



# Results at March 31<sup>st</sup>, 2021

Cattolica Assicurazioni Group

Verona, May 28<sup>th</sup>, 2021

# Introduction

The economic data and assets and liabilities of Lombarda Vita, the sale of which took place, after obtaining the relevant authorisations, on 12 April 2021, have been reclassified under the relevant "disposal" items pursuant to IFRS 5 both for 2020 and 2021. The figures displayed in this presentation are on a like-for-like basis, without the contribution of Lombarda Vita, briefly represented in the net profit.

# Key consolidated figures

Results at March 31<sup>st</sup>, 2021

(€ m)	IAS IFRS RESULTS			
	1Q2020 <sup>1</sup>	1Q2021	Δ%	
<b>Total Direct Premiums</b>	1,093	1,273	+16.4%	Δ% 1Q21/1Q20: -17.5% (on the non like-for-like figures)
<i>Non-Life Direct Premiums</i>	482	496	+2.8%	
<i>Life Direct Premiums<sup>1</sup></i>	611	777	+27.2%	Δ% 1Q21/1Q20: -26.8% (on the non like-for-like figures)
<b>Combined ratio<sup>2</sup></b>	92.6%	87.7%	-4.9 pps	
<b>Cons. Shareholders' Equity</b>	2,613 <sup>4</sup>	2,665	+2.0%	
<b>Solvency II Ratio</b>	187% <sup>4</sup>	199%	+12 pps	
<b>Operating Result</b>	55	101	+82.6%	
<b>Consolidated Result</b>	20	55	+177.1%	
<b>Group's Result</b>	14	45	+221.3%	
<b>Adjusted Result</b>	18	48	+160.8%	
<b>Operating Return On Equity</b>	4.6%	9.2%	+4.6 pps	



(1) Premiums, operating profit, operating RoE at 1Q2020 are represented on a like-for-like basis with respect to 1Q2021 (net of Lombarda Vita).

(2) Including investment contracts.

(3) Retained business.

(4) At 31 December 2020.

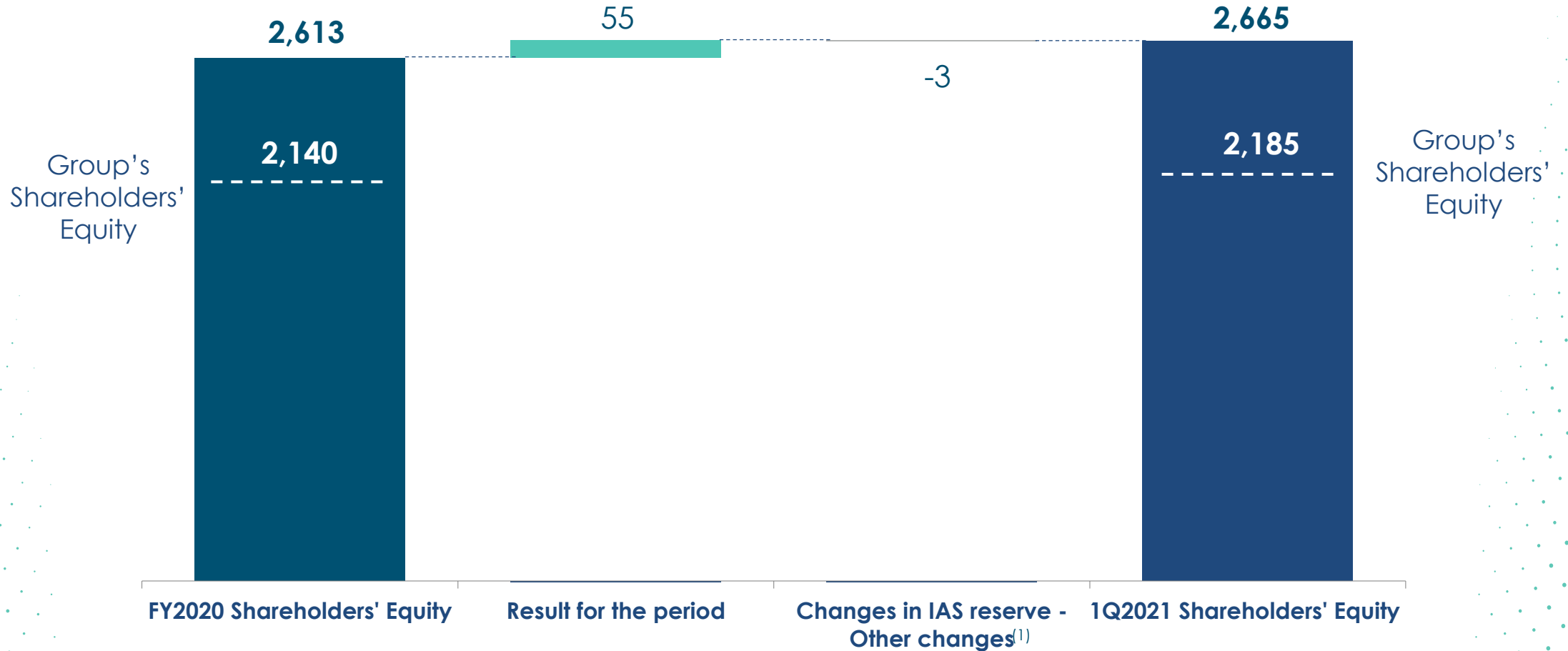
# Income statement by segment of activity

Results at March 31<sup>st</sup>, 2021

€ m	NON LIFE		LIFE		OTHER		TOTAL	
	1Q2020	1Q2021	1Q2020	1Q2021	1Q2020	1Q2021	1Q2020	1Q2021
Net Premiums	451	459	589	773	0	0	1,040	1,232
Net charges relating to claims	-251	-260	-266	-846	0	0	-517	-1,106
Operating expenses	-136	-140	-41	-44	0	0	-177	-184
Other revenues net of other costs (other technical income and charges)	-31	-1	-9	-11	0	0	-40	-12
Income on ordinary gross investments (Class C)	26	21	75	100	0	0	101	121
Income on ordinary gross investments (Class D)	0	0	-328	79	0	0	-328	79
Net income from investments in subsidiaries, associated companies and joint ventures	0	2	0	0	0	0	0	2
Commissions income net of commissions expense	0	0	0	-1	0	0	0	-1
Operating expenses relating to investments	-3	-3	-8	-9	-1	-1	-12	-13
<b>RESULT OF INSURANCE BUSINESS AND FINANCIAL OPERATIONS</b>	<b>56</b>	<b>78</b>	<b>11</b>	<b>41</b>	<b>-1</b>	<b>-1</b>	<b>67</b>	<b>118</b>
Other revenues net of other operating costs	-8	-12	-4	-5	0	0	-12	-17
<b>OPERATING RESULT</b>	<b>48</b>	<b>66</b>	<b>8</b>	<b>36</b>	<b>-1</b>	<b>-1</b>	<b>55</b>	<b>101</b>
Realised and valuation income	-12	-3	-1	-2	0	0	-13	-5
Interests on subordinated debt	-6	-5	-1	-3	0	0	-7	-8
Non-operating net income from investments in subsidiaries, associated companies and joint ventures	1	0	0	0	0	0	1	0
Other revenues net of other non-operating costs	-3	-3	-8	-5	0	0	-11	-8
<b>PROFIT (LOSS) BEFORE TAXATION FOR THE YEAR</b>	<b>28</b>	<b>55</b>	<b>-1</b>	<b>26</b>	<b>-1</b>	<b>-1</b>	<b>25</b>	<b>80</b>
Taxation	-15	-22	-1	-9	0	0	-16	-31
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>13</b>	<b>33</b>	<b>-3</b>	<b>17</b>	<b>-1</b>	<b>-1</b>	<b>9</b>	<b>49</b>
<b>PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>6</b>
<b>CONSOLIDATED PROFIT (LOSS) FOR THE YEAR</b>	<b>13</b>	<b>33</b>	<b>8</b>	<b>23</b>	<b>-1</b>	<b>-1</b>	<b>20</b>	<b>55</b>
of which pertaining to the Group	12	32	3	14	-1	-1	14	45
of which pertaining to minority interests	1	1	5	9	0	0	6	10
<b>ADJUSTED RESULT</b>	<b>13</b>	<b>33</b>	<b>6</b>	<b>16</b>	<b>-1</b>	<b>-1</b>	<b>18</b>	<b>48</b>

