

Annual General Meeting

Business Plan Overview

ALBERTO MINALI – CEO

Verona - April 28th, 2018





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

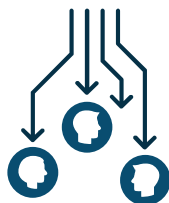
Increase of value for all the stakeholders

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 banks¹

3 Motor business profitability

- -4.5pp of Motor TPL loss ratio vs market²
- 4.9% Motor frequency vs 6.2% market average³

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 penetration¹)

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 average²

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 11 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
- Acquisition of the majority stake of the companies and exclusive agreement on Life and Non Life with Banco BPM
 - 3rd Italian bank for number of branches
 - €9B Life reserves acquired
 - €140M of Non Life GWP
 - Bond issued at favourable conditions
- Life offering and IT platform renewed
- Italian govies exposure reduced
- Telematics motor product launched

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

The Plan will radically transform the Company

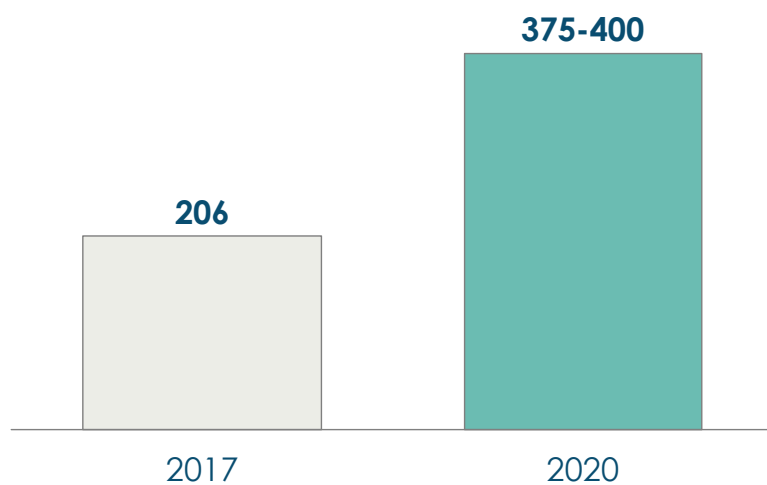
| | 2020 Target | Δ vs 2016 | |
|----------|---|-----------|--------|
| Non Life | Penetration of telematics on new business | 50% | +42pp |
| | % of Non Motor GWP on Non Life | 51% | +6pp |
| | Non Motor technical margin ¹ | €73M | +€52M |
| Life | Life Reserves | €25B | +€9B |
| | % unit linked on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

1. Excluding bancassurance 2. Excluding claims settlement expenses

We will deliver value

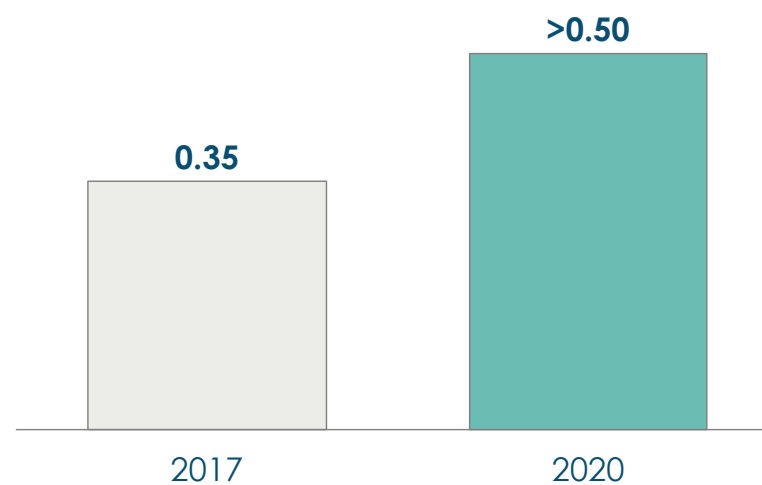
Profitability recovery

Operating results (M€)



Dividends increase

Dividend per share (€)



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

Greater internal resources engagement and Governance improvement to achieve the targets of the Strategic Plan

Greater engagement of the resources

- Employees satisfaction increase (internal survey - Great Place to Work)
- Higher people nurturing and dynamism of the resources within in the company (Job Market)
- MBO aligned with the Strategic Plan objectives
- Incentive model extended to all the employees of the group

Governance improvement

- Adoption of one tier system and reduction to 17 board members
- Executive committee removal
- Threshold to access to board member role risen at 5% for the legal entities
- Possibility to elect 1/2 board members from a Capital List