Results at September 30th, 2018
Cattolica Assicurazioni Group

Verona, November 9, 2018

Results at September 30th, 2018

Non-Life Business Performance

Life Business Performance

Investments

Key consolidated figures

IAS/IFRS Results			
€ mln			
	9M2017	9M2018	Δ%
Total Direct Premiums	3,659	4,272	+16.7%
Non-Life Direct Premiums	1,394	1,475	+5.8%
Life Direct Premiums [1]	2,265	2,797	+23.5%
Combined Ratio [2]	94.9%	93.0%	-1.9 pps
Cons. Shareholders' Equity	2,197 [3]	2,184	-0,6%
Solvency II Ratio	160% [3]	160%	-
Operating Result	159	231	+45.5%
Consolidated Result	30	93	n.s.
Group's Result	21	72	n.s
Operating Return On Equity	7.1%	8.0%	+0.9 pps

(1) Including Investment contracts.   (2) On retained business.   (3) As at 30 June 2018.

Consolidated Income Statement

Group Companies' Contribution to the Consolidated Result

Group Companies' contribution to the consolidated result[1]	9M2017	9M2018	Unsuccessful commission recovery on PopVi network	Additional reserves for Term Life policies	VAT on Co-ins	9M2018 normalised result	9M2017 normalised result
€ mln							
Non-Life insurance companies	62	50	-3	0	-4	57	72
Life insurance companies	-25	45	-1	-4	0	50	28
Non-insurance companies	-7	-2	0	0	0	-2	-3
IAS/IFRS Consolidated Result	30	93	-4	-4	-4	105	97
IAS/IFRS Group's Result	21	72	-2	-2	-4	80	87

(1) Net of tax and shadow

Income statement by segment of activities

	NON LIFE		LIFE		OTHER		TOTAL	
	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018
Net Premiums	1,290	1,347	2,054	2,651	0	0	3,344	3,998
Net charges relating to claims	-882	-863	-2,218	-2,738	0	0	-3,100	-3,601
Operating expenses	-329	-377	-79	-129	0	0	-408	-506
of which commission and other acquisition costs	-244	-274	-57	-77	0	0	-301	-351
of which other administrative expenses	-85	-103	-22	-52	0	0	-107	-155
Other revenues net of other costs (other technical income and charges)	-12	-13	-30	-21	0	0	-42	-34
Income on ordinary gross investments (Class C)	66	70	313	353	0	0	379	423
Income on ordinary gross investments (Class D)	0	0	28	10	0	0	28	10
Commissions income net of commissions expense	0	0	4	2	0	0	4	2
Operating expenses relating to investments	-5	-8	-14	-20	-2	-2	-21	-30
RESULT OF INSURANCE BUSINESS AND FINANCIAL OPERATIONS	**128**	**156**	**58**	**108**	**-2**	**-2**	**184**	**262**
Other revenues net of other operating costs	-18	-25	-7	-6	0	0	-25	-31
OPERATING RESULT	**110**	**131**	**51**	**102**	**-2**	**-2**	**159**	**231**
Realised and valuation income	2	1	-1	2	-3	0	-2	3
Interests on subordinated debt	-6	-18	-1	-5	0	0	-7	-23
Net income from investments in subsidiaries, associated companies and joint ventures	2	2	0	1	0	0	2	3
Other revenues net of other non-operating costs	-15	-21	-54	-27	-3	0	-72	-48
PROFIT (LOSS) BEFORE TAXATION FOR THE YEAR	**93**	**95**	**-5**	**73**	**-8**	**-2**	**80**	**166**
Taxation	-31	-45	-20	-28	1	0	-50	-73
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	**62**	**50**	**-25**	**45**	**-7**	**-2**	**30**	**93**
of which pertaining to the Group	61	51	-33	23	-7	-2	21	72
of which pertaining to minority interests	1	-1	8	22	0	0	9	21

Consolidated Shareholders' Equity

Group's
Shareholders
Equity

2,197

1,745

30

-48

5

Group's
Shareholders
Equity

2,184

1,728

1H2018
Shareholder's
Equity

Result for the period

Change in the
available for sale
reserve[1]