# Consolidated Shareholders' Equity

Results at March 31<sup>st</sup>, 2021

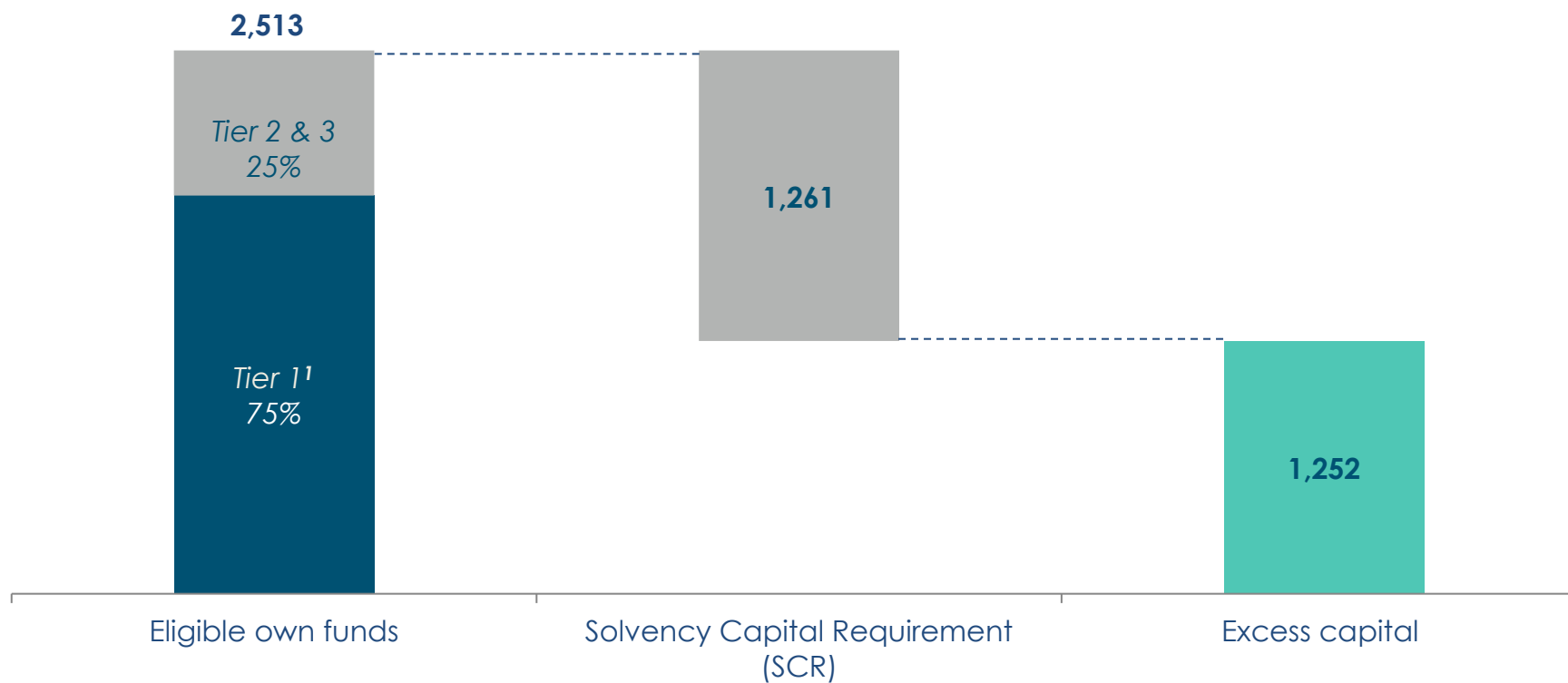


(1) Including the changes of the AFS reserve (net of shadow accounting and taxation) and of other profits and losses recognized directly in equity and other minor changes.

# Group's Solvency II ratio

Results at March 31<sup>st</sup>, 2021

**Solvency II Ratio 199%**  
**As at 31 March 2021**



(1) Tier 1 "unrestricted" eligible own funds (share capital and capital buffers) equal to about 75% of total own eligible funds.

# Contents

- The Cattolica Group and the Covid-19 Crisis
- Non-Life Business Performance
- Life Business Performance
- Investments

# The Cattolica Group and the Covid-19 Crisis (1/3)

## Workforce protection and Business continuity

Following the spread of COVID-19 in Italy, a large number of assessments have been carried out to identify the risks and implement measures to counter or reduce the negative effects of the pandemic, protect and safeguard staff, customers and stakeholders in general, and guarantee business continuity.

- **Workforce protection. Workforce protection.** The entire company population has been kept safe by the introduction of **100% smartworking since 24 February**. The activities necessary for a safe return to the operational sites were carried out, both to the executive offices (in September with a maximum of 25% of staff present at the sites) and to the agencies. Due to the new peak in the infection recorded since the beginning of October, the Group considered it appropriate to return to full smart working mode. **Ensuring the continuity of internal processes.** The **communication plan** goes on both internally and externally in order to guarantee a clear, up-to-date and continuous flow of information, to reassure stakeholders and provide widespread information about the initiatives undertaken.
- **Business continuity.** A new **“Pay by Link”** remote payment system has been introduced to facilitate the relationship between customers and agents. All professionals have been given the instructions they need to proceed with settlements remotely to ensure that work, including appraisals, continues after lockdown. All the necessary safeguards and tools have been deployed to ensure **continuity of the business agenda**, including meetings with boards and the Corporate Agent Group, and to provide agency training via digital learning sessions.



# The Cattolica Group and the Covid-19 Crisis (2/3)

## Implementation of measures

- **Ongoing monitoring of the impacts of the emergency in the short term, and simulations of the effects in the medium-long term**, have been put in place. The Group's liquidity situation is constantly analysed and stress tests carried out. There is weekly reporting on the main business KPIs also in 2021.
- The following **customer care** solutions have been adopted :
  - During the lockdown period the following measure have been taken: **extension of third-party liability motor insurance payment deadlines**, tariff flexibility has been increased, particularly in **Motor TPL**, options have been offered for the **suspension of Motor TPL policies, and the extension of payment deadlines has also been extended to Non-Motor policies. Motor TPL pricing activity continued with no increases.**
  - In the following months, a new emergency procedure **for distance selling** (Motor insurance) has been introduced for Group customers, involving telephone consultancy, documentation by email and Pay by Link payments.
  - A new procedure **for distance selling of Life products.**
  - Introduction of a **voucher** for Motor TPL customers which entitles them to a **discount equal to one month of their current premium**, to be used for the renewal of the policy or to buy a new product, and to enrich their coverage also with the guarantee of legal protection (different options depending on the sales channels).
- Finally, on the **charity** front, Società Cattolica and Fondazione Cattolica have made **donations** for the acquisition of healthcare and nursing materials totalling **2 million euro**.

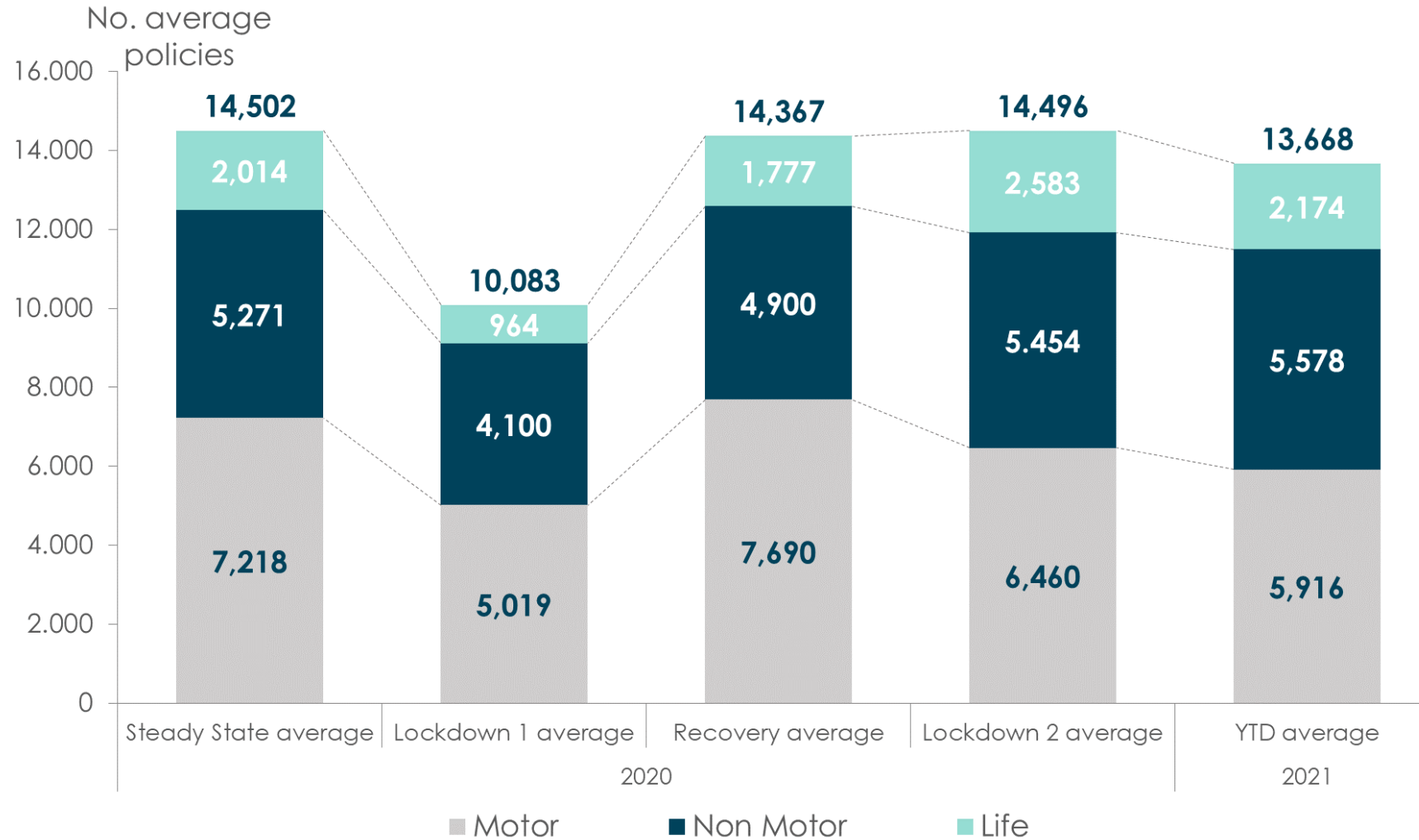
# The Cattolica Group and the Covid-19 Crisis (3/3)

Overview at 7 May 2021

1. In 2020 the **Motor TPL division** has seen **a reduction in the frequency of claims to -28%** due to the halting of vehicle circulation as a result of the COVID-19 emergency. After the drastic reduction in circulation during the lockdown in the months of March and April (with peaks of -80%), from July to October there was a trend of growth in frequency, only to reverse the sign again in the last weeks of the year, following the DPCM approved in early November to stem the new wave of the pandemic.
2. **The YoY frequency variation continued to decline also for the first 2 months of 2021, while in March there was a growing trend** in correspondence with the same weeks of 2020, which intercept the first weeks of total lockdown. **The result at the beginning of May is + 24% compared to 2020, but the indicator remains in sharp decline compared to 2019, -27%.**
3. As concerns **life insurance**, the impact on premium income was a decline of -26% in 2020 (in the lockdown period, the contraction in the number of new issue contracts reached over -75%). The impact on the technical result of the TCM (With profit) was limited. **In 2021, the values of premium income are better than the expected trends.**

