

PRESS RELEASE

RESULTS AS OF SEPTEMBER 30th, 2011 APPROVED:

- **CONSOLIDATED NET PROFIT OF € 41 MILLION**
(€ 62 million excluding the effect of the higher IRAP tax rate and the write-down of Greek government securities, compared to € 61 million for September 2010)
- **CONSOLIDATED PREMIUMS WRITTEN OF € 2,871 MILLION**
 - Direct non-life premiums +2.1%
 - Direct life premiums -34.5%
- **BUSINESS PERFORMANCE EFFICIENCY CONFIRMED**
 - Combined ratio stands at 96.9% (97.7% at December 31st, 2010)
- **SOLVENCY MARGIN 1.35 TIMES THE REGULATORY MINIMUM**

Verona, Italy, November 11th, 2011. Today, the Cattolica Assicurazioni Board of Directors, chaired by Paolo Bedoni, unanimously approved the Interim Report as of September 30th, 2011 of the Cattolica Group¹.

Consolidated net profit amounted to € 41 million, affected by € 17 million in investment portfolio write-downs².

Excluding non-recurring effects and the IRAP tax rate increase, consolidated net profit would be € 62 million, up on the € 61 million recorded in the same period in 2010.

The **Group net profit** stands at € 39 million (€ 56 million as of September 30th, 2010). Net of the aforementioned non-recurring effects, Group net profit would be € 53 million.

Total direct and indirect premiums written³ totalled € 2,871 million (€ 3,749 million in the same period of 2010, -23.4%).

In compliance with a strict underwriting policy, **direct non-life premiums written** increased from € 1,120 million as of September 30th, 2010 to € 1,144 million in the first nine months of 2011 (+2.1%). The **motor segment** recorded premiums written of € 681 million, up 4.0% on the same period in 2010. The result in the **non-motor classes**

¹ The interim report for the third quarter of 2011 was drawn up on the basis of Article 154-ter of the Consolidated Finance Law and Consob Communication no. DEM/8041082 of April 30th, 2008, and does not represent interim financial statements drawn up according to IAS 34.

² € 15 million impairment relating to Greek government securities and € 2 million to other securities. These values are net of tax effects and shadow accounting effects.

³ Includes insurance premiums and life business investments as defined in IFRS 4.

remained more or less stable with premiums written of € 463 million (-0.4%; +4% excluding general TPL and health).

In the **life segment** direct premiums written recorded € 1,713 million. The decrease compared to the previous year (-34.5%) is in line with market trends and is mainly due to the fall in premiums written through the banking channel, which in 2010 benefited from a particularly favourable economic situation. Class III products increased by 69.9%, achieving premiums written of € 205 million against the € 120 million recorded as of September 30th, 2010.

The first nine months of 2011 **confirmed the positive business performance**. In particular, in the non-life segments the **combined ratio**⁴ was 96.9%%, recording a further improvement on the ratio recorded at the end of 2010 (97.7%) and in the first half of 2011 (97.4%).

As at September 30th, 2011 **consolidated shareholders' equity** stood at € 1,082 million (€ 1,353 million as of December 31st, 2010).

The **Group's solvency margin** is 1.35 times the regulatory minimum⁵. The decrease compared to June 30th, 2011 is mainly due to the falling value of Italian government securities held.

Investments totalled € 15,607 million. **Non-life business technical provisions** amounted to € 2,920 million and **life business provisions** to € 12,831 million including financial liabilities. The **result of investments**⁶ net of write-downs was € 288 million for the first nine months of 2011.

The positive business performance is confirmed for the entire year.

The Managing Director of Cattolica Assicurazioni, Giovan Battista Mazzucchelli, announced: *"Once again in the third quarter of this year, despite the extremely difficult economic and financial scenario, the Cattolica Group recorded a net profit as a result of the continued positive business performance. The upward trend of the business efficiency (with a further improvement in the already satisfactory combined ratio) gives a positive result, regardless of the necessary write-down in Greek government securities held, and affected in the meantime by the increase in the IRAP tax rate. The business results are in line with forecasts even if fears regarding future financial position trends and the sovereign debt crisis remain strong"*.

In accordance with art. 154-*bis*, paragraph 2 of the Consolidated Law on Finance, the executive appointed to draw up the corporate accounting documents, Giuseppe Milone, states that the accounting information disclosed in this press release corresponds with the accounting documents, books and records.