Consolidation of Fondo
Innovazione Salute

9M2018
Shareholder's
Equity
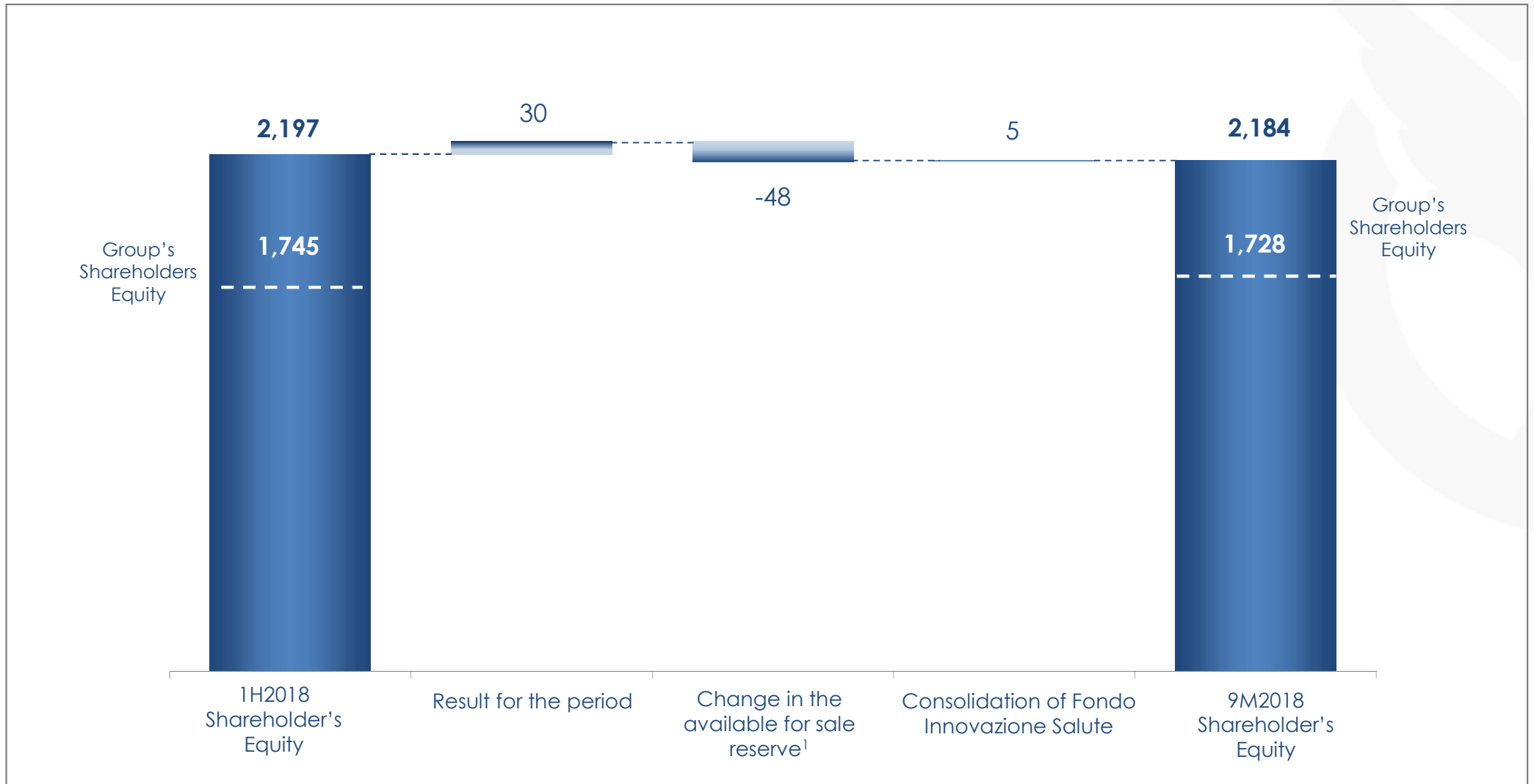
1) It includes the changes in shadow accounting (net of tax).

Group's Solvency II ratio
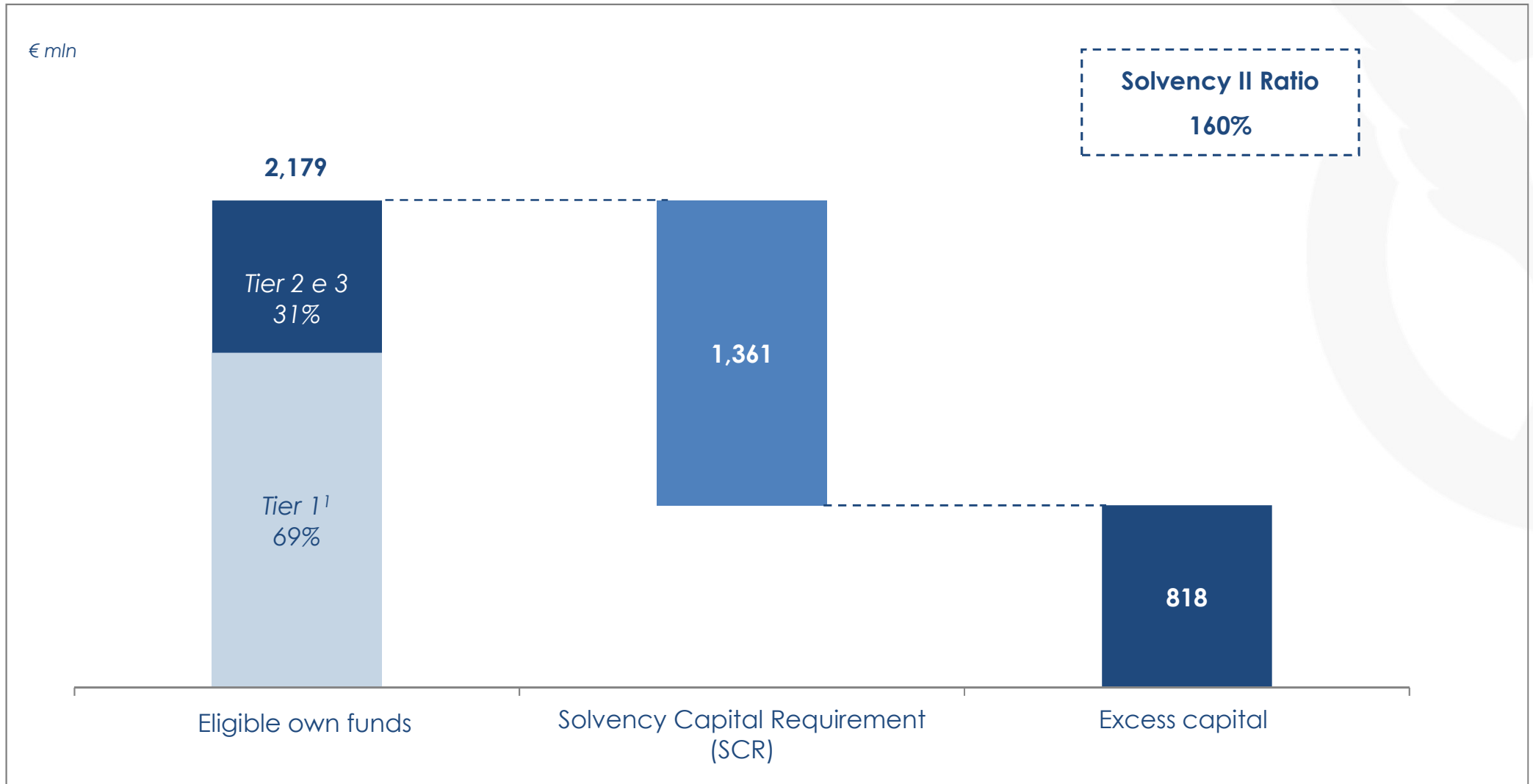
€ mln

Solvency II Ratio
160%

2,179

Tier 2 e 3
31%

Tier 1[1]
69%

1,361

818

Eligible own funds

Solvency Capital Requirement
(SCR)

