th, 2012 came to € 52 million and that of the Group € 42 million (compared, respectively, to € 51 million and € 41 million last September (2012) under the old IAS 19).

<sup>3</sup> Balances net of shadow accounting and tax effects.

<sup>4</sup> Net of minority interests.

<sup>5</sup> They include insurance premiums and life insurance investment contracts as defined by IFRS 4.

significant growth in the life business segment, in particular via the bank sales channel, and an increase in the non-life classes, greater than the market.

### Non-life business

**Premiums written for direct business** rose from € 1,186 million as at September 30th, 2012 to € 1,211 million in the first nine months of 2013, up 2.1%. In the **motor segment**, the Group increased its market share and, in the presence of a declining Italian market, reported premiums written for 749 million, up 4.6% when compared with the same period in 2012.

**Non-motor classes**, with premiums written for € 462 million, were down slightly with respect to the same period in the previous year (€ 471 million, -1.8%), in line with market trends.

In the non-life sector, the particularly satisfactory business performance was reflected in the **combined ratio**<sup>6</sup>, which dropped from 95.9%<sup>7</sup> as at September 30th, 2012 to 93.5%, disclosing a further improvement also with respect to the end of 2012 (95.6%<sup>7</sup>)

### Life business

With regard to **life business**, direct premiums written came to € 1,981 million. The sharp growth with respect to the previous year (€ 1,421 million, +39.4%) is mainly due to the premiums written for traditional classes I (+50.5%) and V (+48.2%) which disclosed a clear pick up.

On a general note, the increase in premiums written was affected significantly, not only by the agency channel, but by the banking channel (+54.4%) and Cattolica Previdenza (+131.1%).

### Financial operations and statement of financial position

The **result of investments**<sup>8</sup> came to € 375 million (compared with € 392 million as at September 30th, 2012).

**Investments** amounted to € 16,368 million (€ 15,939 million as at December 31st, 2012).

**Gross technical provisions for non-life business** amounted to € 3,017 million (€ 3,014 million as at December 31st, 2012). **Life provisions**, including financial liabilities, thanks to the favourable trend in premiums, rose to € 12,798 million (€ 12,323 million as at December 31st, 2012).

The figures as at September 30th, 2013, confirm the equity soundness of the Group, with a **Group solvency margin** equating to around 1.56 times the regulatory minimum.

**Consolidated shareholders' equity** amounted to € 1,517 million.

### Sales Network

The agency network at the end of September 2013 was made up of 1,422 agencies. Bank branches which placed Group products as at September 30th, 2013 numbered 5,949.

### Outlook for business activities

The decline in premiums of the non-life classes persists on the Italian insurance market, while the life sector continues to present an upwards trend.

<sup>6</sup> Combined ratio of retained business:  $1 - (\text{Technical balance} / \text{Net premiums})$  inclusive of other technical items.

<sup>7</sup> The figures stated as at September 30th, 2012 and December 31st, 2012 are represented with the restatement of revised IAS 19; the retained business combined ratio as at September 30th, 2012 with the old IAS 19 came to 96% and that as at December 31st, 2012 came to 95.7%.

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

For 2013 as a whole, a Group business trend in line with that observed in the first nine months is envisaged, and management of the investments will continue according to prudent approaches, taking into account the volatility of the financial markets.

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The Chairman - Paolo Bedoni - declared: "The results for the third quarter confirm the process of gradual and controlled growth which, on the one hand, consolidates Cattolica's market position and, on the other hand, creates the bases for more structured and medium/long-term choices. Therefore, the tangible achievement of the development project which we have worked towards profitably over the last few years is coming to light, having now become fully accomplishable, partly thanks to the Article of Association innovations introduced by the extraordinary shareholders' meeting last December which ensure stable governance highly representative of the corporate and shareholder base".

Cattolica Assicurazioni's Managing Director - Giovan Battista Mazzucchelli - declared: "The 25% increase in the profit at the end of September is an expression of balanced but far-reaching growth for Cattolica despite a market still weighed down by weakness in demand and the negative effects of the long and protracted economic depression. Within the sphere of the rise in total premiums written (now abundantly exceeding three billion), Cattolica reports an increase of 2.1% in the non-life classes where the market is down and 39.4% in the life sector. In this sector, the market is recovering, but Cattolica has grown to a more than proportional extent thanks above all else to the sharp increase in life business via the bank sales channel. The Group's equity solidity is confirmed as a whole, partly thanks to the additional increases in the solvency margin. Thus, there are all the premises for a further period of growth and development for Cattolica".

