

## PRESS RELEASE

### APPROVAL OF RESULTS FOR FIRST NINE MONTHS OF 2010:

- **NET PROFIT:**
  - **Consolidated net profit at € 61 million (+1.7%)**
  - **Group net profit at € 56 million (+9,8%)**
  
- **CONSOLIDATED PREMIUMS at € 3,749 million (+17.7%)**
  - **Non-Life direct premiums up by + 4.1%**
  - **Life direct premiums up by + 24,7%**
  
- **CONFIRMATION OF POSITIVE OPERATIONAL TREND**
  - **Combined ratio at 97.7%**

---

Verona, 12 November 2010. Today the Board of Directors of Cattolica Assicurazioni, chaired by Paolo Bedoni, approved the Interim Management Statement as at 30 September 2010 of the Cattolica Group<sup>1</sup>.

The first nine months of 2010 reflect consolidation of the good performance of the insurance business underpinned by the ongoing volume growth and the continuation, on schedule, of the initiatives designed to maximize the Group's operating efficiency.

**The Group's net profit** totalled € 56 million, with improvement of +9.8% vs. € 51 mn in the same period of 2009. **Consolidated net profit** also grew, progressing to € 61 mn (vs. € 60 mn in 9M09, +1.7%); this result was weighed down by € 10 mn of impairment after tax.

**Total premium income**<sup>2</sup> for direct and indirect business amounted to € 3,749 mn (vs. € 3,185 mn in 9M09, +17,7%). There was improvement both of **Non-Life** (i.e. P&C) direct premiums – which rose to € 1,120 mn (vs. € 1,076 mn in 9M09, +4,1%) – and of **Life** direct premiums – which grew to € 2,614 mn (vs. € 2,096 mn in 9M09, +24.7%).

In a market environment that continues to feature fierce competition, the trend of premiums was positive in the **Motor** business, with premiums of € 655 mn (+4.5% vs. 9M09). In addition, the Group continued to strengthen its position in the **Non-Motor** business, with premiums of € 465 mn featuring a +3.6% increase over 9M09.

---

<sup>1</sup> The interim management statement as up to the end of the third quarter of 2010 has been prepared according to Article 154-ter of the Italian Consolidated Finance Act and to CONSOB (Italian Securities & exchange commission) memorandum no. DEM/8041082 of 30 April 2008. It is not an interim financial report prepared as per IAS 34 (Interim Financial Reporting).

<sup>2</sup> Includes life insurance premiums and revenues from investment contracts as defined by IFRS 4.

In the Non-Life segment the degree of operational efficiency achieved was reflected in the **combined ratio**<sup>3</sup> which held steady at 97.7%, showing substantial stability vs. 9M09 (97.5%).

In the **Life segment** direct premiums<sup>4</sup> rose to € 2,614 mn (vs. € 2,096 mn in 9M09), with improvement of +24.7% YoY. In particular, **traditional products** experienced an increase of +40.8% YoY, growing to € 1,456 mn. There was also growth of **pension fund** premiums, which reached € 324 mn with growth of +92.9% YoY (vs. € 168 mn in 9M09).

Investments amounted to € 16,980 mn (vs. € 16,344 mn as at 31 December 2009).

Non-Life **gross technical reserves** amounted to € 2,931 mn. Life reserves, including financial liabilities, totalled € 13,520 mn. **Investment income**<sup>5</sup> grew by +24% YoY, rising from € 267 mn 9M09 to € 331 mn in 9M10.

As at 30 September 2010 **consolidated shareholders' equity** amounted to € 1,465 mn vs. € 1,620 mn as at 31 December 2009, mainly because of the purchase of an additional 9.9% equity interest in Lombarda Vita S.p.A. from UBI Banca, as part of the agreement to renew the partnership in the life bancassurance segment with the UBI group. The AFS (Available for Sales) reserve<sup>6</sup> decreased by € 60 mn, from € 93 mn as at 31 December 2009 to € 33 mn as at 30 September 2010.

The Group's **solvency margin** is 1.63x the regulatory minimum<sup>7</sup>.

\*\*\*

The Chairman of Cattolica Assicurazioni – Paolo Bedoni – declared: *“The data as at 30 September confirm the rightness of the choices made and the farsightedness of the route taken to consolidate and relaunch Cattolica. We have not only withstood the crisis but are also ready to take the opportunities of a new phase driven by growth and development”*.

The CEO of Cattolica Assicurazioni – Giovan Battista Mazzucchelli – commented: *“There's continuity and stability in the improvement of Cattolica's data in a general economic situation that remains challenging. This is demonstrated by the increase of net profit and growth of premiums both in Non-Life and Life. We can look ahead serenely and confidently to the overall picture set to emerge for the closure of this financial year's accounts”*.

\*\*\*

Marco Cardinaletti, the Corporate Financial Reporting Manager, herewith declares pursuant to Article 154-bis, second paragraph, of the Italian Consolidated Finance Act, that the financial disclosures contained in this press release match documentary evidence, corporate books, and accounting records.

<sup>3</sup> Combined ratio of retained business: 1 – (Technical result/earned premiums), inclusive of other technical items

<sup>4</sup> Life premiums net of BCC Vita amounted to € 2,264 mn vs. € 1,809 mn in 9M09.

<sup>5</sup> Excluding investments for which risk is borne by policyholders, before tax effects.

<sup>6</sup> Net of shadow accounting and tax effects.

<sup>7</sup> The solvency margin includes the effect of a subordinated loan of € 80 mn to the Group, for which the ISVAP (the Italian insurance regulator) on 9 November 2010 approved inclusion in the calculation of items forming the solvency margin pursuant to Article 45 of the Insurance Code and related application provisions.

