Società Cattolica di Assicurazione - Società Cooperativa
Sede in Verona, Lungadige Cangrande n.16
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Società iscritta all'Albo delle Società Cooperative al n. A100378

PRESS RELEASE

CATTOLICA GROUP 2011 RESULTS APPROVED:

- **NET PROFIT:**
  - **Consolidated net profit of € 42 million (-40.7%) (€ 89 million excluding extraordinary effects)[1]**
- **REMUNERATION FOR SHAREHOLDERS THROUGH ASSIGNMENT OF ONE FREE SHARE FOR EVERY 20 HELD**
- **TOTAL PREMIUMS WRITTEN OF € 3,961 MILLION (-17.8%)**
  - **Non-life direct premiums of € 1,627 million (+2.1%)**
  - **Life direct premiums written of € 2,319 million (-27.7%)**
- **IMPROVEMENT OF INDUSTRIAL PROFITABILITY**
  - **Combined Ratio of 96.9% vs. 97.7% at end of 2010**
- **SOLVENCY MARGIN OF 1.40x REGULATORY MINIMUM**

Verona, March 21st, 2012. Today, the Board of Directors of Cattolica Assicurazioni, chaired by Paolo Bedoni, unanimously approved the 2011 Consolidated Financial Statements and the 2011 Draft Financial Statements of the Parent Company Cattolica.

In 2011, the Group managed to achieve positive results despite the difficult economic scenario, improving on those of the previous year.

The Group ended 2011 with a **consolidated net profit** of € 42 million, against € 70 million in 2010 (-40.7%); the profit figure was impacted by the impairment of portfolio investments totalling € 93 million. Net of extraordinary components[1], consolidated net profit would have been € 89 million.
Group net profit[2] was € 38 million, compared to € 62 million in 2010 (-39.6%). Net of the above-cited non-recurring components, Group net profit would have been € 69 million.

Total direct and indirect premiums written from non-life and life business[3] totalled € 3,961 million, down 17.8% against € 4,817 million recorded the previous year, of which

[1] Impairment relating to Government Bonds of Greece and other shares and bonds held in the portfolio, net of the effect of shadow accounting and the effect of tax amounting to EUR 93 million; higher IRAP rate compared to 2010, of EUR 8 million; release of goodwill of EUR 54 million.
[2] Net of minority shares.

€ 1,642 million related to non-life segments (+2.1%) and € 2,319 million to life segments (-27.7%).

Non-life business

Direct business premiums written rose from € 1,594 million as at December 31st, 2010 to € 1,627 million at the end of 2011 (+2.1%). In the **motor segment,** premiums amounted to € 927 million, up 4.5% compared to the end of 2010. **Non-motor segments,** with premiums written of € 700 million, recorded a fall of 1.1% compared to the previous year, due to the requalification of the corporate sector portfolio. In the non-life segment, the good industrial performance is reflected in the **combined ratio**[4], which improved still further in 2010, falling from 97.7% to 96.9%.

Life business

Direct business premiums written were down on the previous year, totalling € 2,319 million compared to € 3,209 million at the end of 2010.

In particular, premiums written through the banking channel, which in 2010 had benefitted from a particularly favourable scenario, felt the impact of the substantial market difficulties experienced in 2011.

In terms of product type, life business was characterised by an increase in premiums written from traditional **class III** products (+148.9%) and by a fall in premiums written from **class I** and **V** products (-35.2%).

Financial operations and capital situation

Investment income[5] amounted to € 262 million (compared to € 433 million as at December 31st, 2010). This was achieved despite the impairment of shares and bonds totalling € 179 million, and writedowns of equity investments of € 10 million.

Investments amounted to € 15,095 million (€ 16,310 million as at December 31st, 2010). **Non-life gross technical provisions** were € 2,957 million (€ 2,941 million as at December 31st, 2010) and **Life provisions**, including financial liabilities, were € 12,303 million (€ 13,105 million as at December 31st, 2010).

The figures as at December 31st, 2011 confirm the Group's sound equity base, with **consolidated shareholders' equity** of € 1,223 million (€ 1,353 million as at December 31st, 2010). The decrease is mainly due to the net latent capital losses on available-for-sale securities, recorded as at December 31st, 2011. Note that as at today's date, said losses, which are closely related to the performance of Italian Government bonds, have fallen considerably.

The Group's **solvency margin** was 1.4 times the regulatory minimum at the end of 2011 (1.25 times net of anti-crisis provisions). The solvency margin relating to the share price on March 16th, 2012, was 1.40 times, without any contribution from the above-cited provisions.

[3] Includes insurance and investment premiums of life business as defined by IFRS 4.
[4] Combined ratio of preserved business 1-(Technical balance/net premiums), including other technical components.
[5] With the exclusion of investments whose risk is undertaken by policyholders.