Excess capital

Results at September 30th, 2018

Non-Life Business Performance

Life Business Performance

Investments

Non-Life Premiums

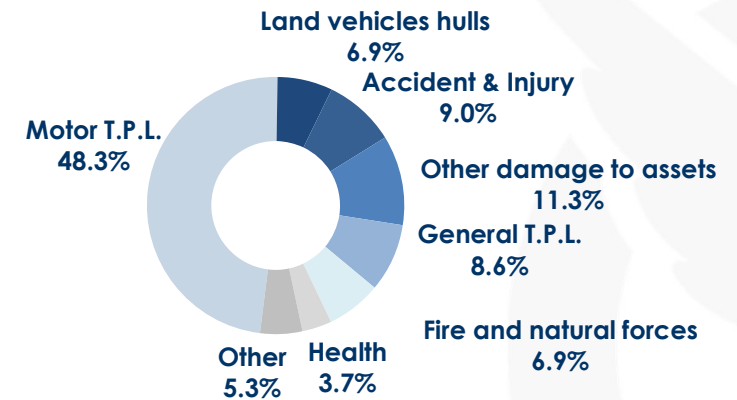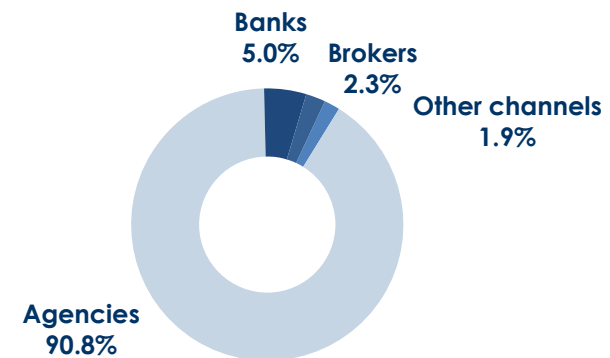## Group's Non-Life Premiums

€ mln

	Excluding JVs with BBPM	Δ % 9M2018/ 9M2017	Including JVs with BBPM	Δ % 9M2018/ 9M2017

- 1,394
- 1,433 **+2.8%**
- 1,475 **+5.8%**

- Motor: 790 | 812 | **+2.8%** | 815 | **+3.1%**
- Non Motor: 604 | 621 | **+2.8%** | 660 | **+9.3%**

9M2017 | 9M2018 | 9M2018

Non-Life Premiums by Class

- Land vehicles hulls 6.9%
- Accident & Injury 9.0%
- Motor T.P.L. 48.3%
- Other damage to assets 11.3%
- General T.P.L. 8.6%
- Fire and natural forces 6.9%
- Other 5.3%
- Health 3.7%

Non-Life Premiums by Channel

- Banks 5.0%
- Brokers 2.3%
- Other channels 1.9%
- Agencies 90.8%
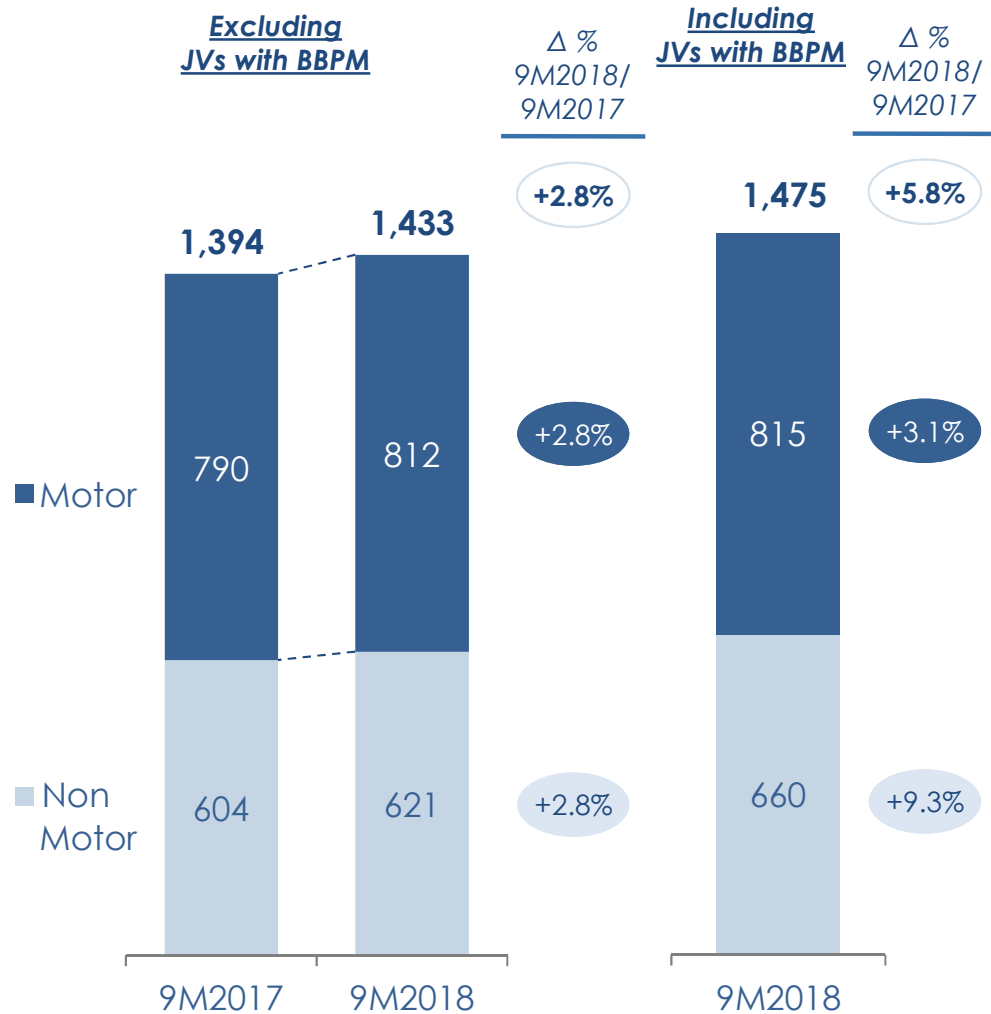
Non-Life Business Performance
Technical Ratios