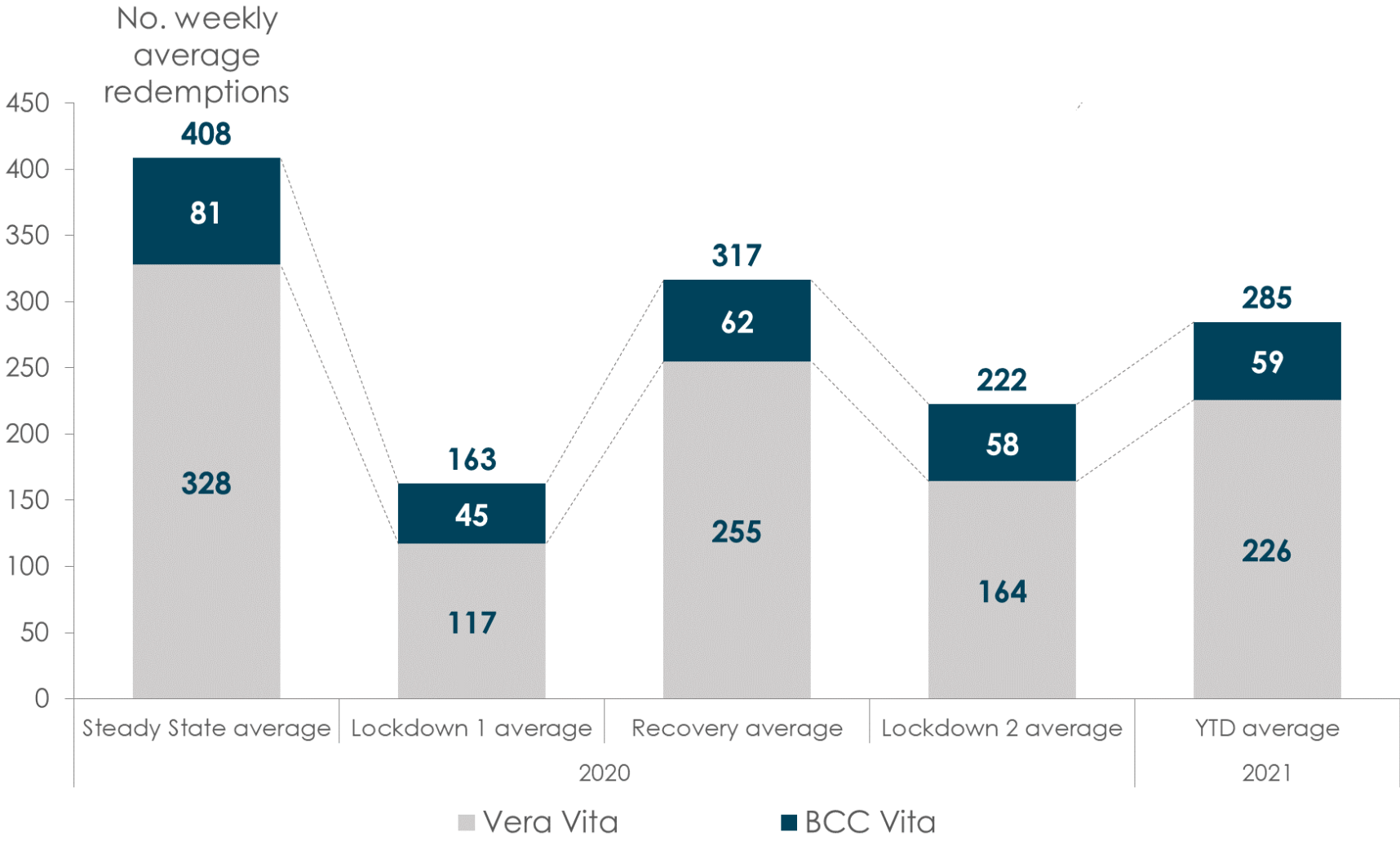
# Weekly new business

Life and Non Life Business performance (as at 7 May 2021)



# Bancassurance -weekly Life redeptions

(as at 7 May 2021)



(1) These are non-accounting data that refer to customer requests and not to operations that are certainly carried out. They could include transactions that were subsequently canceled or lacking complete documentation and not acknowledged by the issuing systems. The redemptions are net of the so-called partial scheduled arrears of Vera Vita with effect 2019 and loaded in 2020.

# Claims – Group's trend

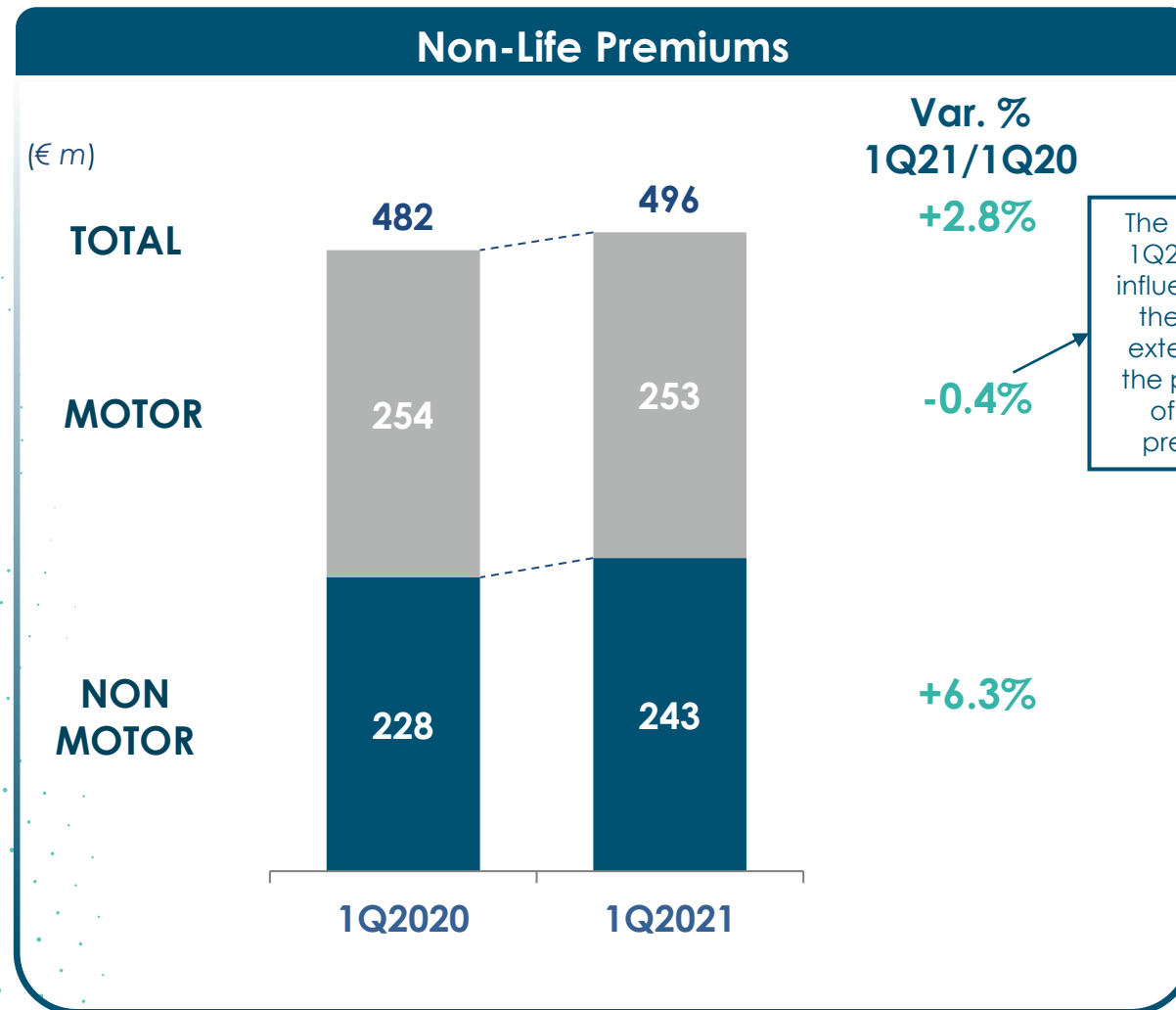
	At the 19th week				
	FIGURES				
	2021	2020	2019	2021 vs 20 19 Δ%	2021 vs 20 20 Δ%
<b>10 Handled motro TPL claims</b>	<b>52,711</b>	<b>51,404</b>	<b>77,019</b>	<b>-31.6%</b>	<b>+2.5%</b>
<b>All Clases</b>	<b>175,356</b>	<b>155,445</b>	<b>220,936</b>	<b>-20.6%</b>	<b>12.8%</b>

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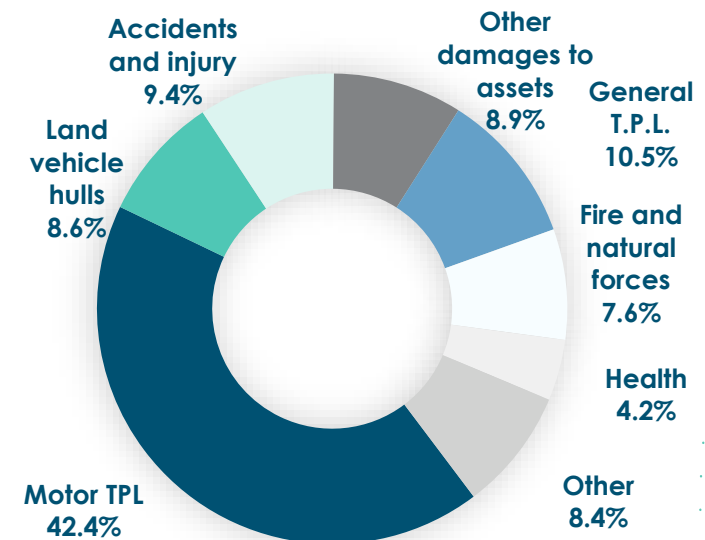
- The Cattolica Group and the Covid-19 Crisis
- **Non-Life Business Performance**
- Life Business Performance
- Investments

