

# Cattolica 2020

## Tradition in motion

**INVESTOR DAY**  
**Business Plan 2018-20**

Milan, January 29 2018



# Agenda

|       |                                     |  |
|-------|-------------------------------------|--|
| 10.00 | Cattolica 2020: Tradition in motion | Alberto Minali,<br><i>Chief Executive Officer</i>                                    |
| 10.30 | Profitable growth                   | Carlo Ferraresi,<br><i>GM Markets and Distribution Channels</i>                      |
| 11.00 | Innovation & data management        | Luigi Barcarolo,<br><i>Director of Insurance Analytics and Business Architecture</i> |
| 11.15 | Technical excellence                | Nazareno Cerni,<br><i>DGM &amp; Director of Non Motor Business</i>                   |
| 11.35 | Financial targets                   | Enrico Mattioli,<br><i>DGM and Chief Financial Officer</i>                           |
| 12.00 | Final remarks and Q&A               | Alberto Minali,<br><i>Chief Executive Officer</i>                                    |



# Cattolica 2020

# Tradition in motion

**Alberto Minali**, *Chief Executive Officer*



# Cattolica 2020:

Tradition in motion

Turn Cattolica into a more innovative and flexible player, ready to cope with future challenges

Reinforce and diversify Cattolica's business model, confirming market position and closeness to families and corporates

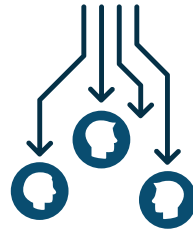
Increase of value for all the stakeholders

# Market undergoing a deep transformation



## Customers

Raising awareness, expectations on services and simplicity



## Distribution

Agency transformation, growth of banks in Non Life, fintech expansion



## Regulatory evolution

New regulations  
IDD, GDPR, IFRS 16



## Digital disruption

Service ecosystems, strategic relevance of data, innovation and robotics



## Motor

Product commoditization, persisting hard cycle, market structural decline



## Life and investments

Reduction of financial margins and rise of hybrid products



## SMEs/ corporates

New and more sophisticated needs and increasing risk awareness



## Health and welfare

Public welfare crisis and ageing population

# Cattolica's 5 key assets the Plan will leverage on

1 Large and loyal  
customer base

- 3.6M customers, families and SMEs
- +1pp of Motor TPL retention vs market

2 Widespread  
coverage

- 1,500 loyal Agencies widespread all over the territory
- Partnership with 2 out of the top 5 Italian banks<sup>1</sup>

3 Motor business  
profitability

- -4.5pp of Motor TPL loss ratio vs market<sup>2</sup>
- 4.9% Motor frequency vs 6.2% market average<sup>3</sup>

4 Positioning on  
distinctive segments

- Leader in the agricultural space
- 8,500 voluntary entities insured

5 Solid capital  
position

- -9pp financial leverage versus main players
- SII ratio > 180%

1. In terms of number of branches at the end of 2017, 1881 UBI, 2250 Banco BPM of which 1700 included in the partnership;  
2. Average of the last 5 years; 3. 2016 data

# 5 improvement opportunities

## 1 Innovation

- Limited digitalization
- Traditional offering (e.g. 5% telematics penetration<sup>1</sup>)

## 2 Product and channel mix

- 46% Motor only customers
- Focus on traditional Life products
- Broker channel to be strengthened

## 3 Non Motor profitability

- +8pp Non Motor CoR vs market average<sup>2</sup>

## 4 Life profitability

- Limited Life profitability compared to peers

## 5 Productivity

- Limited process automation
- Complexity reduction

1. Incidence on Motor TPL; 2. Elaboration on ANIA 2016 data

# Main achievements of the first 8 months

- Cultural, organisational and governance transformation
  - 19 functional areas reorganised
  - Management team deeply renewed
  - New job market to facilitate internal mobility
  - Promoted internal talents
  - Board resolution to improve the governance model
- An exclusive agreement with Banco BPM was signed:
  - 3<sup>rd</sup> Italian bank for number of branches
  - €9B Life reserves acquired
  - €140M of Non Life GWP
- Life offering<sup>1</sup> and IT platform renewed
- Italian govies exposure reduced by more than 5.5pp
- Tier2 Bond issued at favourable conditions

1. Non-cliquet products were introduced



# The Plan is based on 4 pillars



## Profitable growth

GWP volume increase and enhancement through channels and lines of business diversification, through external growth



## Innovation & data management

Offering and services innovation leveraging on data and technology



## Technical excellence

Profitability increase through pricing sophistication, pruning on corporates, innovation in claims management and shift towards capital light Life products



## Simplification and cultural transformation

# External growth and focus on customer service



## Profitable growth

- Bancassurance enhancement through exclusive partnership with Banco BPM
- Reinforcement and differentiation of the support to the Agency network
- Development of the broker channel
- New customer and distributor experience leveraging digital and multichannel



## 2020 Targets

- +€3B Life GWP and +€140M Non Life GWP thanks to Banco BPM
- +2-3% GWP Agencies volume CAGR
- +150k under-35 customers



## Innovation & data management

- Improved customer service through prevention and protection
- Set up of advanced analytics team
- New connected offering with partnership ecosystem available from May 1<sup>st</sup>



- 50% telematics penetration on new Motor business
- -2/5pp churn rate on customers with telematics policy
- Frauds identification rate aligned to the market (from 1 to 3%)

# Recovery of technical and operational excellence



## Technical excellence

- Profitability growth on corporate segment
- Push on retail through offer enrichment and support strengthening
- New specialty lines vehicle with dedicated business model and offering
- Shift towards capital light Life products



## 2020 Targets

- +6pp Non Motor GWP on Non Life mix
- +€52M of Non Motor technical margin<sup>1</sup>
- €100+M specialty lines GWP
- +19pp unit linked on Life GWP
- Minimum guaranteed rates on traditional products reserves from 0.9% to 0.5%



## Simplification and cultural transformation

- Optimisation of operational processes through re-engineering and robotics
- Strengthening of cost discipline and control
- Cultural transformation with talents enhancement and new welfare model



- 20% administrative activities/ back office automation
- -1.1pp cost on GWP rate<sup>2</sup>
- >10% workforce involved in retraining

1. Excluding bancassurance 2. Excluding claims settlement expenses

# The Plan will radically transform the Company

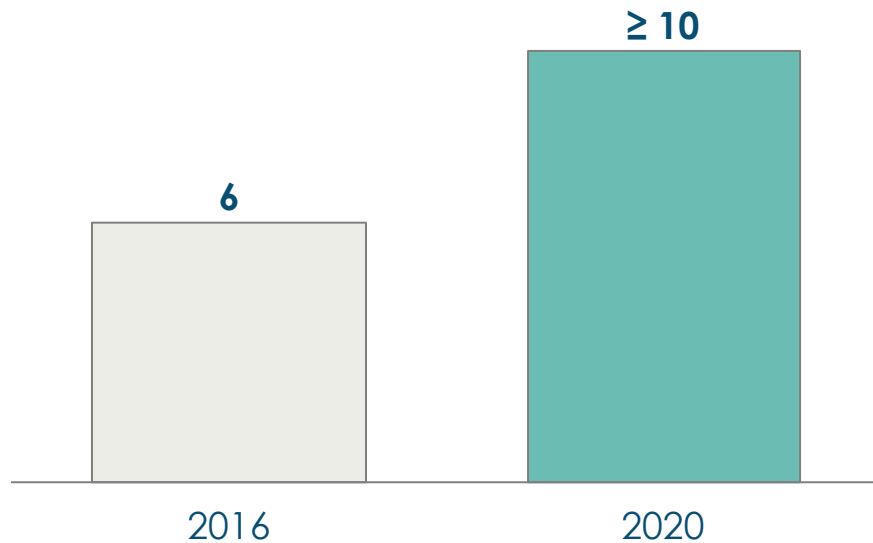
|          | 2020 Target                               | Δ vs 2016 |        |
|----------|---|-----------|--------|
| Non Life | Penetration of telematics on new business | 50%       | +42pp  |
|          | % of Non Motor GWP on Non Life            | 51%       | +6pp   |
|          | Non Motor technical margin <sup>1</sup>   | €73M      | +€52M  |
| Life     | Life Reserves                             | €25B      | +€9B   |
|          | % unit linked on Life                     | 37%       | +19pp  |
|          | Operating result on Life reserves         | 72bps     | +26bps |
|          | Costs on GWP <sup>2</sup>                 | 4.8%      | -1.1pp |

1. Excluding bancassurance 2. Excluding claims settlement expenses

# We will deliver value

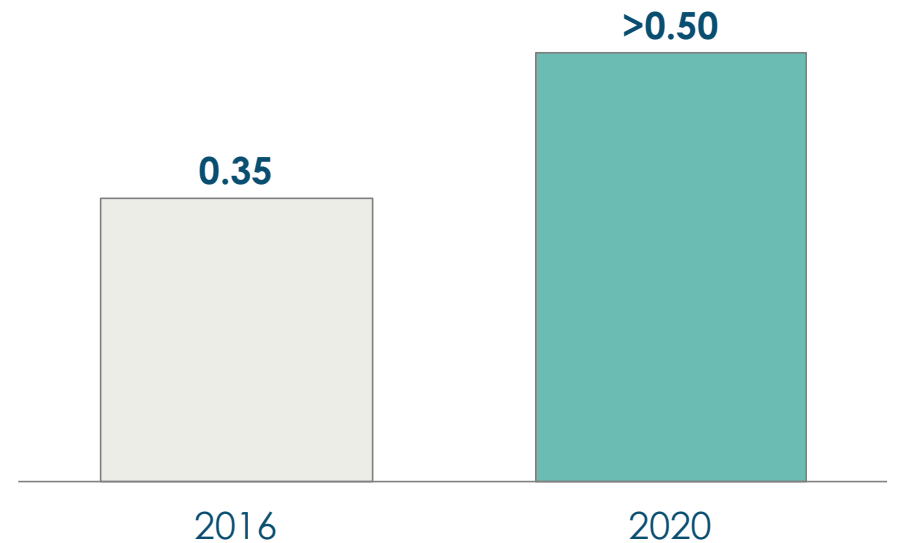
Profitability recovery

Operating ROE (%)



Dividends increase

Dividend per share (€)



Increase in profitability and dividend, underpinned by a sound capital position, SII ratio between 160 and 180%

# How we will deliver

## A tangible Plan

Plan organised in 21 projects, already activated, people in charge appointed and targets assigned

Targets under management's control based on efficiency, technical excellence and external growth

Investments approval driven by business case

## Strict governance

Close scrutiny of overall business plan projects under CFO responsibility

Weekly steering committees with the CEO and project leaders

Project monitored weekly with dedicated KPI dashboard

## Resources involvement

Strengthened MBO aligned to Plan targets

Multidisciplinary teams and best talents involved

Enhancement of execution capacity through training and selective recruiting



Full visibility on strategy and execution of the Plan with annual updates to the market

# People are key to deliver transformation

Dynamism  
will be enhanced

August 2017: Job Market  
launch



resources joined  
internal mobility programs  
so far

We will leverage on existing talents

- ✓ Analysis of management skills  
Over 5,000 hours of tests and interviews
- ✓ Digital mindset and digital skill assessment  
100% of employees, over 1,600 resources
- ✓ Performance measurement  
New performance management tool
- ✓ Exhaustive management assessment  
360 interviews to high potential resources

50 talents  
*involved in the delivery  
of the Plan*

~ €30M  
*3 years investment plan*

+50%  
*People engagement  
Best Place to Work*

# We have extensively modified the organisation

## Management committee

- Management team renewed by two thirds
- Weekly meetings

## Finance and administration

- Administration and cost control responsibilities reallocated to the CFO
- Investments area directly reporting to the CEO

## Non Motor

- Product development, Retail/ Corporates underwriting responsibilities unified
- Actuarial function split and integrated with underwriting functions