Sales Network

The process to rationalise the agency network is ongoing; at the end of 2011 the network had 1,398 agencies (1,389 at the end of 2010) broken down as follows: 54.2% in Northern Italy, 25.2% in Central Italy and 20.6% in Southern Italy and the Islands. As at December 31st, 2011, there were 5,990 bank branches selling Group products (5,888 at the end of 2010), and 973 financial advisors.

Parent Company

The Parent Company's total premiums written from direct and indirect business totalled € 2,062 million (€ 1,879 million as at December 31st, 2010; +9.7%[6]), of which € 1,313 million for non-life direct business (€ 996 million as at December 31st, 2010; +31.9%) and € 592 million for life business (€ 861 million as at December 31st, 2010; -31.2%). **Net profit** based on Italian accounting standards was € 5 million.

Remuneration for shareholders

Following the invitation of the Supervisory Authority extended to the entire insurance sector, the Board of Directors decided that it was not necessary to distribute a dividend, and therefore proposed to the Shareholders' Meeting to reward shareholders by distributing one free share for every 20 shares held.

Outlook based on the initial months of 2012

An improvement of the results of Life and Non-Life business is expected in 2012, as the market scenario appears to be gradually stabilising.
Special attention will be paid to the life segment, given the complex market situation, while continuing to pursue an adequate level of profitability.
Investments will continue to be managed prudently, in a market scenario that has witnessed a considerable fall in the interest rates of Italian government bonds in the first few months of 2012.

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The **Chairman Paolo Bedoni** stated: "*The good results achieved in such a difficult year show two things: the first that, despite the negative impact of the financial crisis, the Board of Directors of Cattolica is able to present financial statements that confirm the solidity, the efficiency and the competitiveness of the Group; the second that the properly balanced and responsible decisions taken this year open up positive horizons and enable us to be confident of achieving growth and profitability in the short term*".

The **Managing Director Giovan Battista Mazzucchelli** added: "*In a year that suffered the greatest impact of the sovereign debt crisis, Cattolica is able to present a profit despite the negative impact of the Italian and international financial scenario. These results confirm the Group's overall solidity and efficiency, strengthened by positive industrial performance. Future results will benefit from a further improvement of industrial profitability and the gradual stabilisation of the economic and financial situation*".

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[6] The increase net of premiums relating to the Duomo Uni One business division, acquired from April 29th, 2011 and amounting to EUR 403 million, is 4.7%.

Giuseppe Milone, the executive appointed to draw up the corporate accounting documents, herewith declares, pursuant to section 2 of article 154bis of the Consolidated Law on Finance that the accounting information contained in this press release corresponds to corporate documents, books and accounting records.

The Board of Directors also verified compliance with the requirements of independence of Board Directors on the basis of the provisions of the Self-Regulatory Code. The Board of Directors of Cattolica therefore established Barbara Blasevich, Giovanni Maccagnani, Giuseppe Manni, Angelo Nardi, Aldo Poli, Pilade Riello, Domingo Sugranyes Bickel and Enrico Zobele as independent non-executive directors.

The Board of Directors also approved the Report on Corporate Governance and Ownership Structure relating to 2011.

Cattolica Assicurazioni's Separate Financial Statements, Consolidated Financial Statements and the Report on Corporate Governance and Ownership Structure will be made available in accordance with the procedure and the terms envisaged by legislative and regulatory provisions in force.

Note that the Shareholders' Meeting of Cattolica Assicurazioni has been convened, in ordinary and extraordinary session, on 20 and **21 April 2012**, on first and **second call** respectively.

The reclassified statements as at December 31st, 2011 of the Parent Company and Consolidated Balance Sheets and Income Statements are attached hereto. Please note that the separate and consolidated financial statements and relative documents have not yet been certified by the independent auditor.

SOCIETA' CATTOLICA DI ASSICURAZIONE

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Cattolica Group - Consolidated Financial Statements as at December 31st, 2011

(compliant with international accounting standards)

Reclassified Balance Sheet (amounts in € millions)	2011	2010
Assets		
Property investments and property	177	179
Equity investments in subsidiaries, associates and joint ventures	103	119
Loans and receivables	1.518	1.290
Investments held to maturity	285	74
Financial assets available for sale	8.512	9.254
Financial assets at fair value recorded in the income statement	4.093	4.808
Cash and cash equivalents	407	586
Investments	**15.095**	**16.310**
Intangible assets	328	327
Technical provisions - reinsurance amount	640	606
Other assets net of other liabilities	996	773
TOTAL ASSETS	**17.059**	**18.016**
Shareholders' equity and liabilities		
Share capital and reserves	1.181	1.283
Consolidated profit	42	70
Consolidated Shareholders' Equity	**1.223**	**1.353**
Provision for premiums	626	596
Provision for outstanding claims	2.331	2.345
Gross technical provisions - non-life	**2.957**	**2.941**
Gross technical provisions - life	**11.299**	**12.069**
Other gross technical provisions - non-life	2	3
Other gross technical provisions - life	324	358
Financial liabilities	1.254	1.292
of which deposits from policyholders	*1.004*	*1.036*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**17.059**	**18.016**