# Non-Life Premiums

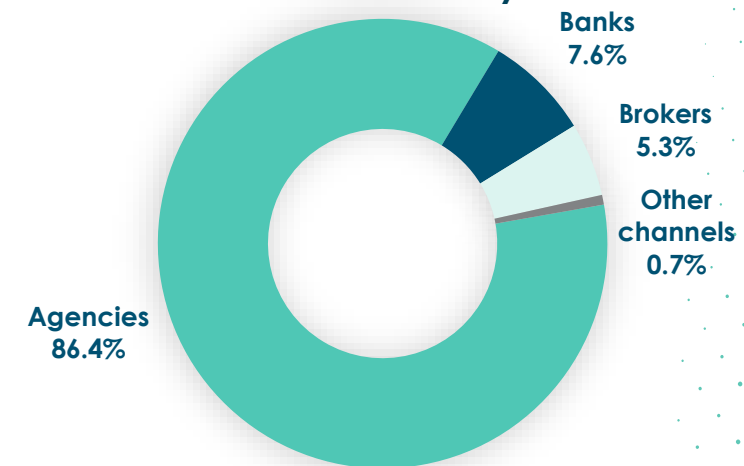
## Non-Life Business Performance



### Non-Life Premiums by Class

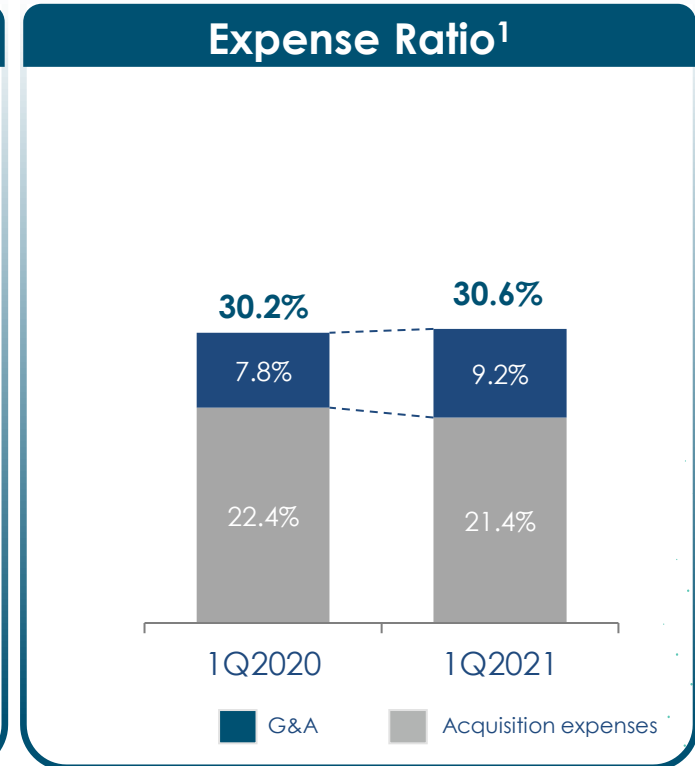
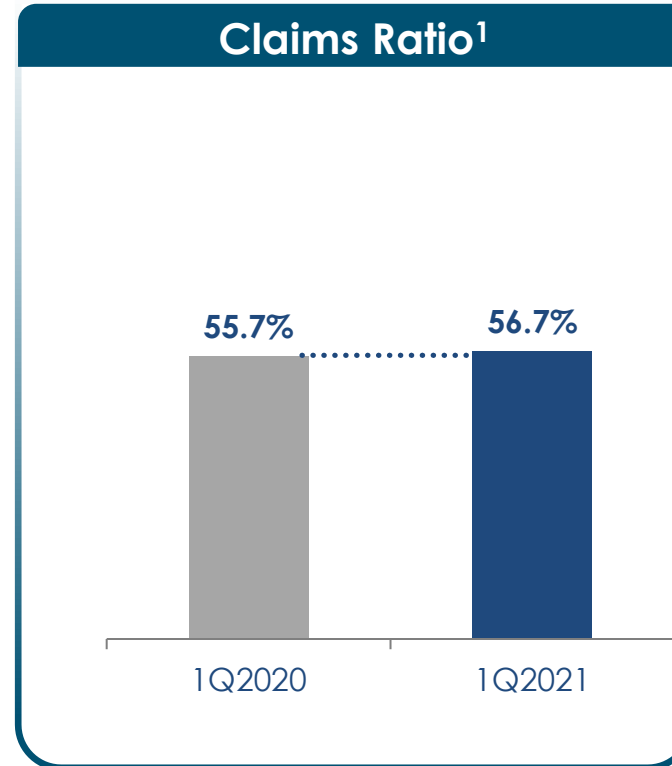
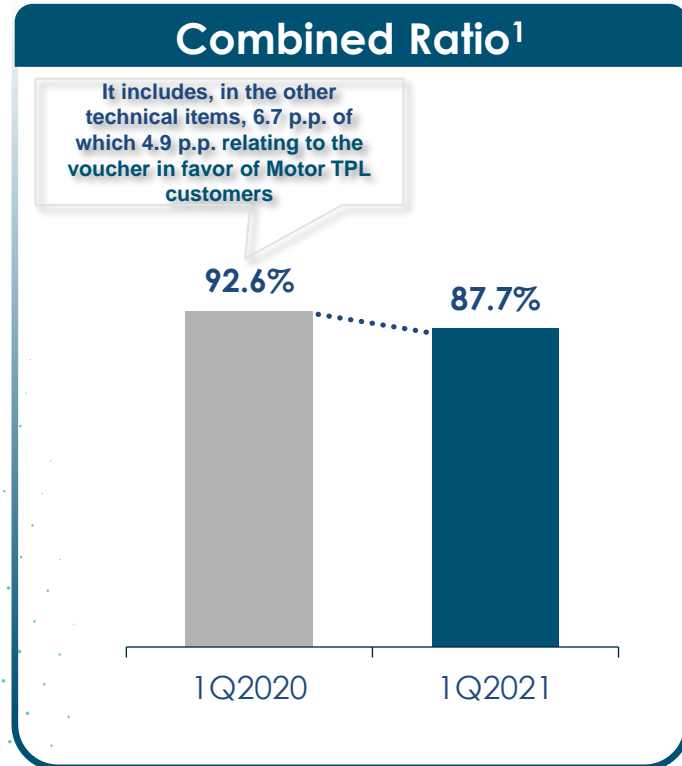


### Non-Life Premiums by Channel



# Technical Ratios

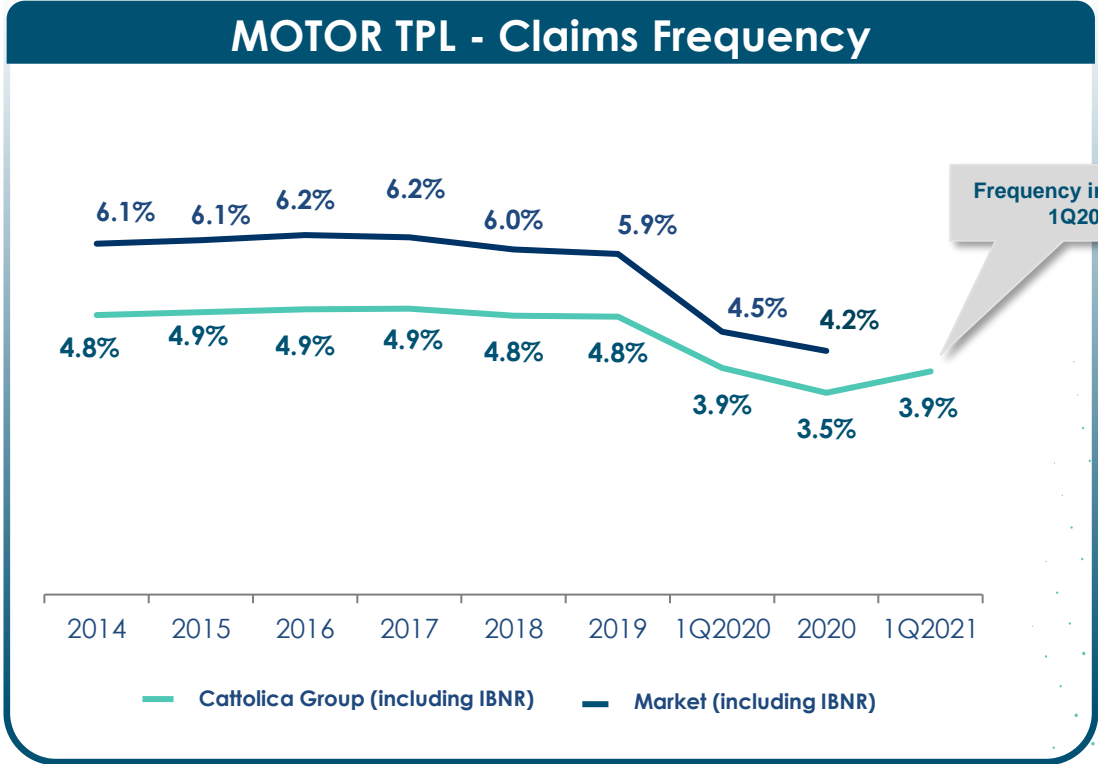
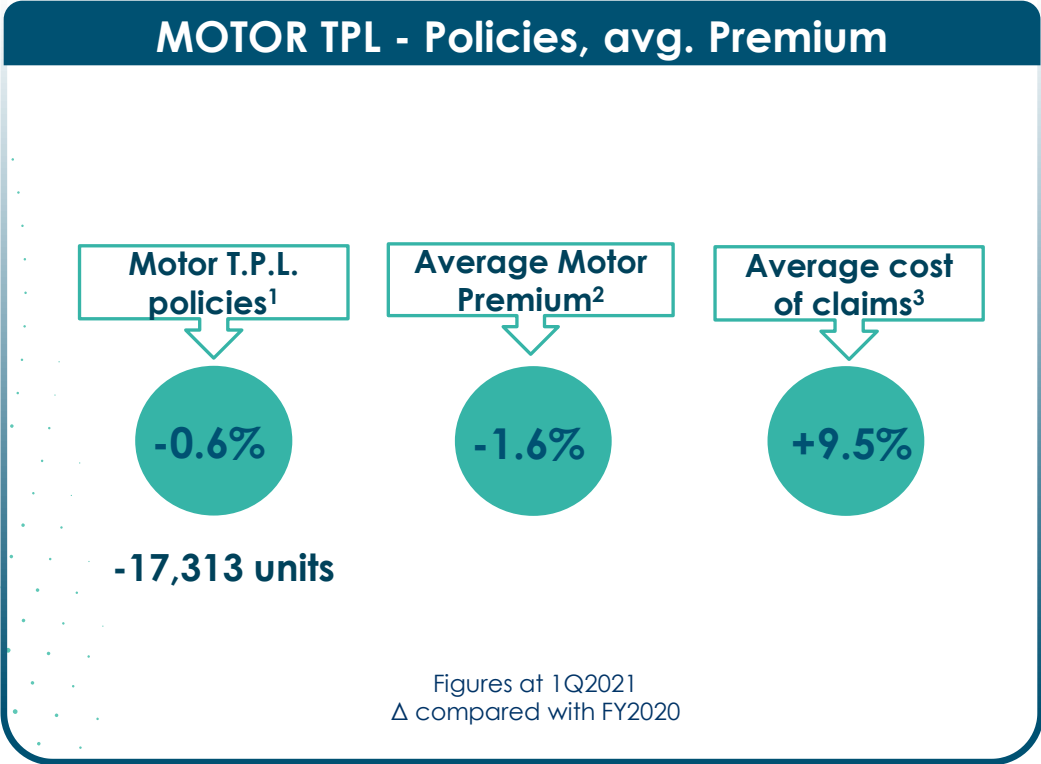
## Non-Life Business Performance