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

The Company hereby discloses that the Cattolica Group's Interim management report as at September 30th, 2013 shall be made available to the public by the legal deadlines.

*The reclassified consolidated Statement of Financial Position and Income Statement schedules as at September 30th, 2013 are enclosed.*

SOCIETA' CATTOLICA DI ASSICURAZIONE

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# Cattolica Group - INTERIM MANAGEMENT REPORT AS OF SEPTEMBER 30th, 2013

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

Reclassified statement of financial position (€ millions)	Sept. 30th, 2013	Dec. 31st, 2012	Items from obligatory statements (*)
<b>Assets</b>			
Investment property and properties	388	268	4.1 + 2.1
Investments in subsidiaries, associates and joint ventures	80	82	4.2
Loans and receivables	1.203	1.239	4.4
Held to maturity investments	267	287	4.3
Available for sale financial assets	10.332	9.740	4.5
Financial assets at fair value through profit or loss	3.672	3.715	4.6
Cash and cash equivalents	426	608	7
<b>Investments</b>	<b>16.368</b>	<b>15.939</b>	
Intangible assets	291	310	1
Technical provisions - reinsurance amount	669	673	3
Other assets net of other liabilities	551	679	(**)
<b>ASSETS</b>	<b>17.879</b>	<b>17.601</b>	
<b>Liabilities and shareholders' equity</b>			
Capital and reserves	1.452	1.524	(***)
Consolidated result	65	85	(***)
<b>Consolidated shareholders' equity</b>	<b>1.517</b>	<b>1.609</b>	1
Provision for unearned premiums	651	702	
Provision for outstanding claims	2.366	2.312	
<b>Gross technical provisions - non-life</b>	<b>3.017</b>	<b>3.014</b>	3
<b>Gross technical provisions - life</b>	<b>11.868</b>	<b>11.366</b>	3
Other gross non-life technical provisions	2	2	3
Other gross life technical provisions	250	346	3
Financial liabilities	1.225	1.264	4
<i>of which deposits from policyholders</i>	930	957	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>17.879</b>	<b>17.601</b>	
<b>Reclassified income statement (€ millions)</b>	<b>Sept. 30th, 2013</b>	<b>Sept. 30th, 2012</b>	<b>Items from obligatory statements (*)</b>
<b>Revenues and income</b>			
Net premiums	2.939	2.333	1.1
Commission income	1	2	1.2
Income and charges deriving from financial instruments at fair value through profit or loss	53	176	1.3
<i>of which class D</i>	47	174	
Income from investments in subsidiaries, associates and joint ventures	1	0	1.4
Income from other financial instruments and investment property	479	579	1.5
<i>of which changes in other financial liabilities</i>	0	20	
Other revenues	36	20	1.6
<b>Total revenues and income</b>	<b>3.509</b>	<b>3.110</b>	
<b>Costs and charges</b>			
Net charges relating to claims	-2.795	-2.429	2.1
Commission expense	-3	-2	2.2
Charges from investments in subsidiaries, associates and joint ventures	0	-4	2.3
Charges from other financial instruments and investment property	-98	-153	2.4
Operating expenses	-350	-343	2.5 (***)
<i>Commission and other acquisition costs</i>	-240	-233	
<i>Operating expenses relating to investments</i>	-11	-12	
<i>Other administrative expenses</i>	-99	-98	(***)
Other costs	-129	-86	2.6
<b>Total costs and charges</b>	<b>-3.375</b>	<b>-3.017</b>	(***)
<b>Pre-tax results</b>	<b>134</b>	<b>93</b>	(***)
Taxation	-69	-41	3
<b>Net profit for the period</b>	<b>65</b>	<b>52</b>	(***)
<b>Profit (loss) from discontinued operations</b>	<b>0</b>	<b>0</b>	4
<b>CONSOLIDATED PROFIT FOR THE PERIOD</b>	<b>65</b>	<b>52</b>	(***)
Profit pertaining to minority interests	18	10	
<b>PROFIT (LOSS) PERTAINING TO THE GROUP</b>	<b>47</b>	<b>42</b>	(***)

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

(\*\*\*) With reference to the previous period, following the enforcement of IAS 19 revised, the actuarial gains and losses were reclassified from under the income statement result (item other administrative expenses) to the capital and reserves items.