## Distribution

- General Management re-focused on markets and sales channels

## Innovation

- New dedicated unit introduced, with responsibilities on data management

## Staff

- HR and organization directly reporting to the CEO
- Top management rationalized with new legal and communication chiefs



Accountability increased to deliver the Plan



# We want to simplify and evolve the cooperative governance model

## One tier system



Governance simplification with a single Board of Directors  
Board members reduction  
Executive Committee removal

## Opening to institutional investors



Board Member's role accessible to institutional investors (es. OICR)  
Investors participation to the governance structure

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New governance model from 2018,  
subject to members meeting approval



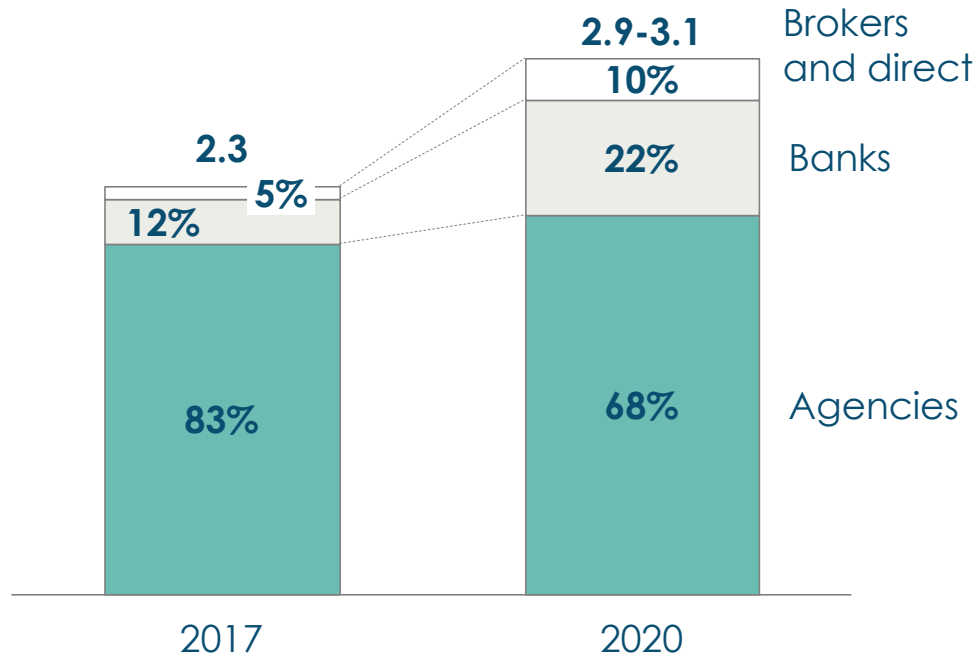
# Profitable growth

**Carlo Ferraresi**, *General Manager Markets and Distribution Channels*

# Our distribution model will be reinforced and innovated

GWP (Life in APE)

GWP (€B)



Main elements of change at 2020

|  |   |
|--|---|
| Specialty lines development                                  | €100+M                                    |
| Relaunch of the broker offering                              | Development of Milan headquarters         |
| Bancassurance strengthening through agreement with Banco BPM | +€9B Life Reserves<br>+€140M Non Life GWP |
| Growth and differentiation to support the Agencies channel   | ~3% CAGR                                  |

Higher distribution model differentiation, with Agencies channel growth

# Widespread network with focus on North and Central Italy

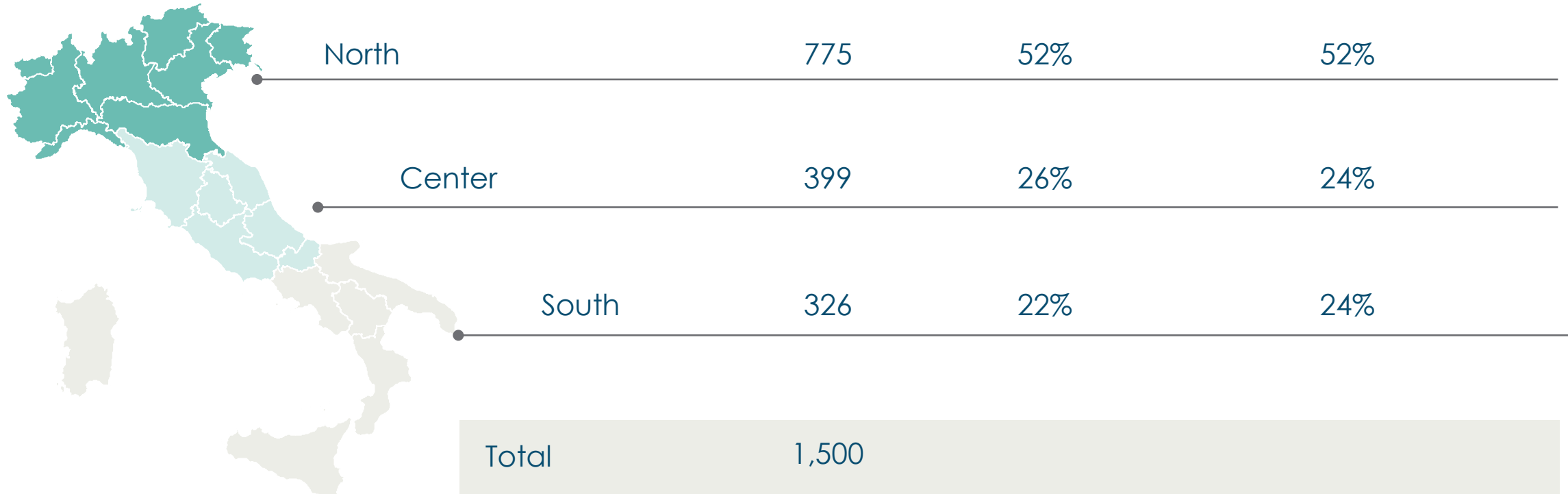
2017 data



Agencies

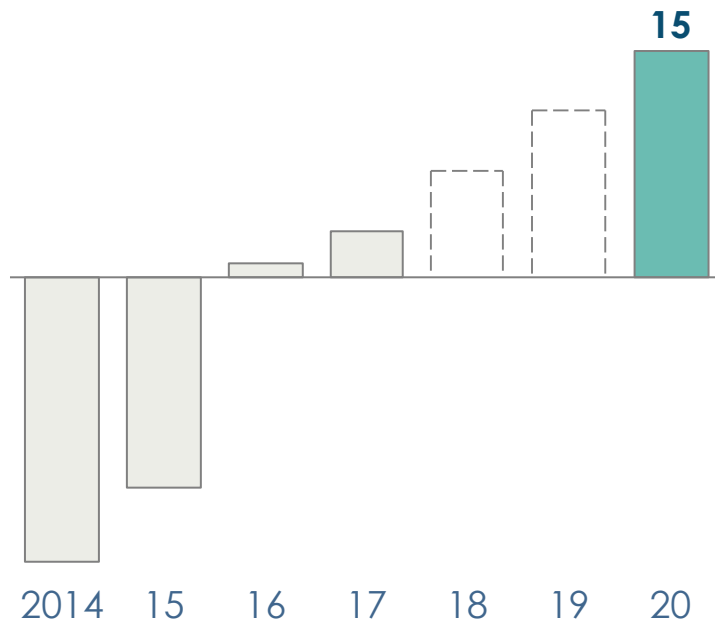
Incidence

Incidence



# We will invest on service and agencies innovation

Network's satisfaction growth  
NPS Agents



By strengthening and diversifying the support model



- ✓ Enhance training 30k training days

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- ✓ Evolve Agency's Balance Score Card ~600 meeting in all areas per year

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- ✓ Support to develop unit linked and Non Motor Retail Mix Life + 14pp UL<sup>1</sup>

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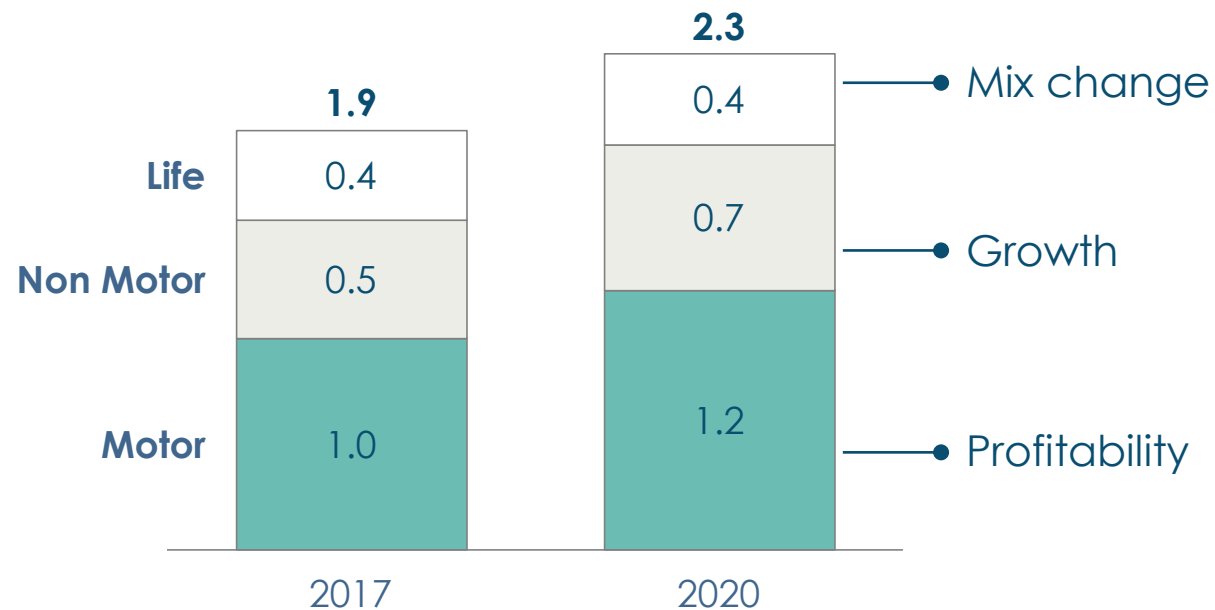
- ✓ Exploit agents specific capabilities ~100 specialized agencies and 250+ high potential ones

1. On Agencies channel

# Agencies will be larger and more sustainable

## Evolution of average Agency GWP

Agency GWP<sup>1</sup> (€M)



## Growth factors

- +14pp unit linked (from 6% to 20%)
- Relaunch of Agricultural and Agri-food offering
- Offering enhancement in catholic and voluntary sector
- Affinities and catastrophe development
- Growth of telematics and assistance

Network strengthening through support diversification and footprint optimization

1. Cattolica Assicurazioni agency network only

# We will exploit our distinctive segments through the network

## Agricultural and Agri-food



Potential customers

4M

Corporates and people in Italy

Cattolica distinctive assets

- Fata Brand
- Coldiretti Agreement
- Positioning within Farmers' Unions
- Innovative tools for farmers
- Unique offering range
- Agri-food Observatory

## Religious entities and Voluntary sector



>10M

Including Retail

- Distinctive positioning
- Historical affinity and deep knowledge of the voluntary sector
- Voluntary sector single policy
- Proprietary Databases
- Religious entities and Non-Profit observatory and voluntary sector scientific committee



Potential to leverage on competences and network in these segments

# Partnership with Banco BPM has a strong strategic rationale



## Dimensional shift

- Over €9B Life Reserves and +€140M Non Life GWP expected at 2020



## Widespread network

- Access to ~1,700 branches in the richest areas of the country



## Product mix

- Portfolio in line with the strategy rebalancing towards unit linked e Non Motor