Combined Ratio[1]

	9M2017	9M2018
	94.9%	93.0%

Claims ratio[1]

	9M2017	9M2018
	68.4%	64.1%

Expense ratio[1]

	9M2017	9M2018
G&A	6.6%	7.7%
Commissioni	18.9%	20.3%
Total	25.5%	28.0%
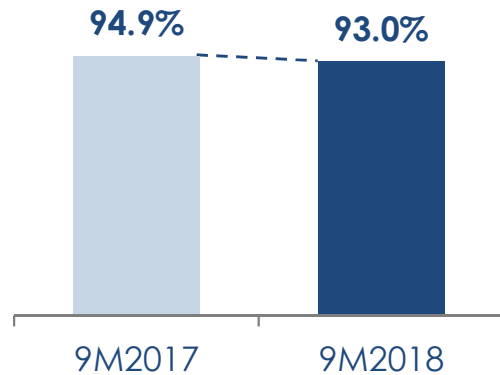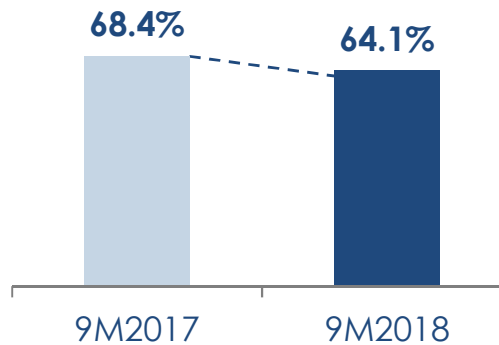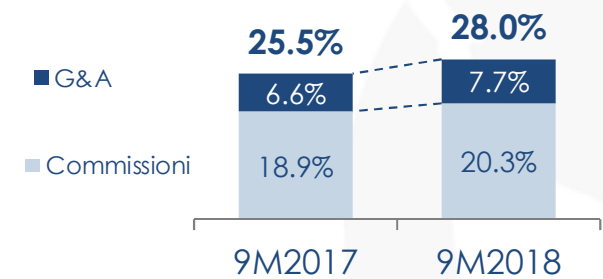
Motor Premiums and Policies

Motor T.P.L. policies → **-0.3%**

Average Motor Premium → **+0.8%**

-10,467 units
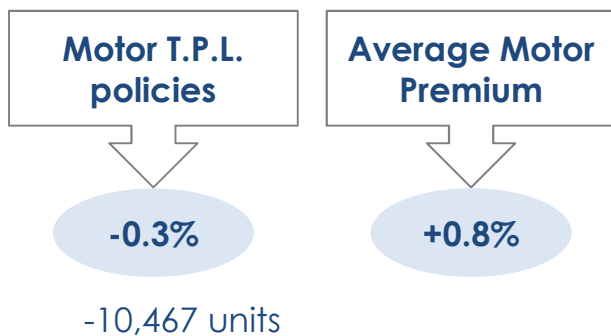
Figures at 9M2018
Δ compared with FY2017

Average Cost of Motor T.P.L. Paid Claim

	9M 2017	9M 2018	Δ 9M18 / 9M17
Average cost[2] (€)	1,529	1,626	+6.3%
Settlement rate	70.1%	70.9%	0.8pp

Motor T.P.L. claim frequency trend

Market (including IBNR)[3]: 6.2% (2013), 6.1% (2014), 6.1% (2015), 6.2% (2016), 6.2% (2017), n.a. (9M2018)

Cattolica Group (including IBNR): 5.1% (2013), 4.8% (2014), 4.9% (2015), 4.9% (2016), 4.9% (2017), 4.8% (9M2018)

— Cattolica Group (including IBNR)
— Market (including IBNR)[3]

2013 2014 2015 2016 2017 9M2018
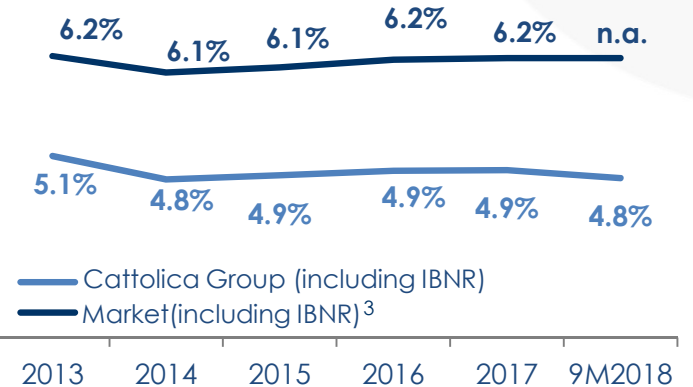
(1) On retained business. (2) Card G and No Card. Claims directly managed by the network . Card G claims show a lower causality or incident seriousness compared to No Card claims
(3) Source: ANIA Relazione Mercato Assicurativo