The company advises that the Interim Management Statement as at 30 September 2010 will be at the public's disposal at the company's registered headquarters and c/o Borsa Italiana SpA by the legally established deadlines. The Statement will also be available on the company's website at the address [www.cattolica.it](http://www.cattolica.it).

\*\*\*

Today, Cattolica Assicurazioni's Board of Directors also appointed Giuseppe Milone, Administration Officer of Cattolica, as Corporate Financial Reporting Manager, i.e. the manager officially responsible for the preparation of corporate financial reporting documents.

*The reclassified consolidated Balance Sheet and Income Statement as at 30 September 2010 are attached.*

SOCIETA' CATTOLICA DI ASSICURAZIONE

#### **CONTACTS**

##### **Investor Relations Officer**

Piero Gavazzi  
Tel. 0039 045 8391796  
[Investor.relations@cattolicaassicurazioni.it](mailto:Investor.relations@cattolicaassicurazioni.it)

##### **Institutional Communication**

Giovanni Grazioli  
Tel. 0039 335 1027474  
[giovanni.grazioli@cattolicaassicurazioni.it](mailto:giovanni.grazioli@cattolicaassicurazioni.it)

# Cattolica Group - Interim Management Statement as at 30 September 2010

(IFRS-compliant)

<b>Reclassified Balance Sheet (amounts in € millions)</b>	<b>30.09.2010</b>	<b>31.12.2009</b>	<i>Mandatory reporting items (*)</i>
<b>Assets</b>			
Property investments and property	181	78	4.1 + 2.1
Investments in subsidiaries, associates and joint ventures	118	119	4.2
Loans and receivables	1.299	1.344	4.4
Investments held to maturity	0	0	4.3
Financial assets available for sale	9.802	8.724	4.5
Financial assets at fair value through profit or loss	4.996	5.499	4.6
Cash and cash equivalents	584	580	7
<b>Investments</b>	<b>16.980</b>	<b>16.344</b>	
Intangible assets	318	314	1
Technical provisions - reinsurance amount	566	529	3
Other assets, net of other liabilities	578	500	(**)
<i>of which assets of a disposal group held for sale</i>	0	6	(***)
<i>of which liabilities of a disposal group held for sale</i>	0	-5	(***)
<b>ASSETS</b>	<b>18.442</b>	<b>17.687</b>	
<b>Liabilities and shareholders equity</b>			
Capital and reserves	1.404	1.552	
Consolidated net profit	61	68	
<b>Consolidated Shareholders' Equity</b>	<b>1.465</b>	<b>1.620</b>	1
Unearned premiums reserve	544	568	
Outstanding claims reserve	2.387	2.338	
<b>Gross technical provisions - non-life</b>	<b>2.931</b>	<b>2.906</b>	3
<b>Gross technical provisions - life</b>	<b>12.408</b>	<b>11.528</b>	3
Other gross non-life technical provisions	3	2	3
Other gross life technical provisions	259	311	3
Financial liabilities	1.376	1.320	4
<i>of which deposits from policyholders</i>	1.112	1.206	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>18.442</b>	<b>17.687</b>	

<b>Reclassified Income Statement (amounts in € millions)</b>	<b>9M 2010</b>	<b>9M 2009</b>	<i>Mandatory reporting items (*)</i>
<b>Revenues and income</b>			
Net premiums	3.224	2.868	1.1
Commission income	5	7	1.2
Net income from financial instruments at fair value through profit or loss	207	504	1.3
<i>of which: D class</i>	201	472	
Net income from investments in subsidiaries, associates and joint-ventures	1	2	1.4
Net income from other financial instruments and property investments	425	357	1.5
Other revenues	41	53	1.6
<b>Total revenues and income</b>	<b>3.903</b>	<b>3.791</b>	
<b>Costs and charges</b>			
Net charges relating to claims	-3.270	-3.132	2.1
Commission expense	-7	-7	2.2
Charges arising from investments in subsidiaries, associates and joint ventures	0	-1	2.3
Charges arising from other financial investments and property investments	-90	-115	2.4
Operating expenses:	-330	-327	2.5
<i>Commission and other acquisition costs</i>	-221	-213	
<i>Investment management expenses</i>	-9	-8	
<i>Other administrative expenses</i>	-100	-106	
Other costs	-101	-110	2.6
<b>Total costs and charges</b>	<b>-3.798</b>	<b>-3.692</b>	
<b>Pre-tax profit for the period</b>	<b>105</b>	<b>99</b>	
Taxation	-47	-39	3
<b>Profit for the period after tax</b>	<b>58</b>	<b>60</b>	
<b>Profit from discontinued operations</b>	<b>3</b>	<b>0</b>	4 (***)
<b>CONSOLIDATED NET PROFIT</b>	<b>61</b>	<b>60</b>	
Net profit for the period attributable to non-controlling interests	5	9	
<b>GROUP NET PROFIT</b>	<b>56</b>	<b>51</b>	

(\*) Items of consolidated financial statements provided as required by ISVAP (Italian insurance regulator) regulation no. 7 of 13 July 2007

(\*\*) Other receivables, other assets and other tangible assets (asset accounts = 5 + 6 + 2.2) net of provisions, payables and other liabilities (liability accounts = 2 + 5 + 6)

(\*\*\*) Following the sale of the equity interests in Polo Finanziario and Apogeo Consulting Sim, which took place on 24 June 2010 and 7 July 2010 respectively, the two companies' economic data up to

It is pointed out that economic data for 9M 2009 also include those of BCC Vita, consolidated as from July 2009