## Synergies

- Strong operational synergies and profitability increase in Life segment



## Business mix

- Diversification of distribution channels



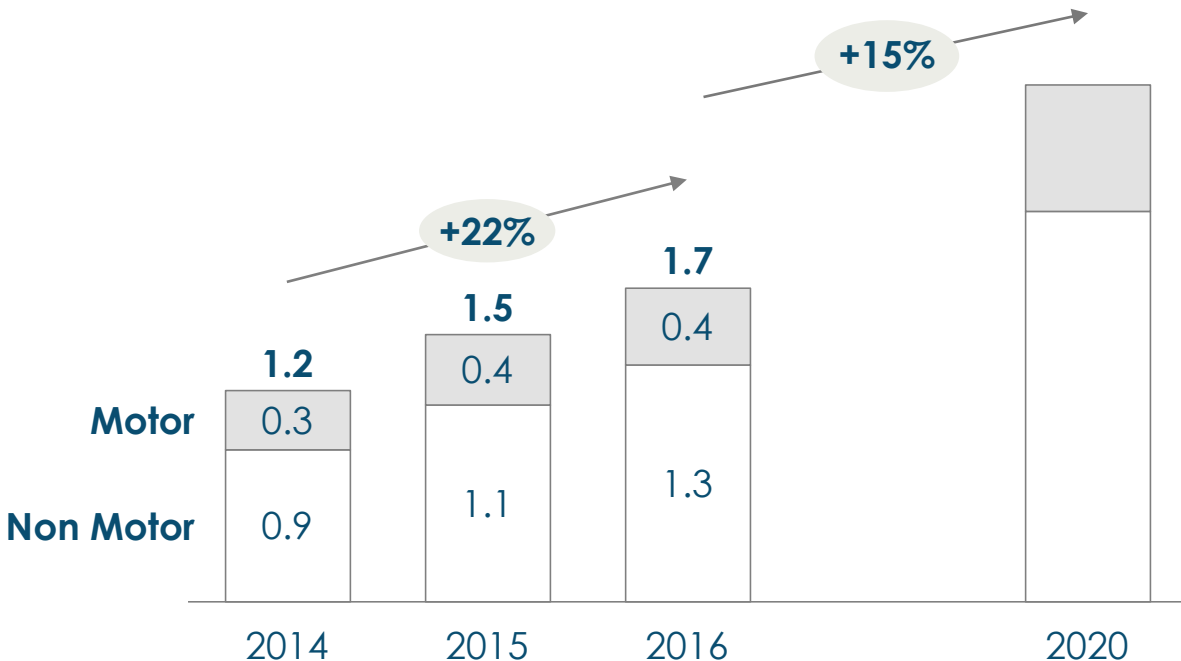
€100+ M  
operating result  
expected at 2020



# Non Life: repositioning in a highly growing channel

Non Life Bancassurance market growing steadily  
GWP<sup>1</sup> (€B)

JV well positioned on the market



**BANCO BPM**

- Highly experienced network with strong sales skills, in particular Non Motor
- Widespread presence on the territory



**CATTOLICA**  
SOCIETÀ CATTOLICA DI ASSICURAZIONE  
DAL 1864

- Proven bancassurance experience
- Motor high profitability track record
- Wide and historically extended database
- Awarded multichannel platform



|                        |                 |            |
|------------------------|-----------------|------------|
| 2020 GWP               | €120M Non Motor | €20M Motor |
| Final GWP <sup>2</sup> | €218M Non Motor | €56M Motor |

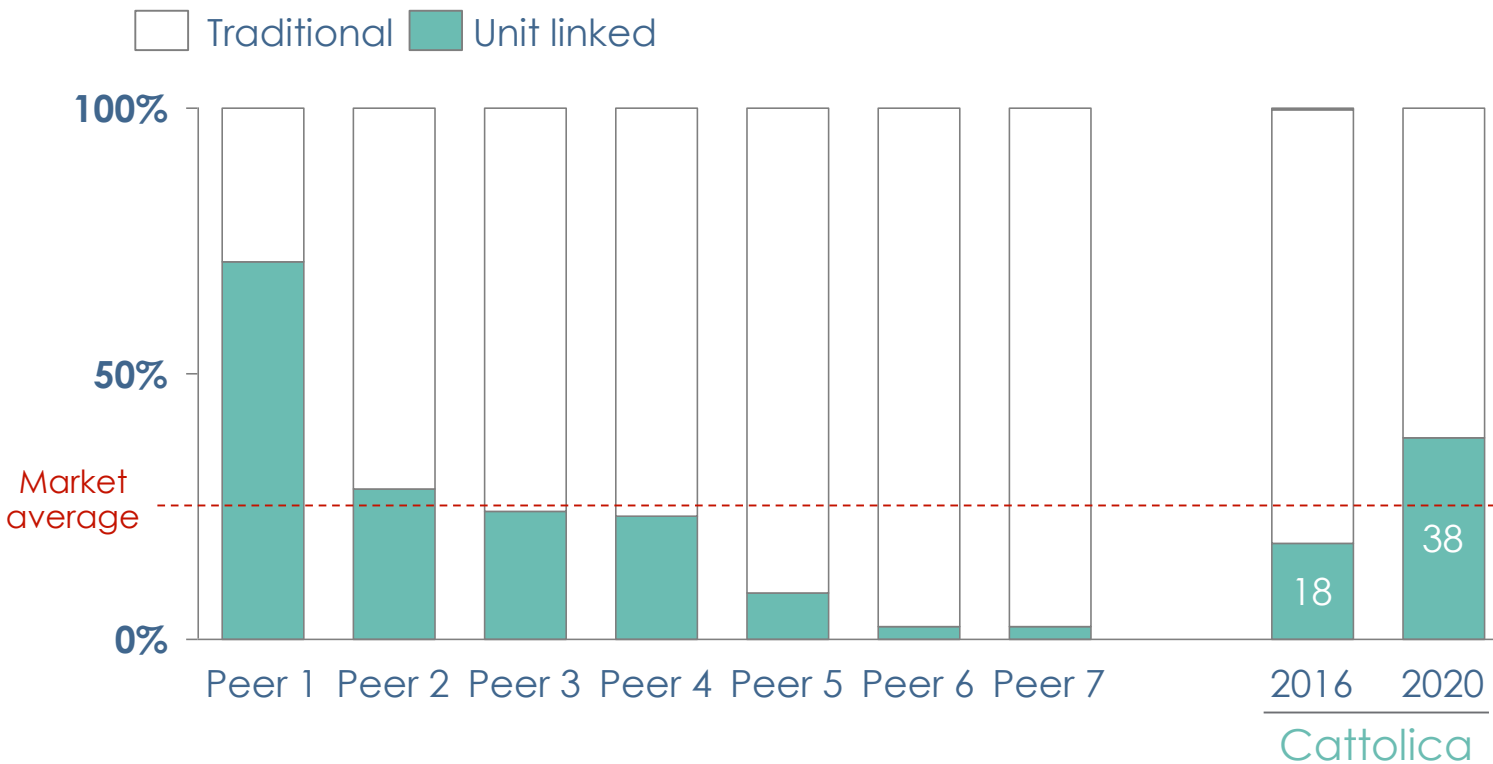
1. Elaboration on Ania and primary research institution data

2. Expected GWP at 2028

# Life business rebalancing towards capital light products

Cattolica will have a more balanced mix on unit linked  
2016 Life GWP<sup>1</sup> (%)

With capital light products



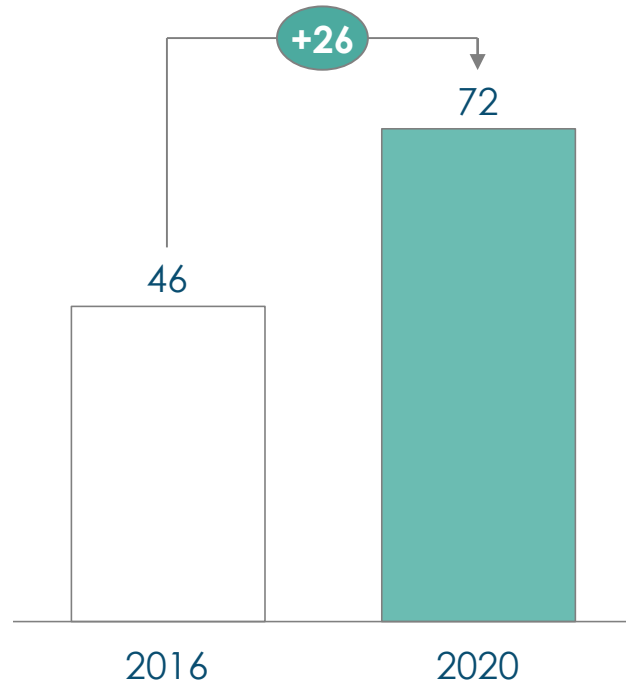
- ~50% GWP from the partnership with Banco BPM on unit linked
- Traditional GWP focused on low capital absorption products
  - No minimum guarantee
  - Non cliquet
  - Withdrawal at maturity

1. Not including networks of financial advisors and companies based in the EU (e.g. Ireland) Source: ANIA data

# The agreement will unlock Life segment profitability

## Life margin increase

Operating profit on Group's reserves (bps)



Mix improvement

- High value products growth (e.g. term Life insurance)

Vehicle efficiencies

- Servicing optimisation leveraging on:
  - consolidated IT platform
  - Group's operating machine

Synergies with Cattolica

- Operative synergy on staff
- Larger scale for Group investments

New customer and distributor experience based on digital and multichannel

## Distributors



- Lead generation through digital channels
- "Advanced" support on key processes (renewals and cross-selling)
- Agency's/ bank's e-commerce
- Agency's processes digitalization



+600k lead from digital channels  
-30% reduction on administrative effort

## Clients



- New client service approach
- New value proposition for under 35 clients
- Digital customer experience (app, web)
- Digital and connected product offering



+150k under-35 clients  
Alignment with market level

# We will develop a multichannel distribution model

Clients' expectations are on the move



Prefers hybrid online-offline<sup>1</sup> interaction models

Cattolica has a multichannel strategy integrated with its network

- Multi-access through app, web, social media, and customer care
- Online purchase with policy steering to appropriate Agency
- Consistent experience between channels, lead transfer to Agents
- New "self service" services in pre and post sale (e.g. fast quoting, renewal)
- Development of pay as you use offer for digital channels

With new digital tools



Website  
*From today*



App  
*End 2018*



E-commerce  
Agency/ Bank

1. Source: May 2015 research on channel preferences to gather offers and information

# Profitable growth– Key takeaways

## **Strengthening and differentiation of agencies support**

to make agencies stronger and more sustainable, increasing company's profitability

## **Bancassurance growth through the partnership with Banco BPM**

with portfolio growth and rebalancing on Non Motor and Linked products, strong synergies with the Group

## **Digital innovation and multichannel**

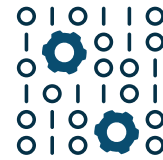
with a new experience for clients and distributors



# Innovation & data management

**Luigi Barcarolo**, *Director of Insurance Analytics and Business Architecture*

# We will renew our offering leveraging on data and connectivity

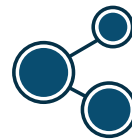


Data driven

Competitive improvement in data usage along whole value chain

~€30M technical margin at 2020

Products and services customization



Connected products

Value increase for Customer and Company with advanced offering and partnership ecosystem

5-10pp LR<sup>1</sup> reduction

50% connected motor on new business

1. On telematics portfolios with respect to traditional portfolios



# We will build a Data Driven Company

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New IT platform integrating all customers data

Dedicated analytics team integrated with Motor pricing

Extensive usage of predictive algorithms and artificial intelligence

Information enhancement with external databases



**Data and algorithms** are a survival and differentiating factor

# With clear areas of impact

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Frauds detection increase



Pricing sophistication



Automation and processes dematerialization



Customer Value Management



~ €30M of technical margin at 2020

# We will improve claims' process and customer experience

## Effectiveness improvement of antifraud processes

- Strengthening of antifraud analytical procedures
- Extension of antifraud analytical control to Non Motor



**+€15M**  
Technical margin  
at 2020

## Expert appraisal dematerialization and automation

- Usage of Analytics and Artificial Intelligence technologies for damage evaluation
- Improvement of the speed of settlement and the customer experience
- Claims costs reduction

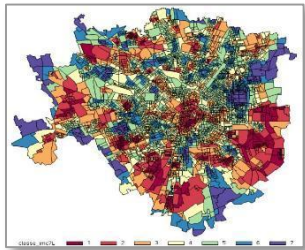


**+€4M**  
Technical margin  
at 2020

# We will strengthen Motor technical excellence

## New data sources integration

- Credit position control
- Vehicle security parameters
- Additional external data



Credit position map on Milan area

## Price sophistication

- Improvement of technical risk evaluation procedure
- Analytics to improve offering on customer's profile
- Evolution of Portfolio management algorithms (price optimization)

**+€10M**  
Technical margin at 2020

# We will primarily develop Motor telematics among connected products

## Main motor telematics pillars for Cattolica

Smart & modular  
Technology



Self installing and  
smartphone based  
device

Behavioral  
profiling



Self selection and  
rewarding systems on  
profitable segments

Real time  
services



Advanced system for  
feedback on driving  
behavior

Ecosystems &  
customer  
engagement



Preventive services  
Partnership ecosystem

Advanced claim  
management



Automatic assistance  
Dematerialized expert  
appraisal  
Network body shops



Offering developed in partnership with primary telematics player

# Motor telematics will generate important benefit

We will attract new customers segments...