Results at September 30th, 2018

Non-Life Business Performance
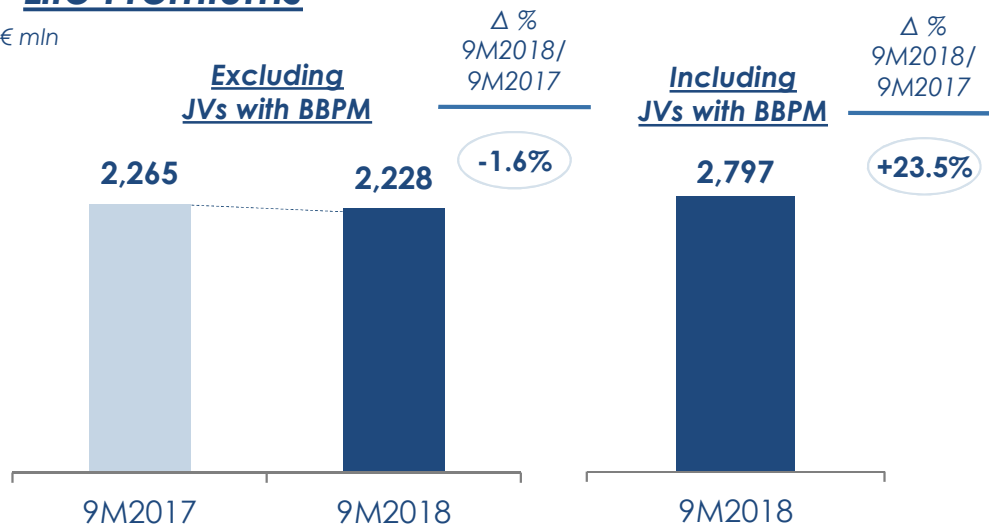
Life Business Performance
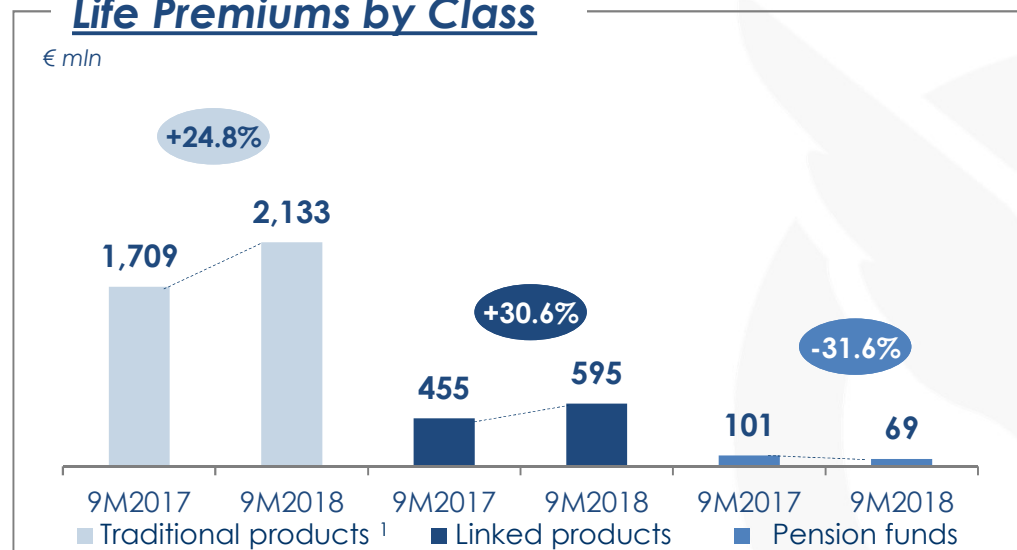
Investments

Life Premiums

Life Premiums

€ mln

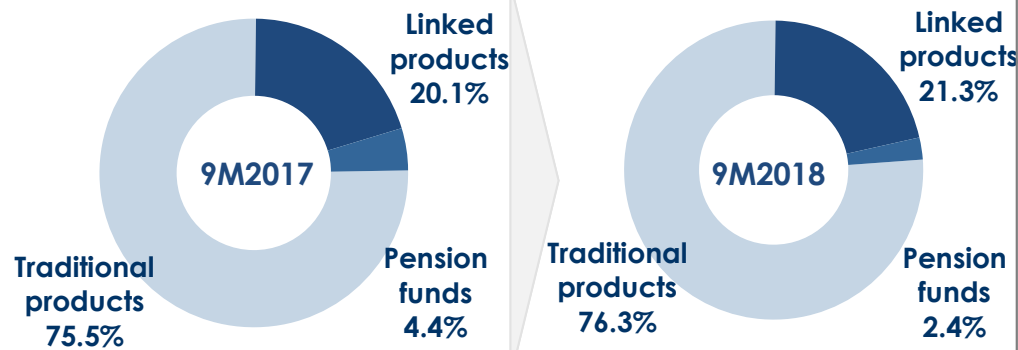**Excluding JVs with BBPM**

Δ % 9M2018/ 9M2017

Including JVs with BBPM

Δ % 9M2018/ 9M2017

9M2017	9M2018		9M2018	
2,265	2,228	-1.6%	2,797	+23.5%

Life Premiums by Class

€ mln

	Traditional products [1]		Linked products		Pension funds	
	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018
	1,709	2,133	455	595	101	69
Δ		+24.8%		+30.6%		-31.6%

Life Premiums by Class

9M2017
- Linked products 20.1%
- Pension funds 4.4%
- Traditional products 75.5%

9M2018
- Linked products 21.3%
- Pension funds 2.4%
- Traditional products 76.3%

Life Premiums by Channel

€ mln

	Own channels [2]		Banks [3]		Brokers [4]		Other	
	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018	9M2017	9M2018
	373	391	1.689	2.232	34	14	169	160
Δ		+4.8%		+31.9%		-58.8%		-5.3%
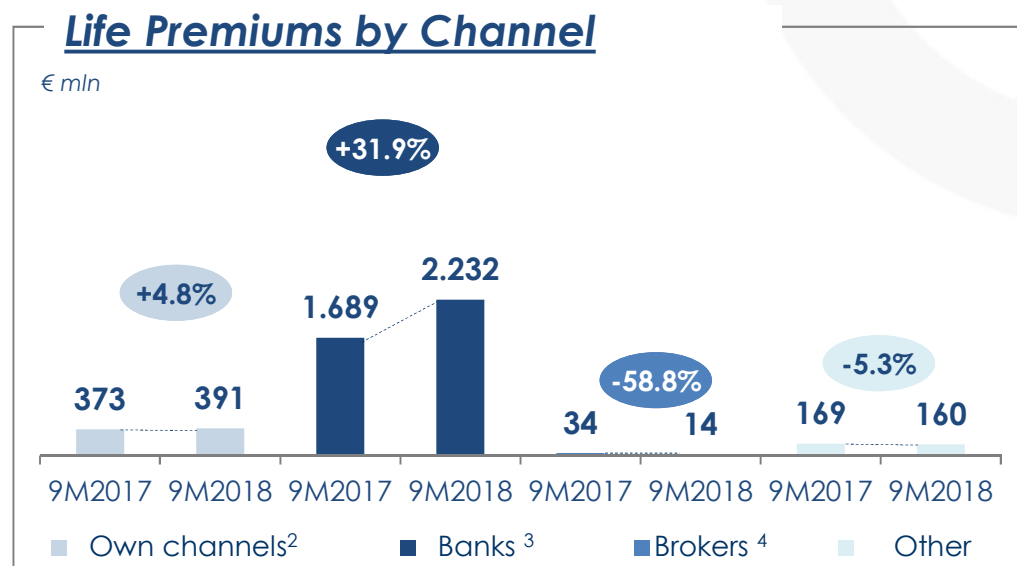
Life New Business and Life Net Inflows