# Technical Ratios

## Non-Life Business Performance



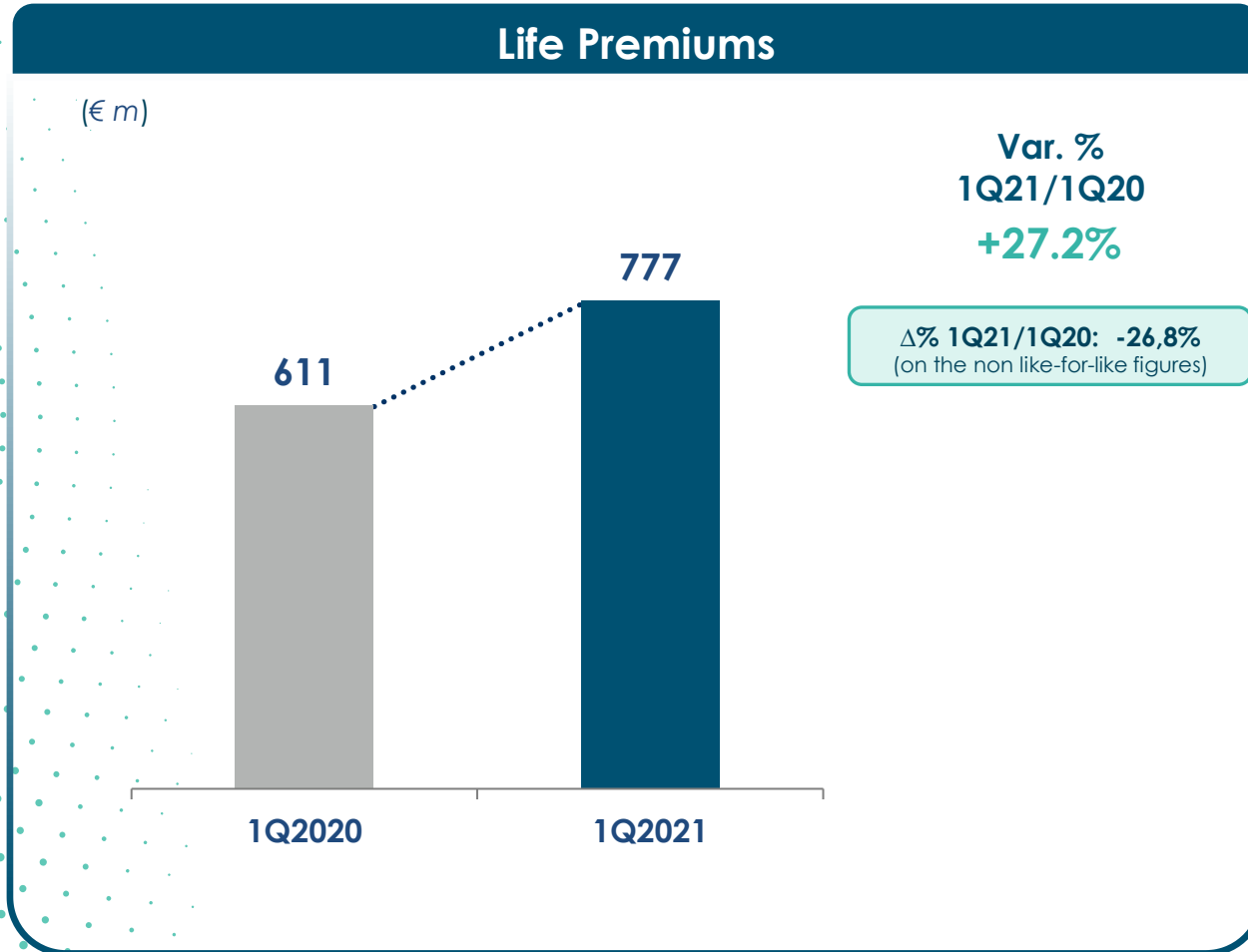
(1) Motor T.P.L. policies including fleets (2) Average Premium excluding fleets (3) Figure at March 2021 compared to March 2020

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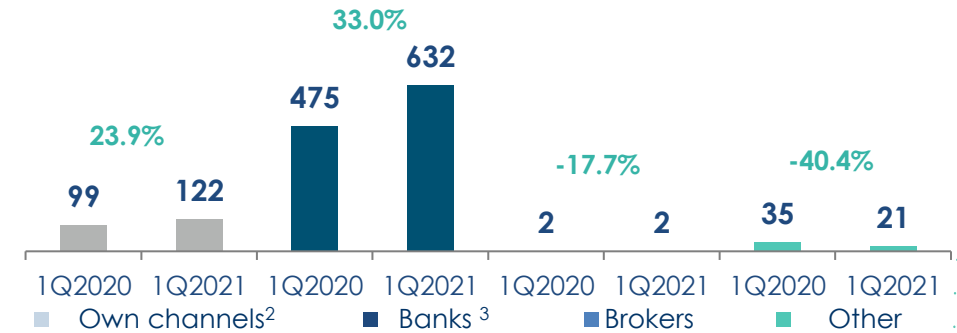
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# Life Premiums

## Life Business Performance



## Life Premiums by Channel



## Life Premiums by Class

	1Q2020		1Q2021		1Q21/1Q20
	€ mln	%	€ mln	%	Δ%
Traditional products <sup>1</sup>	408	66.8%	457	58.8%	+12.0%
Linked products	182	29.8%	317	40.8%	+74.0%
Pension funds	21	3.4%	3	0.4%	-86.6%
<b>Total premiums</b>	<b>611</b>		<b>777</b>		<b>+27.2%</b>



Figures are displayed on a like-for-like basis.