...to improve GWP, profitability and loyalty



Penetration on new business

50%

Loyalty

+2-5 pp Retention Motor<sup>1</sup>

Profitability

5-10 pp LR TPL reduction<sup>1</sup>

~€10M technical margin at 2020

1. On telematics portfolio with respect to traditional portfolio

# Innovation & data management – Key takeaways

## **Customer service innovation**

evolving Cattolica's role towards prevention and protection

## **Data driven company**

improving value chain key processes such as pricing and antifraud

## **Connected product offering launch**

leveraging on new technology and partnership ecosystem



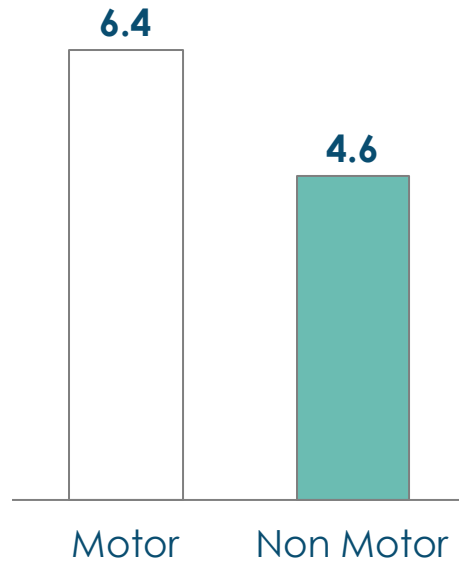
# Technical excellence

**Nazareno Cerni**, *Deputy General Manager and Non Motor Director*

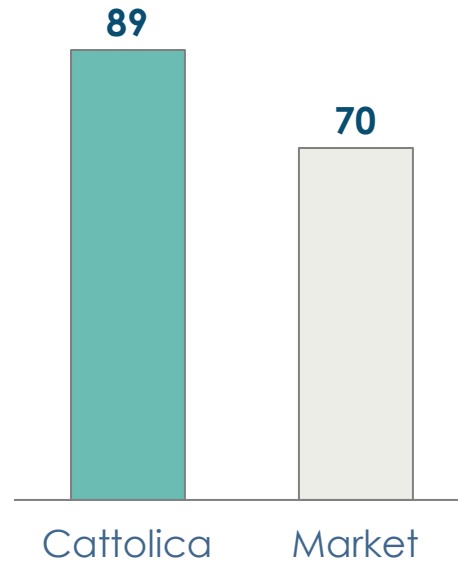
# Profitable growth opportunities in Non Motor segment

## Improvement opportunities

Non Motor growth  
Market share 2016 (%)



Channel diversification  
Non Motor GWP from agencies  
channel 2016 (%)

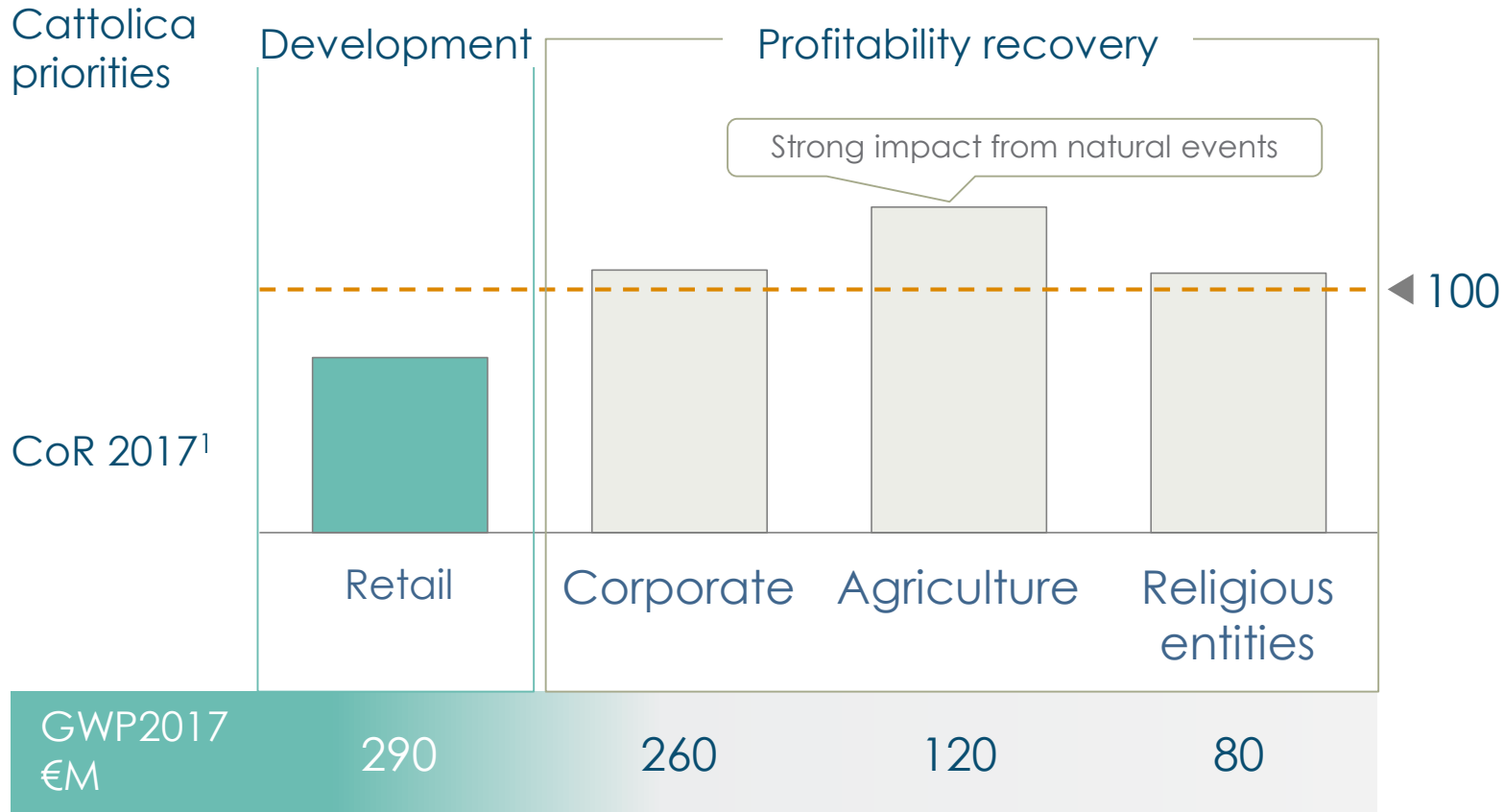


Profitability increase  
Non Motor CoR (%)





# Different priorities by segment



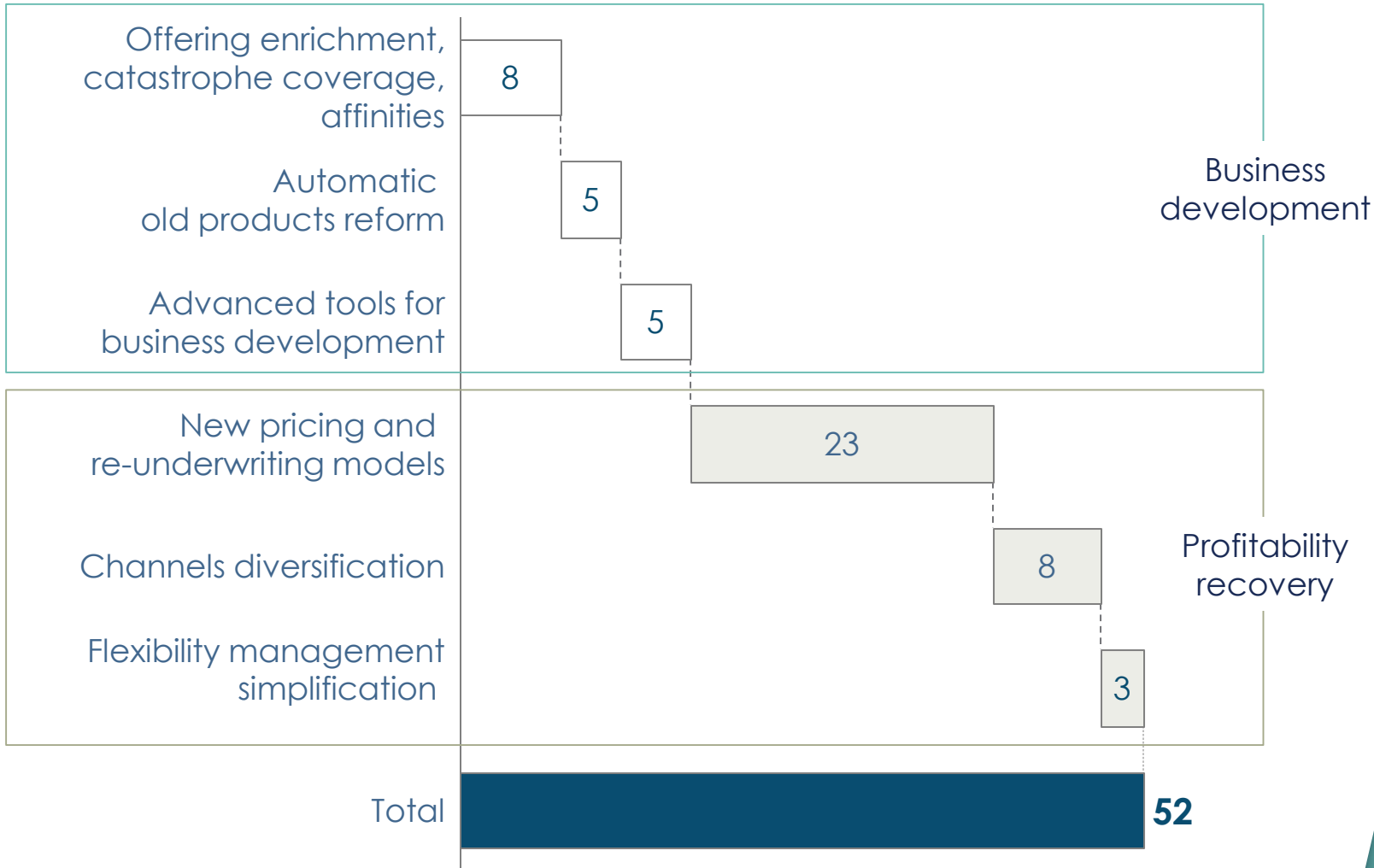
Business development for retail through offering enrichment and processes simplification