⁴ Combined ratio for retained business: $1 - (\text{Technical balance/net premiums})$, including other technical items.

⁵ The solvency margin as of September 30th, 2011 was calculated assuming application of the provisions of anti-crisis measures.

⁶ Excluding investments where the risk is borne by policyholders, gross of related tax effects.

The Company confirms that the Interim Report as of September 30th, 2011 of the Cattolica Group will be made available to the public at the registered offices and from Borsa Italiana S.p.A. in accordance with the methods and deadlines required by laws and regulations in force. The Report will also be available on the corporate web site www.cattolica.it.

Attached are the reclassified Balance Sheet and Income Statement as of September 30th, 2011.

SOCIETA' CATTOLICA DI ASSICURAZIONE

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Cattolica Group - Interim Management Report as of September 30th, 2011

(prepared in accordance with international accounting standards)

Reclassified Balance Sheet (€ millions)	30.09.2011	31.12.2010	Items from obligatory statements (*)
Assets			
Property investments and property	177	179	4.1 + 2.1
Equity investments in subsidiary and associated companies and joint ventures	114	119	4.48
Loans and receivables	1.442	1.290	4.4
Investments held to maturity	290	74	4.3
Financial assets available for sale	8.866	9.254	4.5
Financial assets at fair value recorded in the income statement	4.279	4.808	4.6
Cash and cash equivalents	439	586	7
Investments	15.607	16.310	
Intangible assets	322	327	1
Technical provisions - reinsurance amount	631	606	3
Other assets net of other liabilities	822	773	(**)
ASSETS	17.382	18.016	
Liabilities and shareholders' equity			
Share capital and reserves	1.041	1.283	
Consolidated result	41	70	
Consolidated shareholders' equity	1.082	1.353	1
Provision for unearned premiums	569	596	
Provision for outstanding claims	2.351	2.345	
Gross technical provisions - non-life	2.920	2.941	3
Gross technical provisions - life	11.821	12.069	3
Other gross non-life technical provisions	3	3	3
Other gross life technical provisions	292	358	3
Financial liabilities	1.264	1.292	4
<i>of which deposits from policyholders</i>	<i>1.010</i>	<i>1.036</i>	
LIABILITIES AND SHAREHOLDERS' EQUITY	17.382	18.016	

Reclassified Income Statement (€ millions)	30.09.2011	30.09.2010	Items from obligatory statements (*)
Revenues and income			
Net premiums	2.556	3.224	1.1
Commission income	4	5	1.2
Income and charges deriving from financial instruments valued at fair value recorded in the income statement	-9	207	1.3
<i>of which class D</i>	<i>-10</i>	<i>201</i>	
Income deriving from equity investments in subsidiary and associated companies and joint ventures	-	1	1.4
Income deriving from other financial instruments and property investments	410	425	1.5
Other revenues	33	41	1.6
Total revenues and income	2.994	3.903	
Costs and charges			
Net charges relating to claims	-2.371	-3.270	2.24
Commission expense	-3	-7	4.48
Charges deriving from equity investments in subsidiary and associated companies and joint ventures	-2	-	7.12
Charges deriving from other financial instruments and property investments	-111	-90	9.36
Operating expenses	-335	-330	12.00
<i>Commission and other acquisition costs</i>	<i>-224</i>	<i>-221</i>	
<i>Operating expenses relating to investments</i>	<i>-11</i>	<i>-9</i>	
<i>Other administrative expenses</i>	<i>-100</i>	<i>-100</i>	
Other costs	-90	-101	14.24
Total costs and charges	-2.912	-3.798	
Pre-tax results	82	105	
Taxation	-41	-47	3
Net profit for the period	41	58	
Profit from discontinued operations	0	3	4 (***)
CONSOLIDATED PROFIT FOR THE PERIOD	41	61	
Result pertaining to minority shareholders	2	5	
RESULT PERTAINING TO THE GROUP	39	56	

(*) Indicates items of the consolidated financial statements included 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 liabilities items (balance sheet items under liabilities = 2 + 5 + 6).

(***) With reference to the previous period, further to transfer of the equity investments in Polo Finanziario and Apogeo Consulting Sim which took place on June 24th, 2010 and July 7th, 2010 respectively, the income statement figures of the two companies until said dates have been reclassified, as per IFRS 5 (sections 33 and 35), to the item "4 Profit (loss) from discontinued operations".