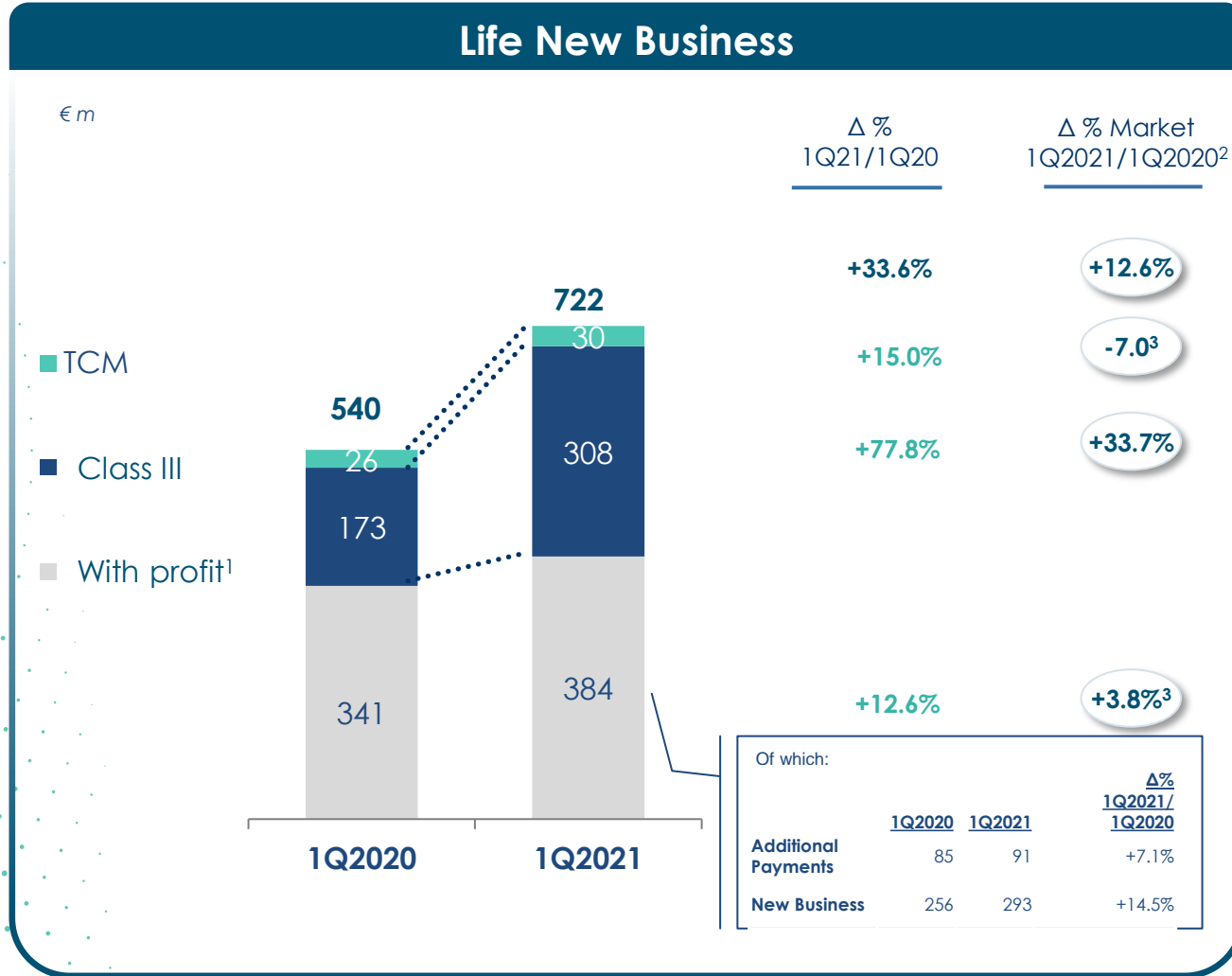
(1) Classes I, IV and V.

(2) Agents and sub-agents.

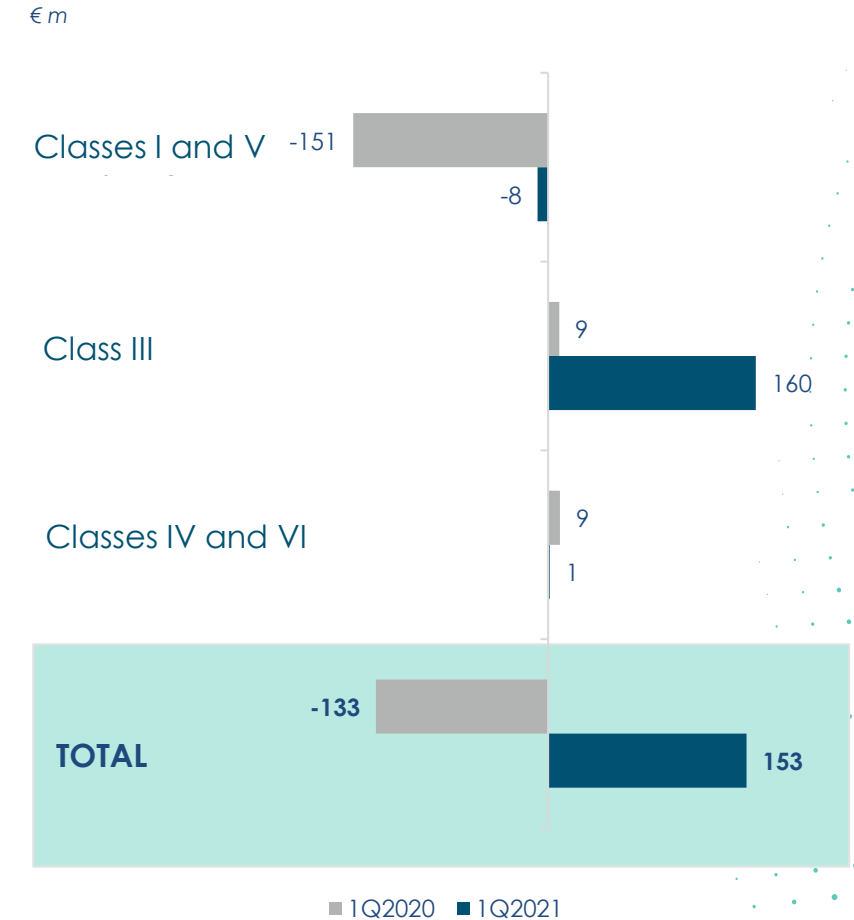
(3) It includes Financial Advisors.

# Life New Business and Life Net Inflows

## Life Business Performance



### Life Net Inflows by Class



Premiums income and net inflows at 1Q2020 are displayed on a like-for-like basis with 1Q2021 (i.e. excluding Lombarda Vita).

(1) With profit - Classes I and V

(2) Source: ANIA, Trends Life New Business – 1° Trim. 2021

(3) Changes calculated on the basis of ANIA monthly statistic on Life new business – 1° Trim. 2021

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- **Investments**

# Investment Result and Group Asset Allocation

## Investments

### Group Asset allocation<sup>1</sup>

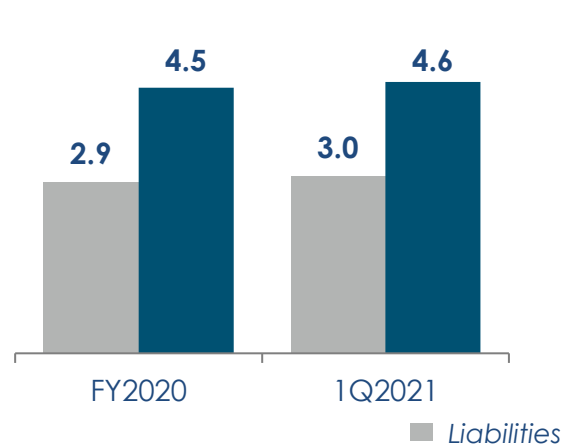


### Investment Result and yield

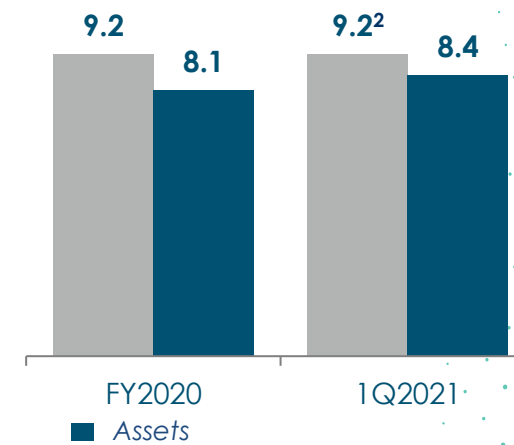
€ m

	1Q2020		1Q2021		1Q2021		1Q2021	
	NON-LIFE	LIFE	NON-LIFE	LIFE	NON-LIFE	LIFE	NON-LIFE	LIFE
	mln	yield	Mln	Yield	mln	Yield	mln	yield
Ordinary investment income	26	3.0%	70	1.9%	21	2.5%	62	1.6%
Net realised and unrealised gains/losses	-12	-1.4%	4	0.1%	-3	-0.4%	36	0.9%
<b>TOTAL</b>	<b>14</b>	<b>1.6%</b>	<b>74</b>	<b>2.0%</b>	<b>18</b>	<b>2.1%</b>	<b>98</b>	<b>2.5%</b>

### Non-Life Duration



### Life Duration

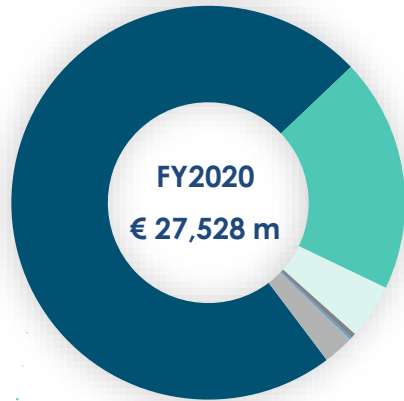


(1) Management data.  
 (2) Duration of liabilities at 31.12.2020  
 Figures do not include Lombarda Vita

# Group Asset allocation

## Investments

### Group Asset allocation<sup>1</sup>



Government Bonds	73.1%
Corporate Bonds	19.2%
Property	4.5%
Equity	0.5%
Liquidity	0.2%
Alternative Investments	2.5%



Government Bond	69.5%
Corporate Bonds	20.5%
Property	5.6%
Equity	0.5%
Liquidity	0.4%
Alternative Investments	3.5%

### Non Life Asset allocation



Government Bonds	53.2%
Corporate Bonds	20.9%
Property	15.7%
Equity	0.7%
Liquidity	0.6%
Alternative Investments	8.9%