Profitability recovery by way of re-underwriting and new channels development

1. CoR calculated gross of reinsurance, data estimations at 3Q 2017

# Non Motor technical margin increase at 2020

(€M)



+€52M

Non Motor 2020 technical margin, excluding bancassurance

# Retail business development: main initiatives

Old contracts reform



Offering enrichment, affinities development



# We will introduce new tools to support agencies in the corporates segment



## Companies profiling

- Corporate data and information
- Risk appetite index
- Sale support tool



## Risk assessment

- Remote support for risk evaluation
- Loss prevention guidance
- Smart quoting system for product customization with no further information



## Digital issuance

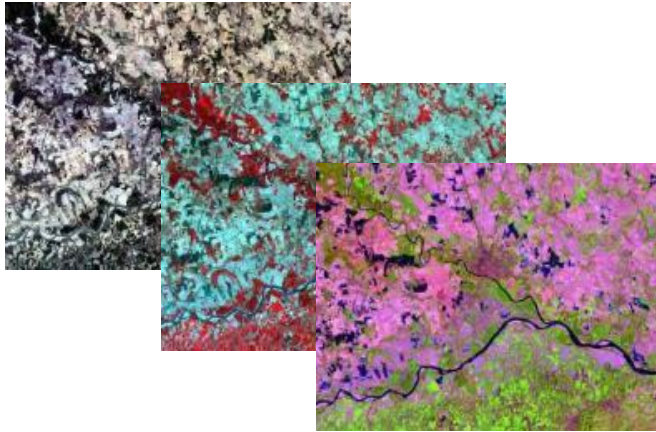
- Completely digital process
- Simplified data entry
- Proposals based on similar customers purchases



Network empowerment and improved underwriting quality

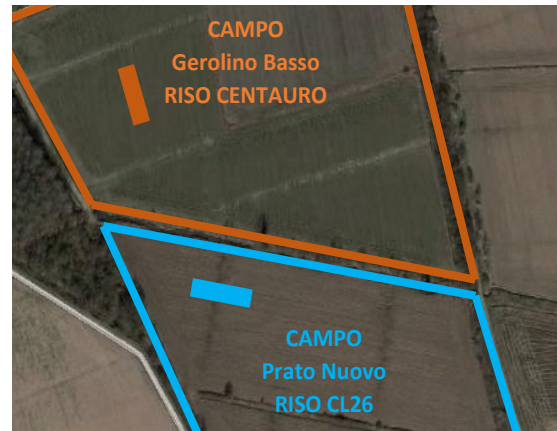
# We have developed innovative solutions for the agriculture segment

## Satellite



- Crop identification
- Plants strength monitoring
- Guidance on harvest timing

## Drones



- Variability analysis between fields results
- Guidance on most suitable crops
- Impact evaluation of natural events on cultivation quality

## Smartphone



- Photos for leaves density and nitrogen levels measurement
- Usage of augmented reality to guide selective fertilization

# We will differentiate our mix entering the specialty lines business

## New risks



Mobility and travel



Art, sport events & free time



Industrial operational risks

## International risks



International trade



International NatCat



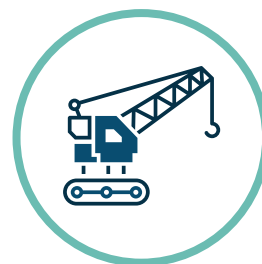
Transport



Marine



Financial risks



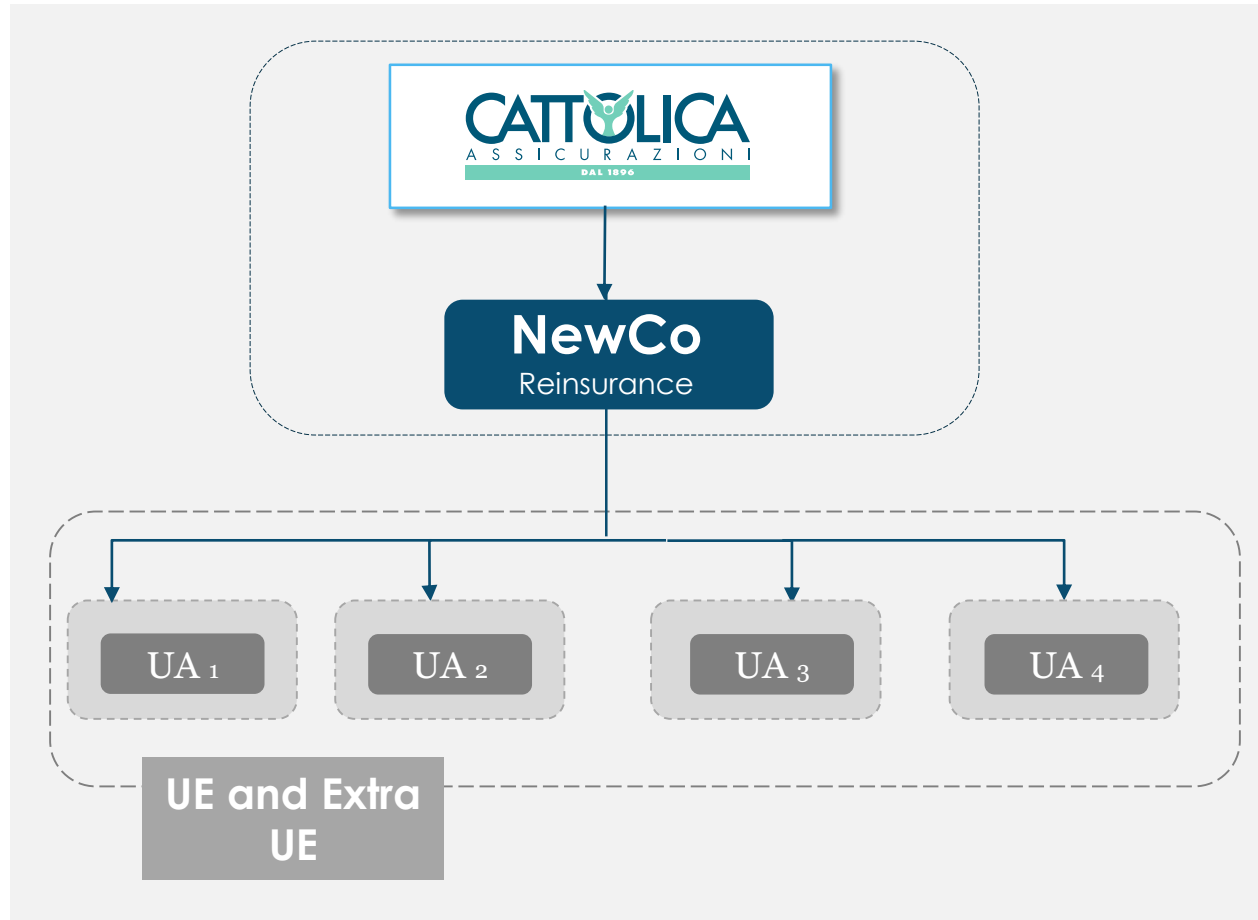
Car Ear Bond



Professional indemnity

## Under-developed risks

# New corporate structure dedicated to specialty lines



## Cattolica Assicurazioni

Complete control  
over NewCo

## NewCo

Vehicle acquisition underway  
Reinsurance entity will control Underwriting  
agencies (UA) to acquire or associate with

## UA

Agencies with specialized skills available on  
different markets, supporting business plan at  
local and international level

# New business model for specialty lines development

## Establishment of dedicated vehicle...

- Business control without defocusing Cattolica
- Vehicle with high specialization and strong focus on planning and control
- Lean model and synergies with Cattolica
- Business model aimed at attracting new capitals from third parties

## ...with underwriting agencies (UA)

- Non conventional agencies with specialized competencies to be acquired and associated
- Remuneration based on value generated to attract best professionals
- Focused on specific geographies and/or lines of business
- Advanced tools for analysis and underwriting of specific risks



International experiences show strong value creation opportunities

>15x

P/E based on international benchmark<sup>1</sup>

1. Includes: James River Group, Kinsale Capital Group, OneBeacon Insurance Group, State National, The Navigators Group



# Technical excellence – Key takeaways

## **Development of retail segment**

through offering enrichment (e.g. catastrophe guarantee)  
and new tools for agencies empowerment