Life New Business[1]

€ mln

	Δ % 9M2018/ 9M2017	Δ % Market August2018/ August2017 [1]
	+28.2%	**-7.8%**
	+67.9%	
	+31.0%	
	+26.1%	

- TCM[3]
- Class III
- With profit

2,067 (9M2017): 47 / 445 / 1,575
2,649 (9M2018): 80 / 583 / 1,986

Of which :

	9M2017	9M2018	Δ% 9M2018/ 9M2107
Additional payments	531	504	-5.2%
New business	1,044	1,483	+42.1%
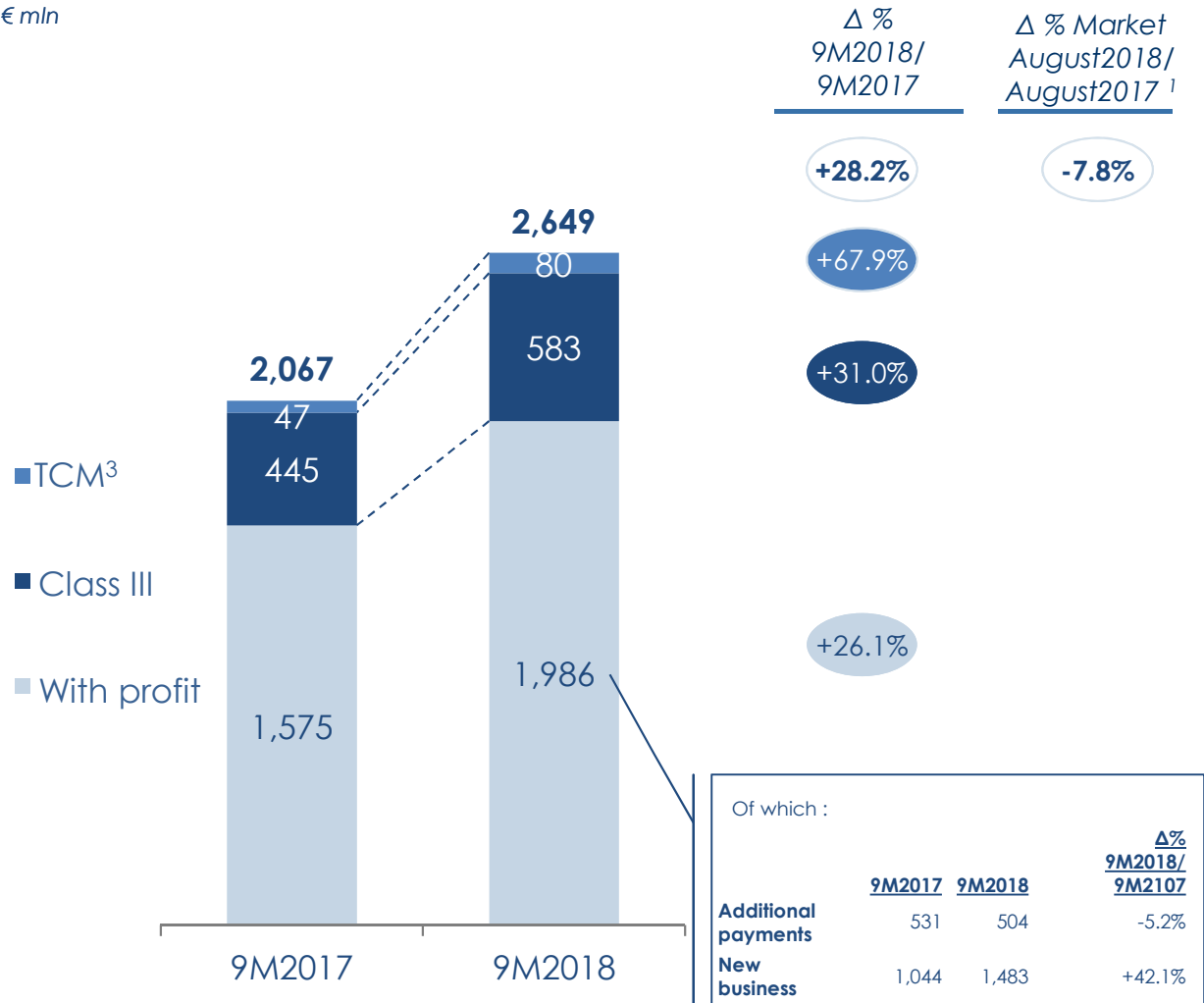
Life Net Inflows by Class