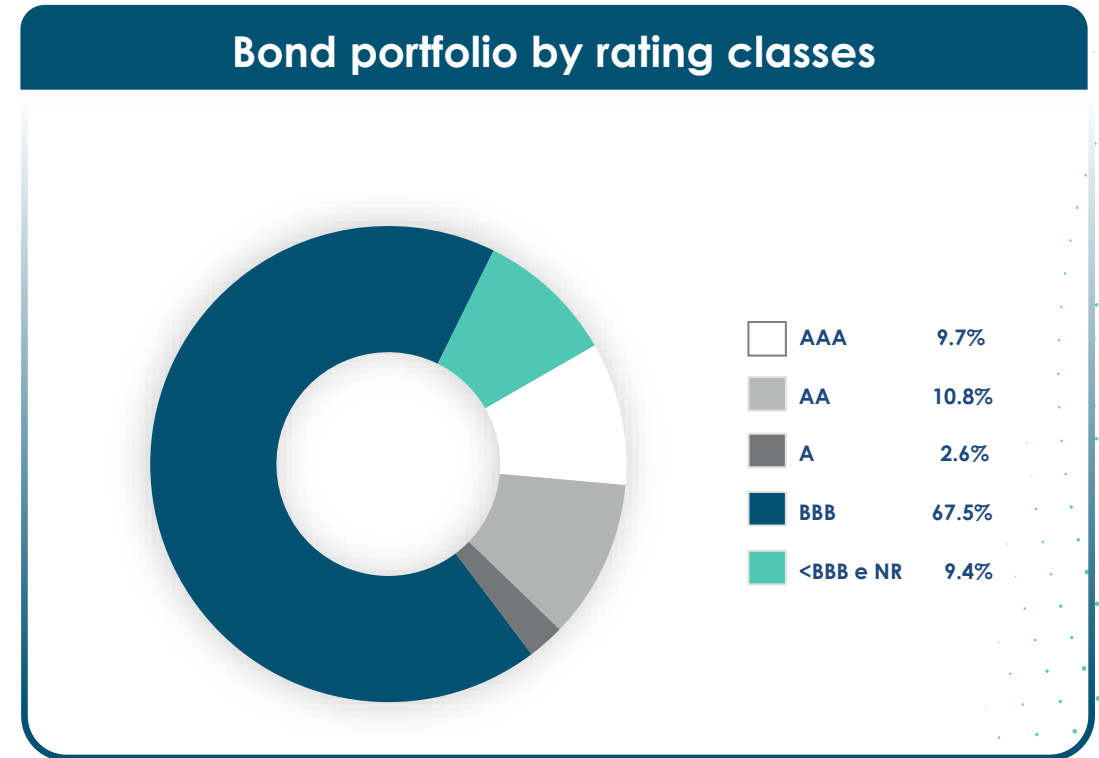
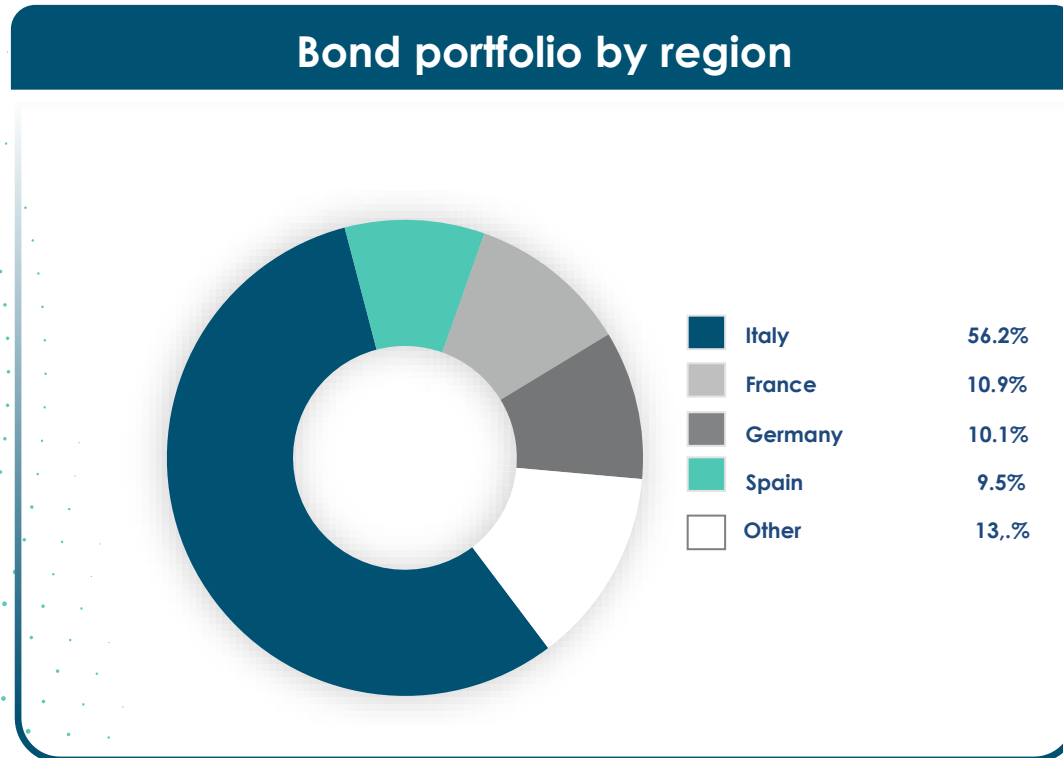
### Life Asset allocation



Government Bonds	72.9%
Corporate Bonds	20.4%
Property	3.4%
Equity	0.5%
Liquidity	0.3%
Alternative Investments	2.4%

# Group's bond portfolio by region and rating classes

Investments



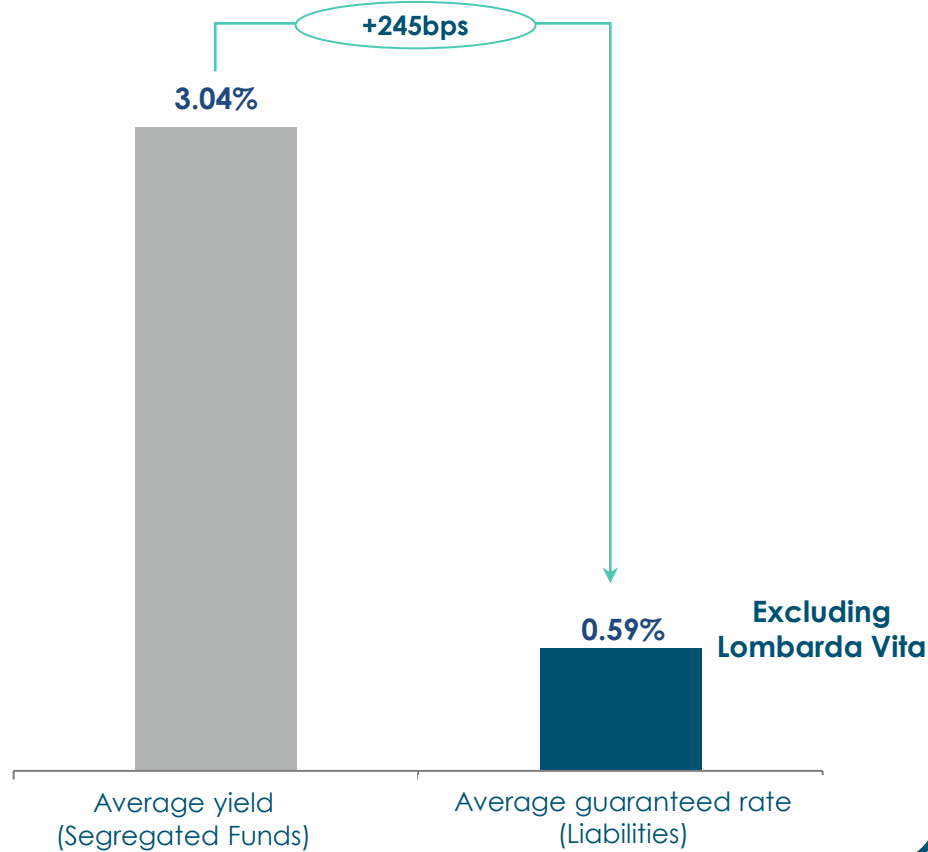
➤ Italian Government bonds' exposure as at 31 March 2021 has reached 43.3%



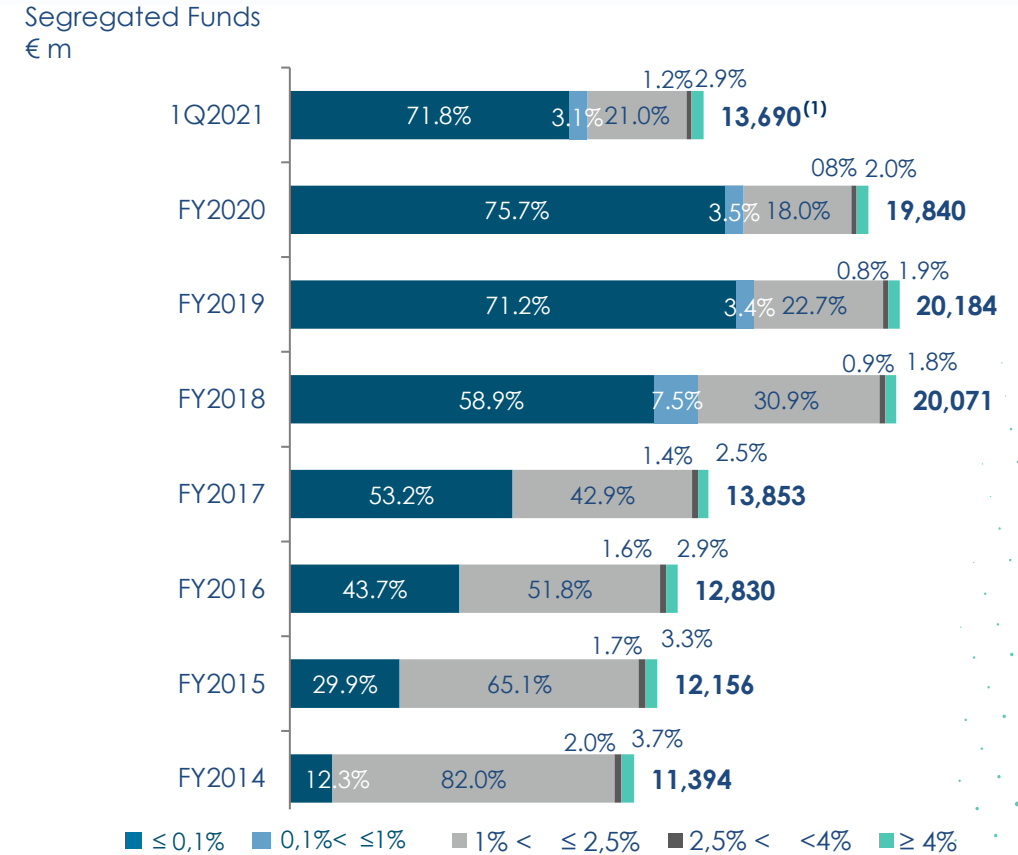
# Financial performance and Minimum Guaranteed