## **Profitability recovery on corporate segment**

with new pricing tools and flexibility model review

## **Specialty lines launch**

with dedicated business model to grow on under-penetrated sectors



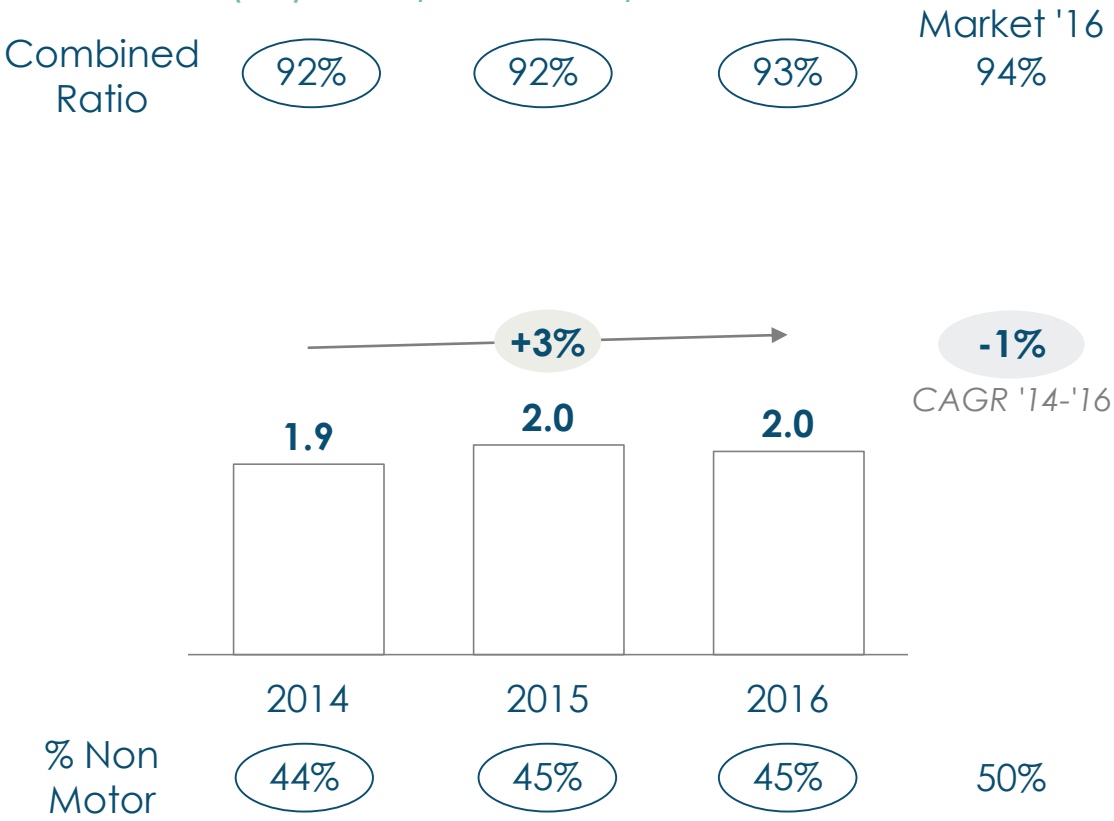
# Financial Targets

**Enrico Mattioli**, *Deputy General Manager and Chief Financial Officer*

# Historical performance

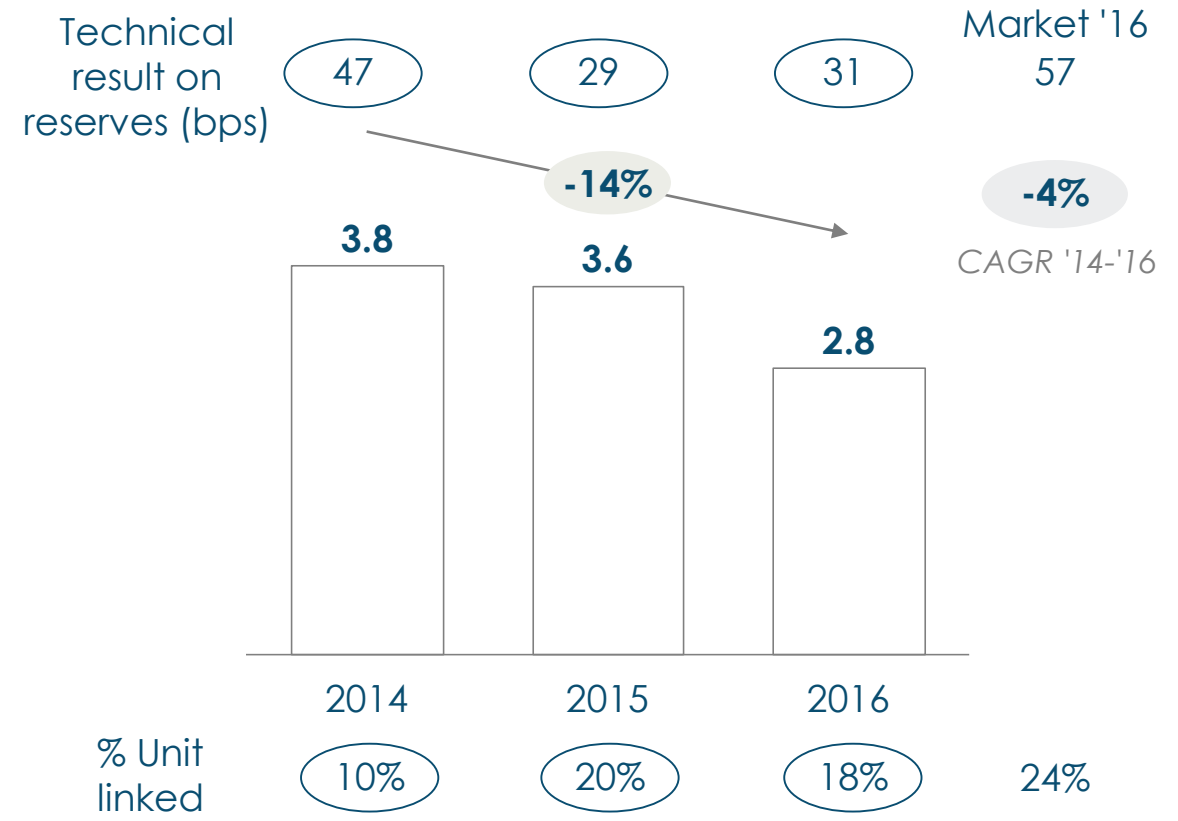
Non Life, steady growth and profitability with scope to enhance non Motor contribution

GWP (€B) and profitability trend



Life GWP impacted by the unwinding of BPVI bancassurance agreement

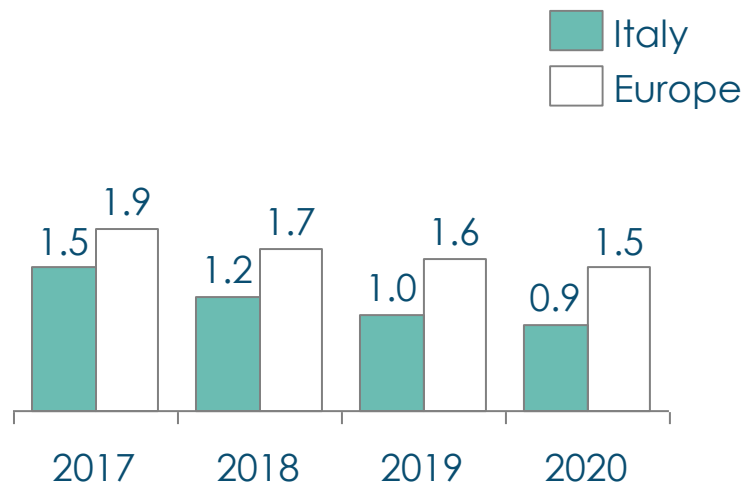
GWP (€B) and profitability trend



# Macro-economic outlook

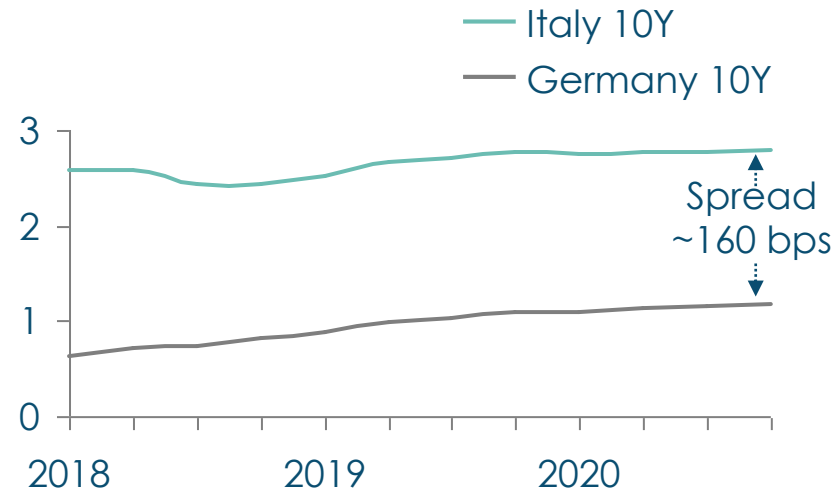
## GDP slowly gathering pace

Yearly GDP growth (%)



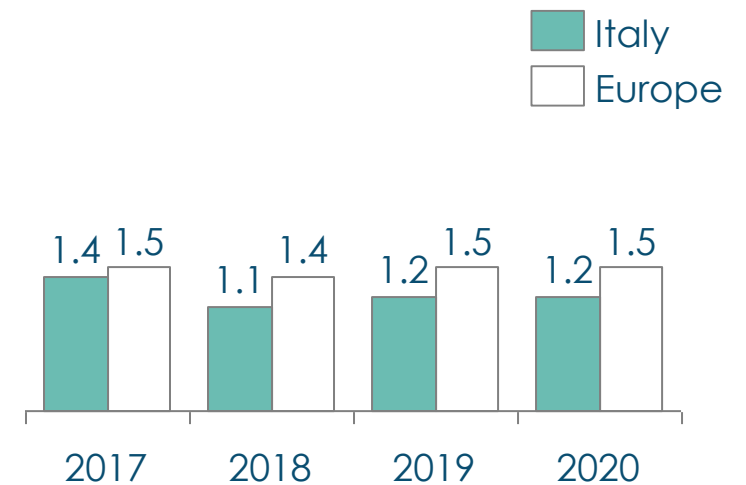
## Yields expected to slightly rise

BTP-Bund trend (%)



## Inflation remains weak

(%)



- European growth fueled by internal demand
- Prudential estimates at 2020 due to medium term uncertainty factors (e.g. fiscal reforms implementation)

- Yields slightly increasing in sight of BCE rates rise
- Further increases are possible due to global conflicts and political instability
- Spread expected to remain stable

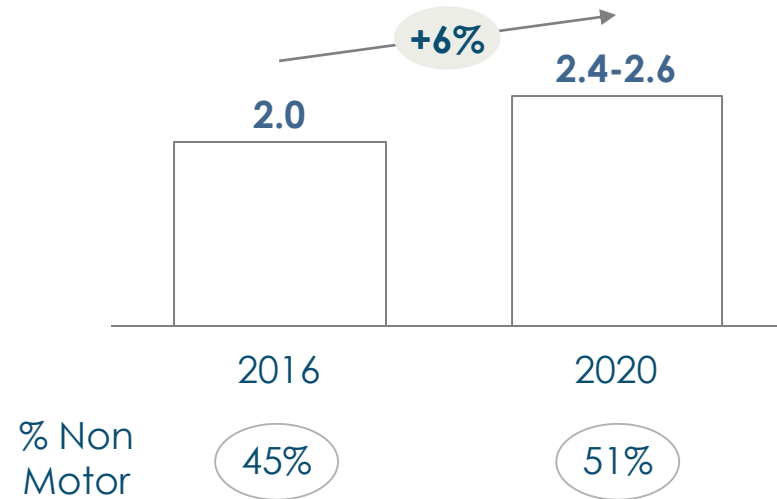
- Low inflation in Europe and in Italy in particular, driven by limited consumer expenditure

Source: Elaboration on BCE, WB, FMI e OCSE data

# Top line impacted by external growth

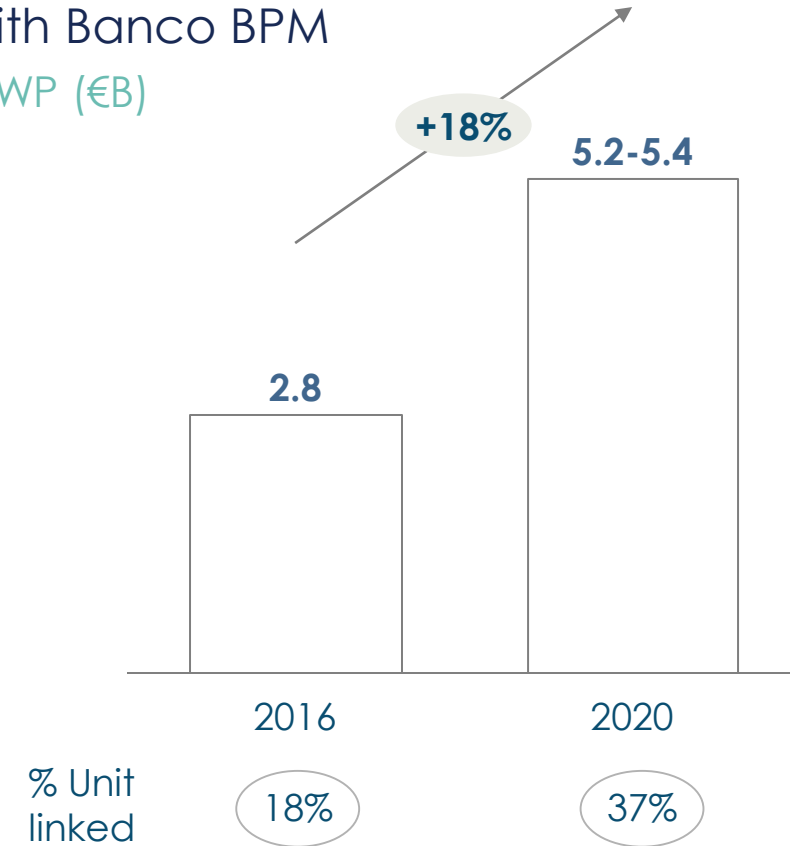
Non Life GWP also growing thanks to partnership with Banco BPM and Specialty

GWP (€B)