€ mln
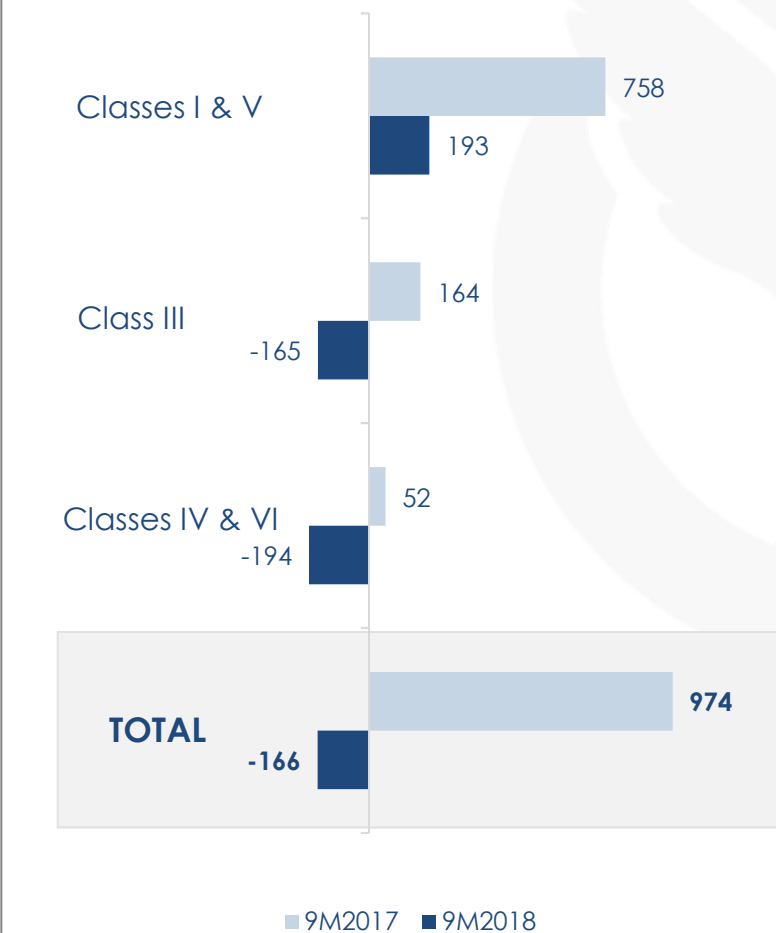
	9M2017	9M2018
Classes I & V	758	193
Class III	164	-165
Classes IV & VI	52	-194
TOTAL	**974**	**-166**

- 9M2017
- 9M2018

Results at September 30th, 2018

Non-Life Business Performance

Life Business Performance

Investments

Investment Result and Group's Asset Allocation
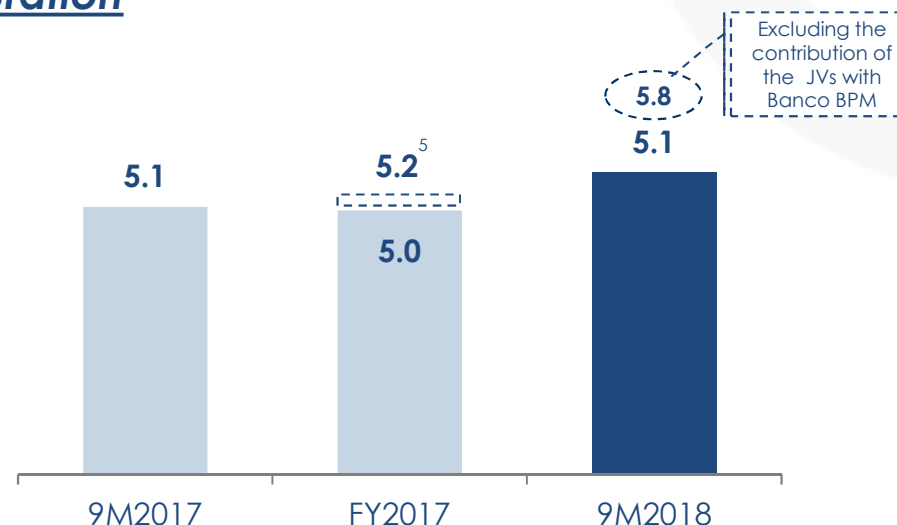
Investment Result[1]

€ mln

+6.3%

357 → 380

9M2017   9M2018
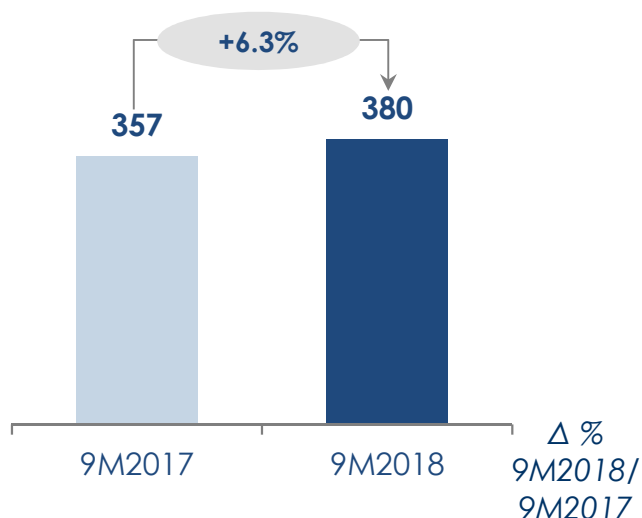
	9M2017	9M2018	Δ % 9M2018/ 9M2017
Interests and coupons	398	420	+5.4%
Gains and losses [2]	7	13	n.s.
Investment costs	-16	-26	+58.6%
Investment result[3]	**389**	**407**	**+4.8%**
Impairments & write-downs[3]	-25	-4	-82.8%
Interest payments on subordinated debts & other financial liabilities	-7	-23	n.s.
Total Class C Investment Result	**357**	**380**	**+6.3%**

Asset allocation

Corporate Bonds 20.1%
Property 3.2%
Liquidity 0.1%
Equity 1.0%
Alternative Investments 1.1%
Gov. Bonds 74.5%

9M2018
€ 25,656[4] mln

Duration

Excluding the contribution of the JVs with Banco BPM

5.8

9M2017	FY2017	9M2018
5.1	5.2 [5] / 5.0	5.1

Investments
Asset allocation and Group's bond rating classes

Group's Investment breakdown[1]

1H2018
€ 25,807[2] mln

- Corporate Bonds 20.0%
- Property 2.8%
- Liquidity 0.1%
- Equity 0.8%
- Alternative Investments 1.1%
- Gov. Bonds 75.2%