## Investments

### Yield and Minimum Guaranteed – 1Q2021



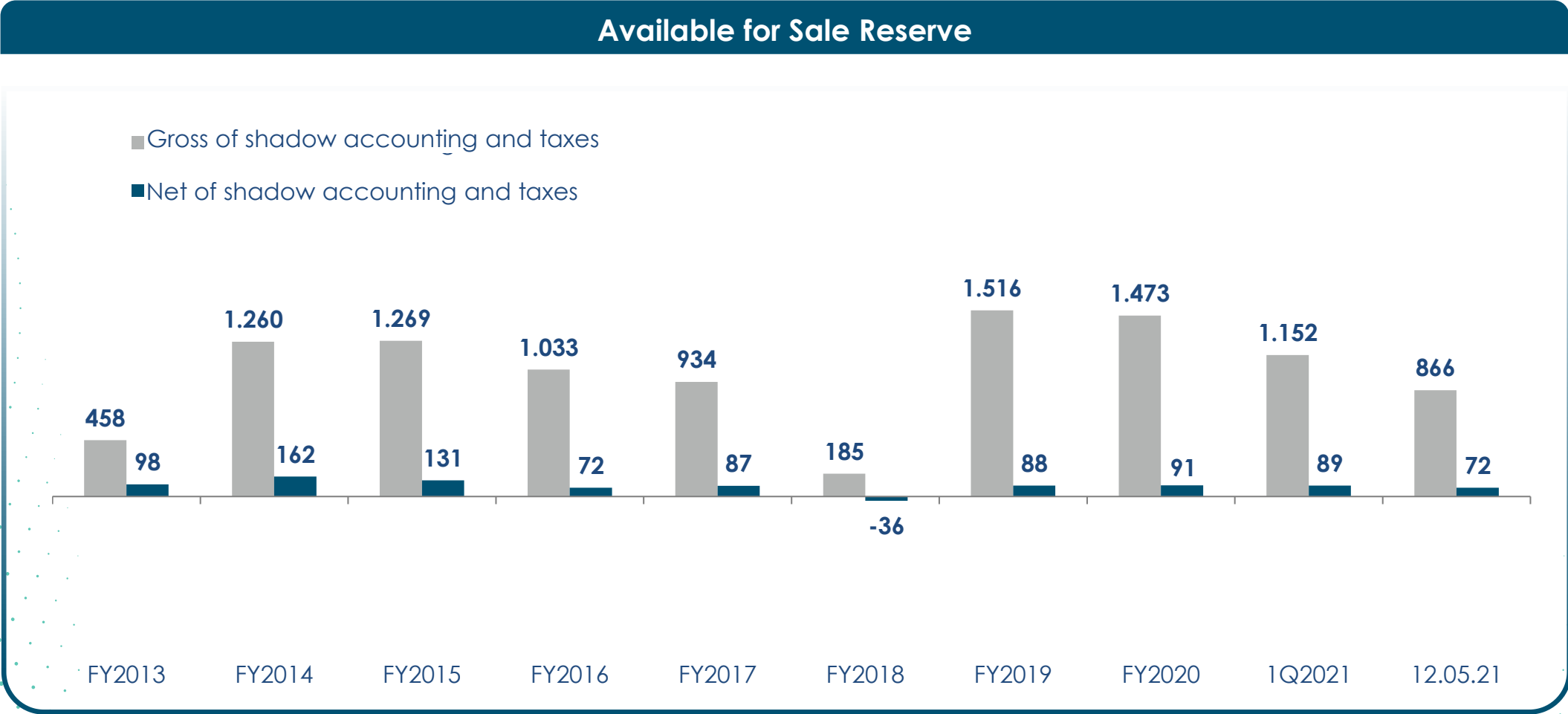
### Technical reserves breakdown by min. guaranteed



(1) Figures at 1Q2021 do not include Lombarda Vita.

# Trend of the Available for Sale Reserve

## Investments



Figures at FY2020, 1Q2021 and 12 May 2021 do not include Lombarda Vita

# Outstanding financial debt

## Investments

**LEVERAGE RATIO\***  
(IAS/IFRS)

22.1%

**LEVERAGE RATIO\***  
(Solvency II)

22.0%\*\*

**INTEREST COVERAGE\***

12.5x

\* See formulas on page 32

	Subscriber	Rating	Coupon	Nominal issuance (€ mln)	Outstanding (€ mln)	Issue date	Maturity	Callable	Tier
Subordinated Issuance***	Private placement	n.r.	6-month Euribor +200 basis points	80	80	30/09/2010	Indeterm.	30/09/2020	Tier 1 Restricted
Subordinated Issuance	Institutional Investors	BB+	7.25% <sup>1</sup>	100	100	17/12/2013	17/12/2043	17/12/2023	Tier 2
Subordinated Issuance	Institutional Investors	BB+	4.25% <sup>2</sup>	500	500	14/12/2017	14/12/2047	14/12/2027	Tier 2

\*\* It takes into account the minority share of the intragroup subordinates of BCC Vita and Vera Vita, not available at group level for the purposes of coverage of the SCR

\*\*\* It is no longer counted in the Own Funds and will be extinguished in 2021, subject to the authorization of IVASS

Subordinated issuances at Group level

(1) Until the end of the tenth year. In case of failure to exercise the call option, the rate becomes floating and is equal to the 3-month Euribor + 619 basis points

(2) Until the end of the tenth year. In the event of failure to exercise the call option, the rate becomes floating and is equal to the Euribor reference rate + 4.455%



# Standard Ethics raised Cattolica's rating to EE- from E+

## ESG issues

Standard Ethics raised Cattolica Assicurazioni's rating to "EE-" from the previous "E+". The attribution of the Long Term Expected Rating "EE+" incorporates, according to Standard Ethics, expectations on the future quality of governance tools and ESG policies.

### ESG issues

Adequate focus on environmental and social aspects and that it has also concerned non-financial reporting, the management of financial assets, commercial aspects

### International Standards

The strategy appeared consistent with the voluntary indications of the UN, the OECD and the European Union. The recent decisions and governance projects are producing and will produce a better alignment with the main international standards

### Governance

Following the recent transformation of Cattolica into a joint-stock company and after the capital increase launched in 2020, the issue of Sustainability has also entered the sphere of corporate governance: positive commitments and changes in favour of shareholders' rights, for the qualitative and quantitative composition of the Board of Directors and for the selection of Directors.

# APPENDIX

# Notes

**Pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, Corporate Financial Reporting Manager Atanasio Pantarrotas declares that the accounting information contained in this document matches the company documents, books and financial records.**

The Company advises that it has prepared the Cattolica Group's Consolidated Financial Report at 31 March 2021 in accordance with IAS 34 (Interim Financial Statements). This approach is related to the capital increase, approved by the Company's Board of Directors on 4 August 2020, in exercise of the mandate granted pursuant to Article 2443 of the Civil Code by the Extraordinary General Meeting of 27 June 2020, and the related obligations.

The Report, including the independent auditors' report, will be available to the public from the Company's registered office, its website, [www.cattolica.it](http://www.cattolica.it), and the eMarket STORAGE facility authorised by Consob, managed by Spafid Connect S.p.a. and accessible from the site [www.emarketstorage.com](http://www.emarketstorage.com), in the manner and according to the terms set out in applicable laws and regulations.

# Ratios and Formulas (1/2)

Claims ratio  $\rightarrow$  *Net claims costs / Net premiums (retained business)*

Expense ratio (non life)  $\rightarrow$  *Operating expenses / Net premiums (retained business)*

Combined ratio  $\rightarrow$  *(1-(Technical result / Net premiums )) (retained business)*

Non-life operating result  $\rightarrow$  *It is defined as the sum of the technical balance, net of reinsurance, with ordinary financial revenues and other non-technical net items (depreciations, write-down of insurance credits, etc.); The operating profit does not include financial realised and unrealised gains/losses and impairments, impairments on other assets, interests paid on financial debts (subordinated debts), the amortization of the value of business acquired (VOBA), the voluntary redundancy incentives and staff severance indemnity as well as other one-off items.*

Life operating result  $\rightarrow$  *It is defined in a similar way, with the only difference that the entire financial income contributing to the return of securities pertaining to the segregated funds is considered part of the operating profit.*

## Ratios and Formulas (2/2)

Leverage ratio (IAS/IFRS) ➤  $\frac{\text{Subordinated liabilities}}{\text{Subordinated liabilities} + \text{Consolidated shareholders' equity} - \text{Gains or losses on available for sale financial assets} - \text{Other gains or losses recognised directly in equity}}$

Leverage ratio (Solvency 2) ➤  $\frac{\text{Financial debt}}{\text{Excess of assets over liabilities} + \text{Financial debt}}$

Interest coverage ➤  $\frac{\text{Operating result}}{\text{Interest expenses}}$

Operating Return On Equity ➤ *The operating ROE is the ratio between: 1) the operating profit less the cost of financial debt, income taxes, and minority interests; and 2) the average Group shareholders' equity of the year (excluding the valuation reserve on available for sale instruments); taxes are calculated consistently with the operating result assets and liabilities.*

Utile Adjusted ➤ *It is defined as the Group's net result minus the amortisation of the VOBA (value of business acquired, net of the related tax effects and for the portion pertaining to the Group) and of the impairment of goodwill, which have relevance on the Group's net result but do not affect the Solvency position.*



# Investor Relations Team

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