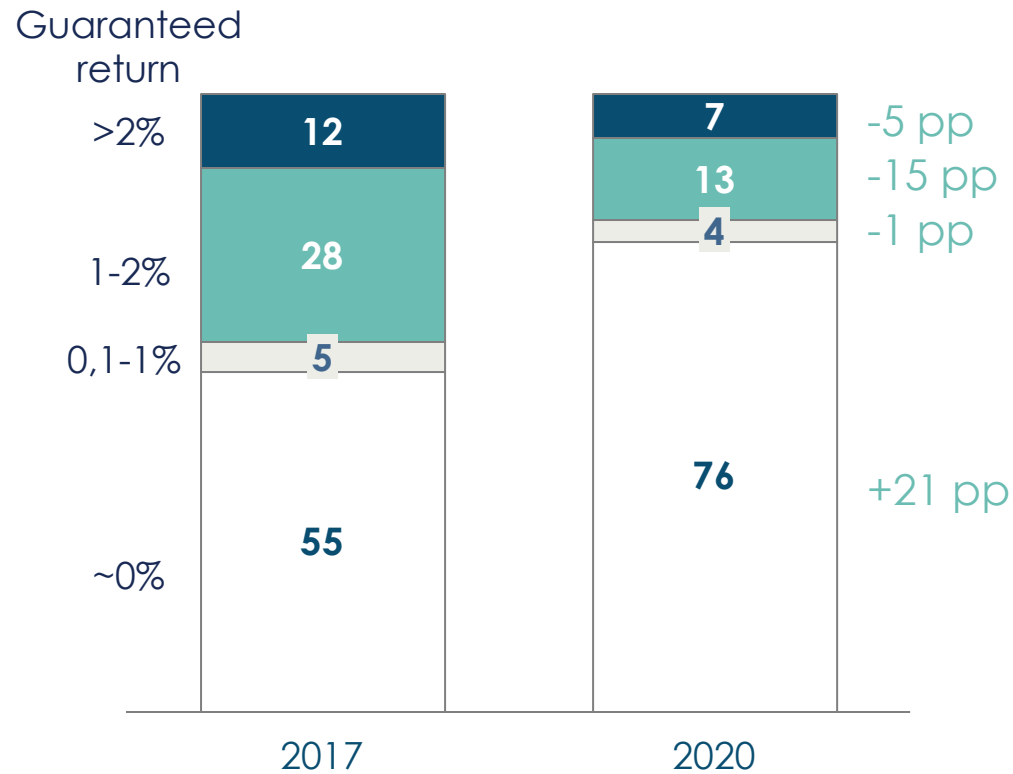
Life growth driven by the agreement with Banco BPM

GWP (€B)

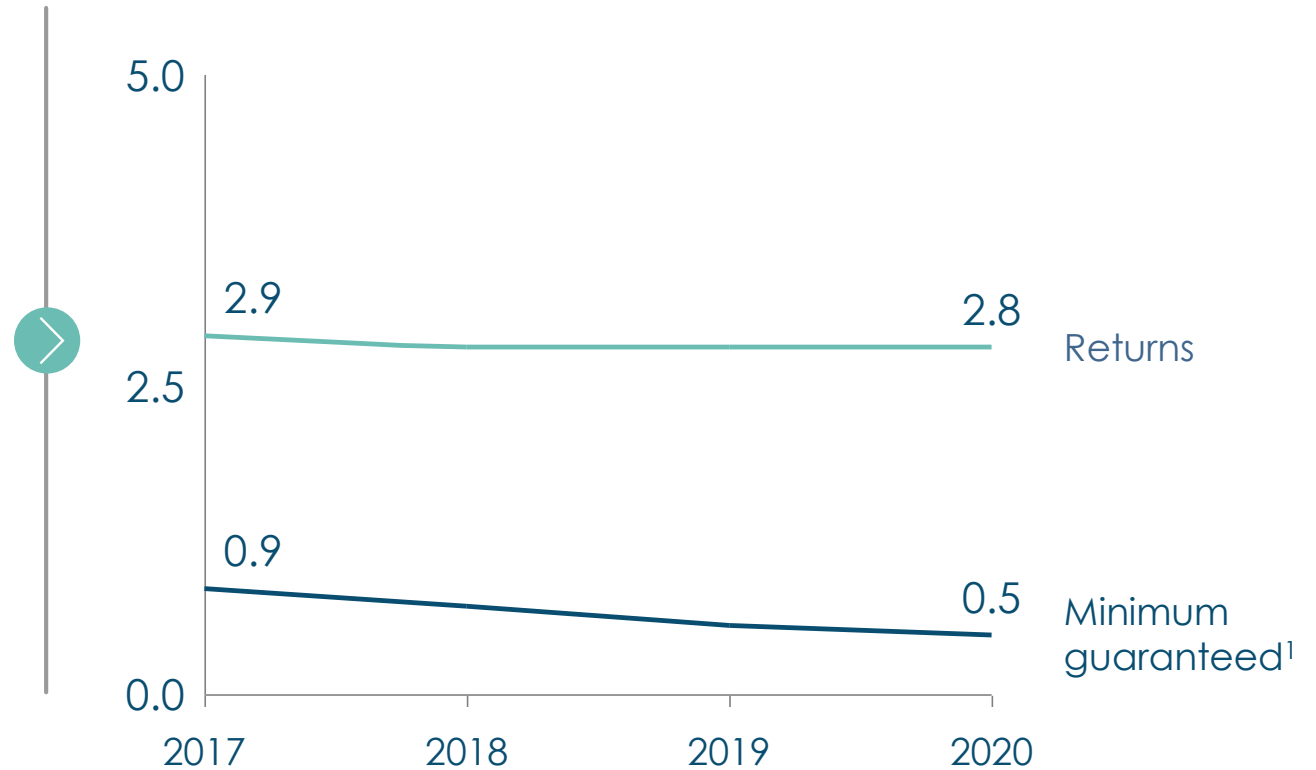


# We will reduce the impact on capital accelerating the mix change

Higher incidence of capital light products  
Traditional products reserves (%)



Yield on assets are higher than minimum guaranteed  
Returns and minimum guaranteed (%)

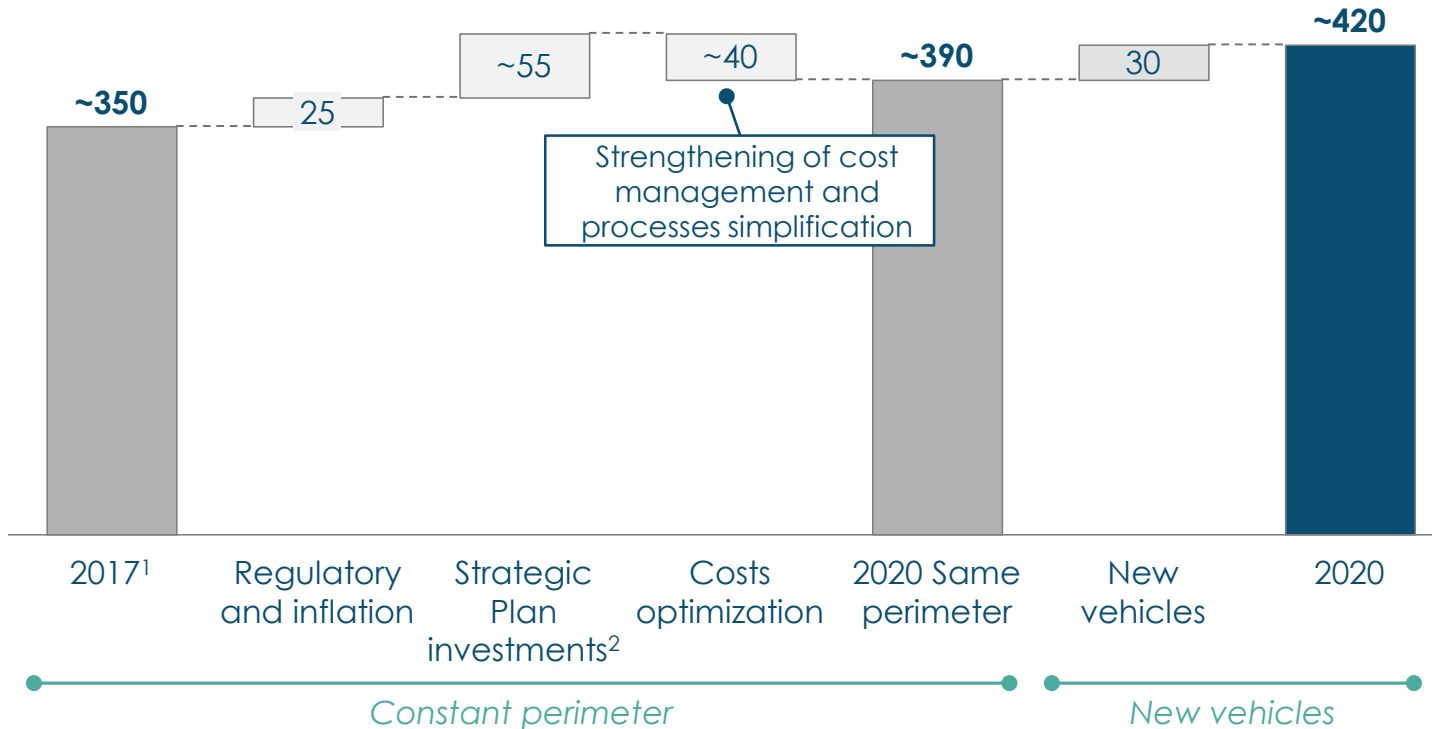


1. Portfolio average

# We will improve the operating leverage thanks to GWP growth

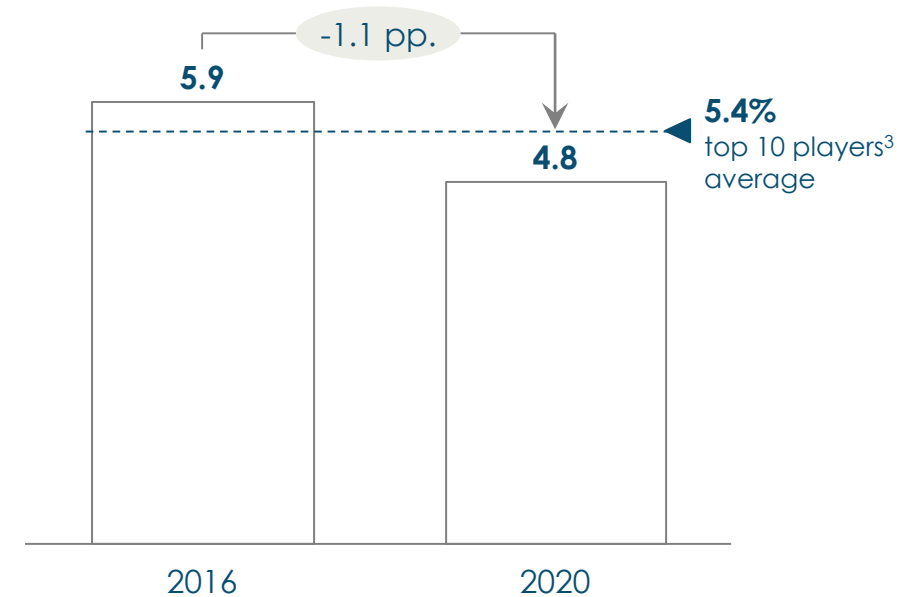
Growing cost structure to support business plan transformation

Operating expenses (€M)



Business plan investments more than balanced by GWP growth

Operating expenses / GWP (%)