Reclassified Income Statement (amounts in EUR millions)	2011	2010
Revenues and income		
Net premiums	3.439	4.140
Commission income	5	7
Income deriving from financial instruments at fair value recorded in the income statement	27	217
of which class D	*17*	*213*
Income deriving from equity investments in subsidiaries, associates and joint ventures	-	2
Income deriving from other financial instruments and property investments	550	576
Other revenues	96	83
Total revenues and income	**4.117**	**5.025**
Costs and charges		
Net charges relating to claims	-3.194	-4.119
Commission expense	-4	-9
Charges deriving from equity investments in subsidiaries, associates and joint ventures	-16	-1
Charges deriving from other financial instruments and property investments	-269	-132
Operating expenses	-456	-468
Commission and other acquisition costs	*-306*	*-316*
Operating expenses relating to investments	*-14*	*-14*
Other administrative expenses	*-136*	*-138*
Other costs	-157	-176
Total costs and charges	**-4.096**	**-4.905**
Profit for the period before tax	**21**	**120**
Tax	21	-53
Profit for the period after tax	**42**	**67**
Profit from discontinued operations	**0**	**3**
CONSOLIDATED PROFIT FOR THE PERIOD	**42**	**70**
Profit pertaining to minority shareholders	4	8
PROFIT PERTAINING TO THE GROUP	**38**	**62**

(*) 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 asset items = 5 + 6 + 2.2) net of provisions, payables and other liability items (balance sheet liability items = 2 + 5 + 6).

(***) With reference to the previous period, following the sale of equity investments in Polo Finanziario and in Apogeo Consulting Sim on June 24th, 2010 and July 7th, 2010 respectively, the income statement figures of the two companies as at December 31st, 2010 have been reclassified under item "4 Profit (loss) from discontinued operations" pursuant to IFRS 5 (paragraphs 33 and 35).

Cattolica Assicurazioni Soc. Coop. - Financial statements (compliant with Italian accounting standards)

Reclassified Balance Sheet (amounts in € millions)	2011	2010	Mandatory reporting items
Assets			
Land and buildings	38	39	*C.I*
Shares and holdings	1.166	1.253	*C.II.1 + CIII.1*
Bonds and other listed fixed-income securities	3.688	3.259	*C.II.2 + C.III.3*
Units in mutual investment funds	312	238	*C.III.2*
Loans and other investments	10	53	*C.II.3 + C.III.4 + C.III.6 + C.I.*
Deposits with transferring companies	9	9	*C.IV*
Class D investments	992	982	*D*
Cash and cash equivalents	75	156	*F.II*
Investments	**6.290**	**5.989**	
Intangible assets	184	56	*B*
Technical provisions - reinsurance amount	529	448	*D.bis*
Other receivables and other assets net of other payables and other liabilities	588	373	*(1)*
ASSETS	**7.591**	**6.866**	
Shareholders' equity and liabilities			
Share capital and equity reserves	1.239	1.220	
Profit for the year	5	67	
Shareholders' equity	**1.244**	**1.287**	*A*
Gross technical provisions - non-life (premiums and claims)	2.784	1.973	*C.I.1 + C.I.2*
Gross technical provisions - life (mathematical and class D)	3.468	3.495	*C.II.1 + D*
Other gross technical provisions - non-life	11	7	*C.I.4 + C.I.5*
Other gross technical provisions - life	84	104	*(2)*
SHAREHOLDERS' EQUITY AND LIABILITIES	**7.591**	**6.866**	

Reclassified Income Statement (amounts in EUR millions)	2011	2010	Mandatory reporting items
Premiums	1.832	1.678	*I.1 + II.1*
Claims and changes in technical reserves	1.546	1.505	*I.4 + II.5 + II.6*
Operating expenses	338	254	*I.7 + II.8*
Other technical items	8	-22	*(3)*
Net income from Class C investments	119	166	*II.2 - II.9 + III.3 - III.5*
Net income from Class D investments	-10	22	*II.3 - II.10*
Other income net of other charges	-24	-2	*III.7 - III.8*
OPERATING PROFIT	**41**	**83**	***III.9***
Profit (loss) from extraordinary operations	-3	-5	*III.12*
PROFIT BEFORE TAX	**38**	**78**	***III.13***
Income tax for the year	33	11	*III.14*
PROFIT FOR THE YEAR	**5**	**67**	***III.15***

(1) Other receivables and other assets (balance sheet asset items = E + F.I + F.III + 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)

Note that 2011 figures include, from April 29th, the Duomo Uni One Assicurazioni business division, subject of the proportional partial demerger into Cattolica Assicurazioni.