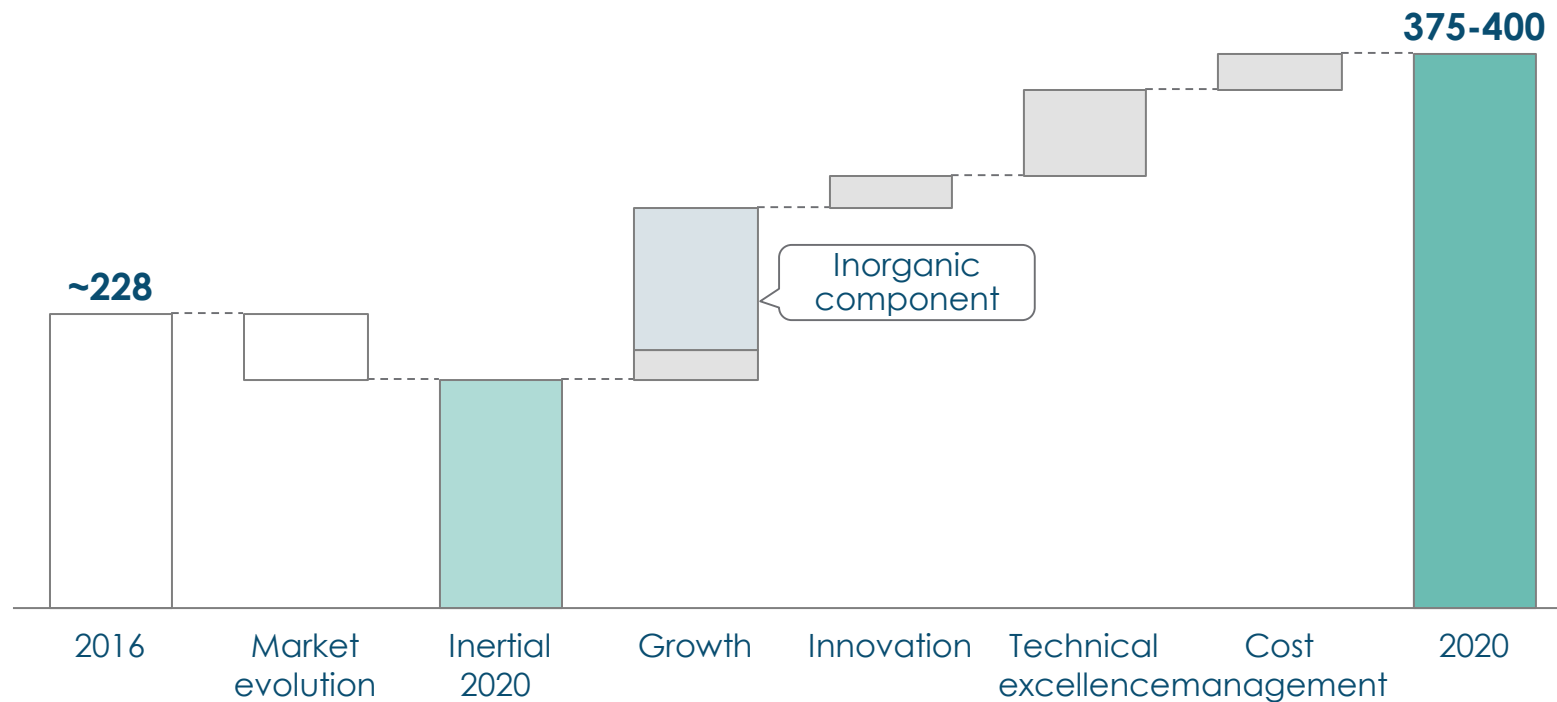


1. Preliminary data - pre closure 2. P&L effects from Business Plan Capex 3. Elaborations on ANIA data – First 10 groups for non Life collection

# We will increase the operating result and the return on capital by 2020

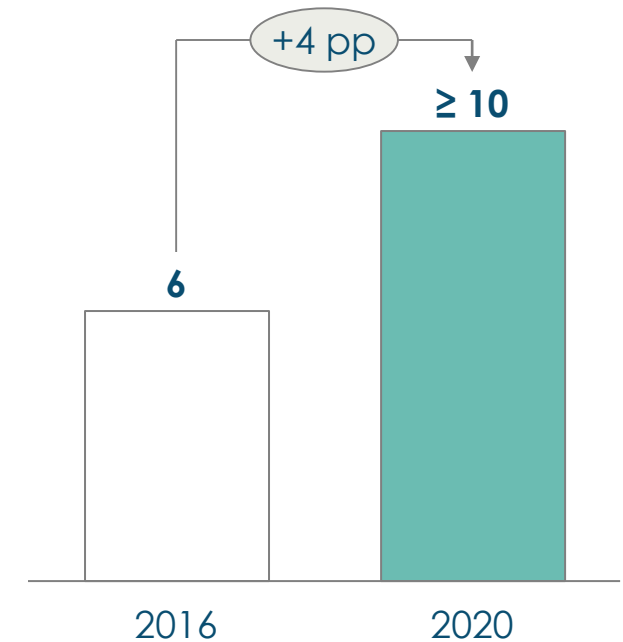
375-400 €M operating result by 2020

Operating result (€M)



Significant ROE growth

Operating ROE (%)





# Tier II issued at strong financial terms



size issued,  
~7x demand

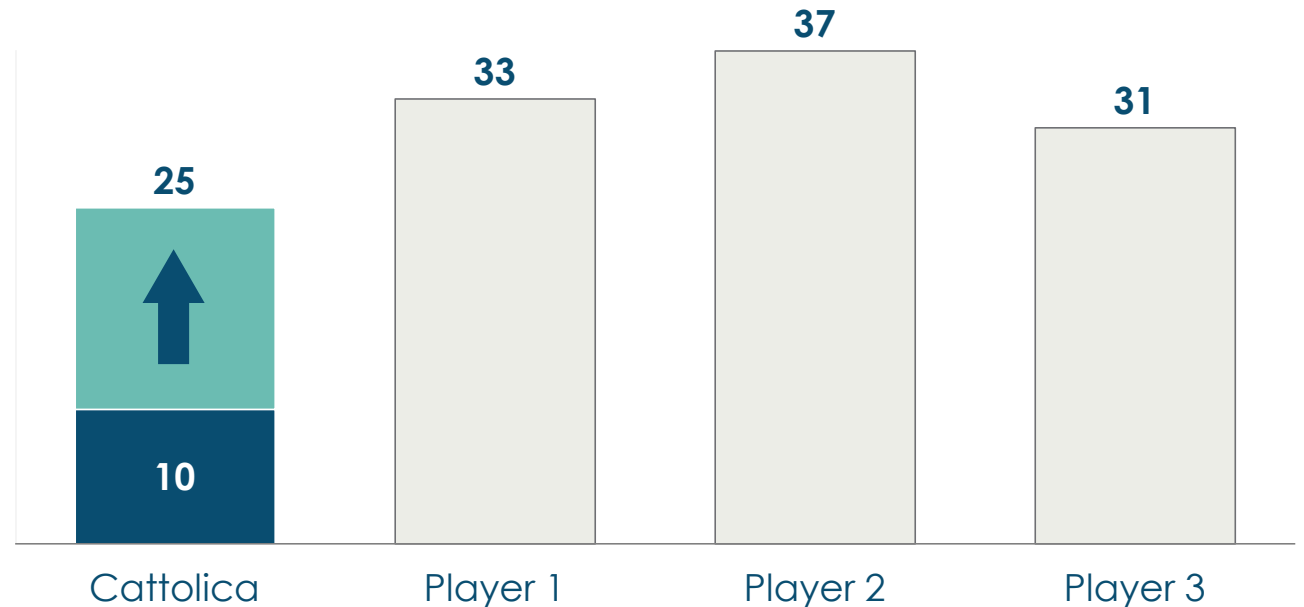


Solvency II Impact



Interest rate

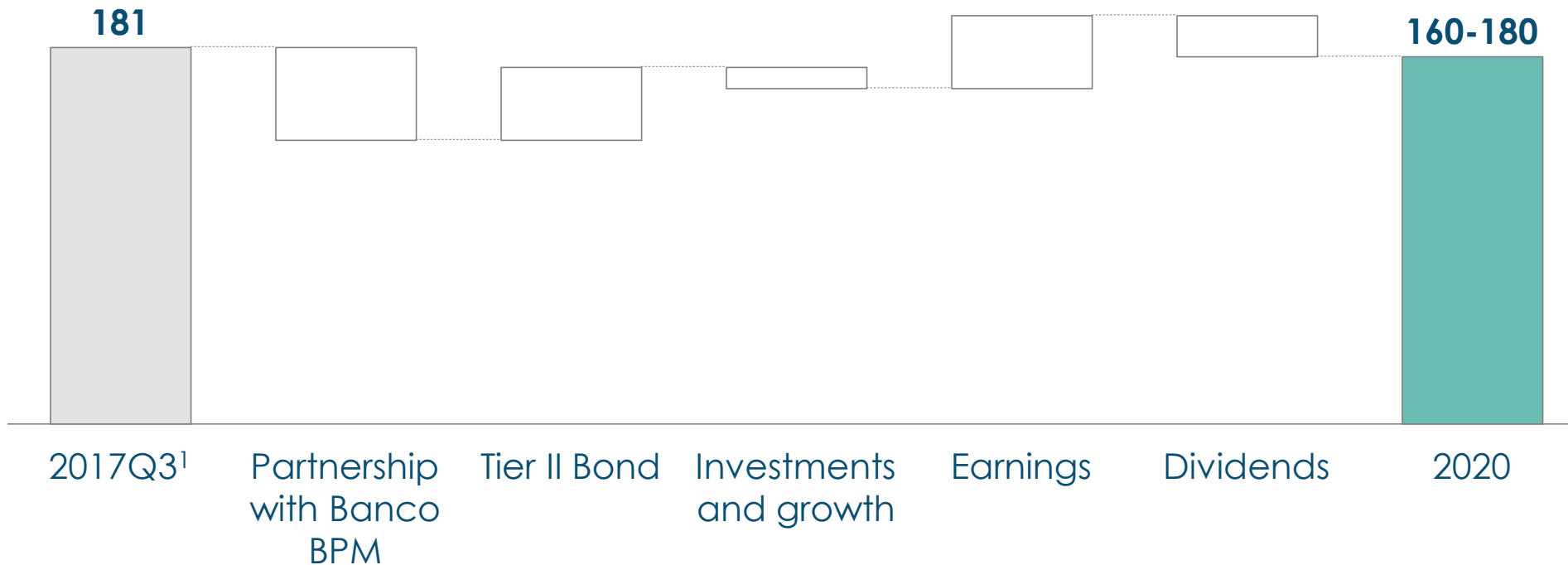
Debt leverage ratio<sup>1</sup> (%)



1. 2016 data from main players of the market

# We will preserve a strong capital position at 2020, with a 160-180% SII Ratio

Solvency II Ratio main evolution drivers  
(%)



1. Group data at 3Q 2017 including pro-quota dividend

# Key financial targets

|                                 | Target 2020 | Δ vs 2016    |
|---------------------------------|-------------|--------------|
| Non Life GWP                    | €2.4 – 2.6B | +€0.4 – 0.6B |
| Life GWP                        | €5.2 – 5.4B | +€2.4 – 2.6B |
| Costs on total GWP <sup>1</sup> | 4.8%        | -1.1pp       |
| Operating result                | €375-400M   | +€150 -175M  |
| Operating ROE                   | ≥10%        | +4pp         |
| SII Ratio                       | 160-180%    | -            |
| Dividend per share              | >€0.5       | ~ +50%       |

1. Excluding claims settlement expenses



# Final remarks and Q&A

**Alberto Minali**, *Chief Executive Officer*



# Cattolica 2020:

Tradition in motion

Turn Cattolica into a more innovative and flexible player, ready to cope with future challenges

Reinforce and diversify Cattolica's business model, confirming market position and closeness to families and corporates

Increase of value for all the stakeholders

CATTOLICA



A S S I C U R A Z I O N I

DAL 1896

# Glossary

## Non Life operating profit

- It is the sum of: net technical result, financial ordinary income, other recurring net costs (amortization, depreciation, write-down of insurance recoverable, operating financial interests). It excludes: the realized gains/losses, the write-down/write-back, impairments on financial instruments, impairments on other assets, interest paid on financial debts (subordinated debts), the amortization of the value of business acquired, one-off and extraordinary costs (e.g. staff severance indemnity)

## Life operating profit

- It is defined as the Non-life one, but it includes all the financial income on instruments backing the policyholders' liabilities

## Operating ROE

- It 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); the income taxes are calculated using a normalized tax rate

# Key contacts

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