9M2018
€ 25,656[2] mln

- Corporate Bonds 20.1%
- Property 3.2%
- Liquidity 0.1%
- Equity 1.0%
- Alternative Investments 1.1%
- Gov. Bonds 74.5%
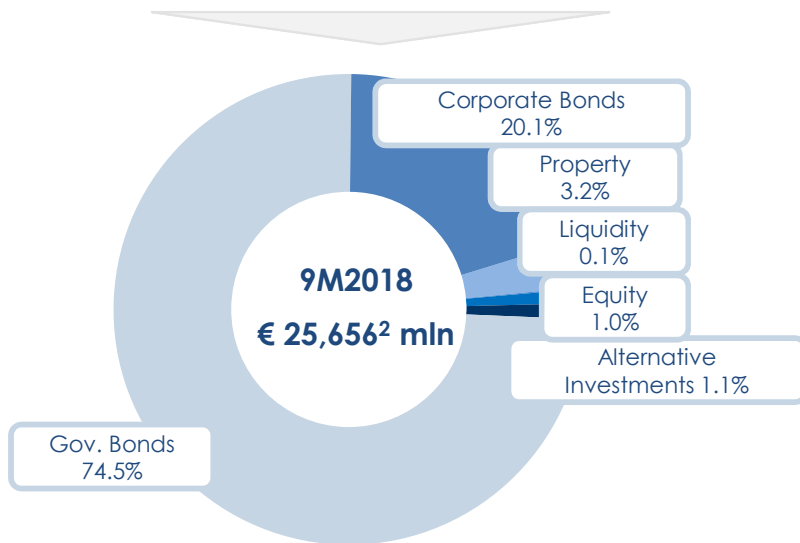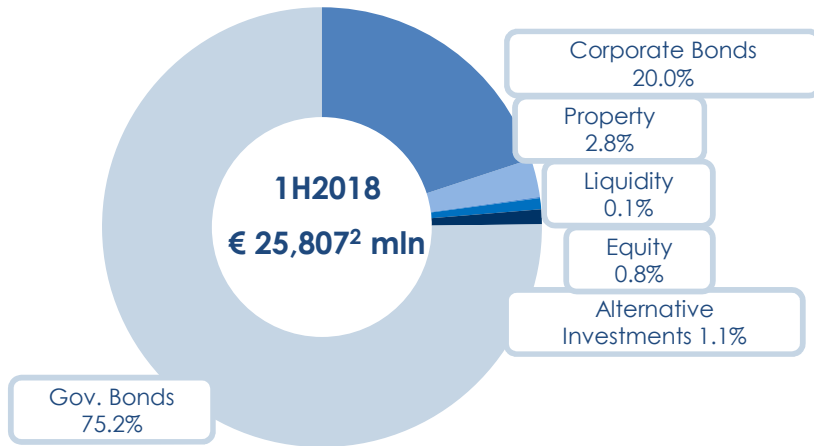
Bond Portfolio by region[2]

- Spain 7.5%
- Ireland 1.2%
- Other 21.8%
- Italy 69.5%
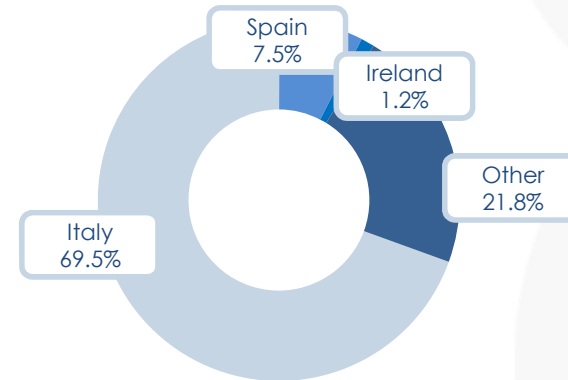
Bond Portfolio by rating[3]

- <BBB & NR 9.9%
- A 3.4%
- AA 11.0%
- AAA 3.8%
- BBB 71.9%

Non-Life Investment Result and asset allocation

Investment Result

€ mln

-19,7%

59 → 47

9M2017   9M2018

	9M2017	9M2018	Δ % 9M2018/ 9M2017
Interests and coupons	67	74	+13.1%
Gains and losses[1]	9	-2	n.s.
Investment costs	-5	-7	+55.6%
Investment result[2]	**71**	**65**	**-6.6%**
Impairments & write-downs[2]	-6	-	-91.9%
Interest payments on subordinated debts & other financial liabilities	-6	-18	n.s.
Total Class C Investment Result	**59**	**47**	**-19.7%**

Asset allocation

Corporate Bonds 19.9%

Property 10.7%

Liquidity 0.1%

Equity 1.7%

Alternative Investments 4.1%

Gov. Bonds 63.5%

9M2018 € 3.483[3] mln

Duration

	9M2017	FY2017	9M2018[5]
Liabilities	3.1	3.0	3.0
Assets	4.0	4.0[4] / 3.5	3.9

Life Investment Result and asset allocation

Investment Result

€ mln

+10.5%

303 (9M2017) → 335 (9M2018)

	9M2017	9M2018	Δ % 9M2018/ 9M2017
Interests and coupons	332	346	+3.8%
Gains and losses[1]	-1	15	n.s.
Investment costs	-9	-17	+81.7%
Investment result[2]	**322**	**344**	**+6.5%**
Impairments & write-downs[2]	-18	-4	-79.9%
Interest payments on subordinated debts & other financial liabilities	-1	-5	n.s.
Total Class C Investment Result	**303**	**335**	**+10.5%**

Asset allocation

9M2018
€ 22.173[3] mln

- Corporate Bonds 20.1%
- Property 2.0%
- Liquidity 0.1%
- Equity 0.9%
- Alternative Investments 0.7%
- Gov. Bonds 76.2%

Duration

Excluding the contribution of the JVs with Banco BPM

	9M2017	FY2017	9M2018
Liabilities	7.7	8.6	6.8 (8.7)
Assets	5.3	5.4	5.2 (6.1)

- Liabilities
- Assets

Financial performance and Minimum Guaranteed

Technical Reserve Breakdown for Minimum Guaranteed (Segregated Funds) [1]

€ mln

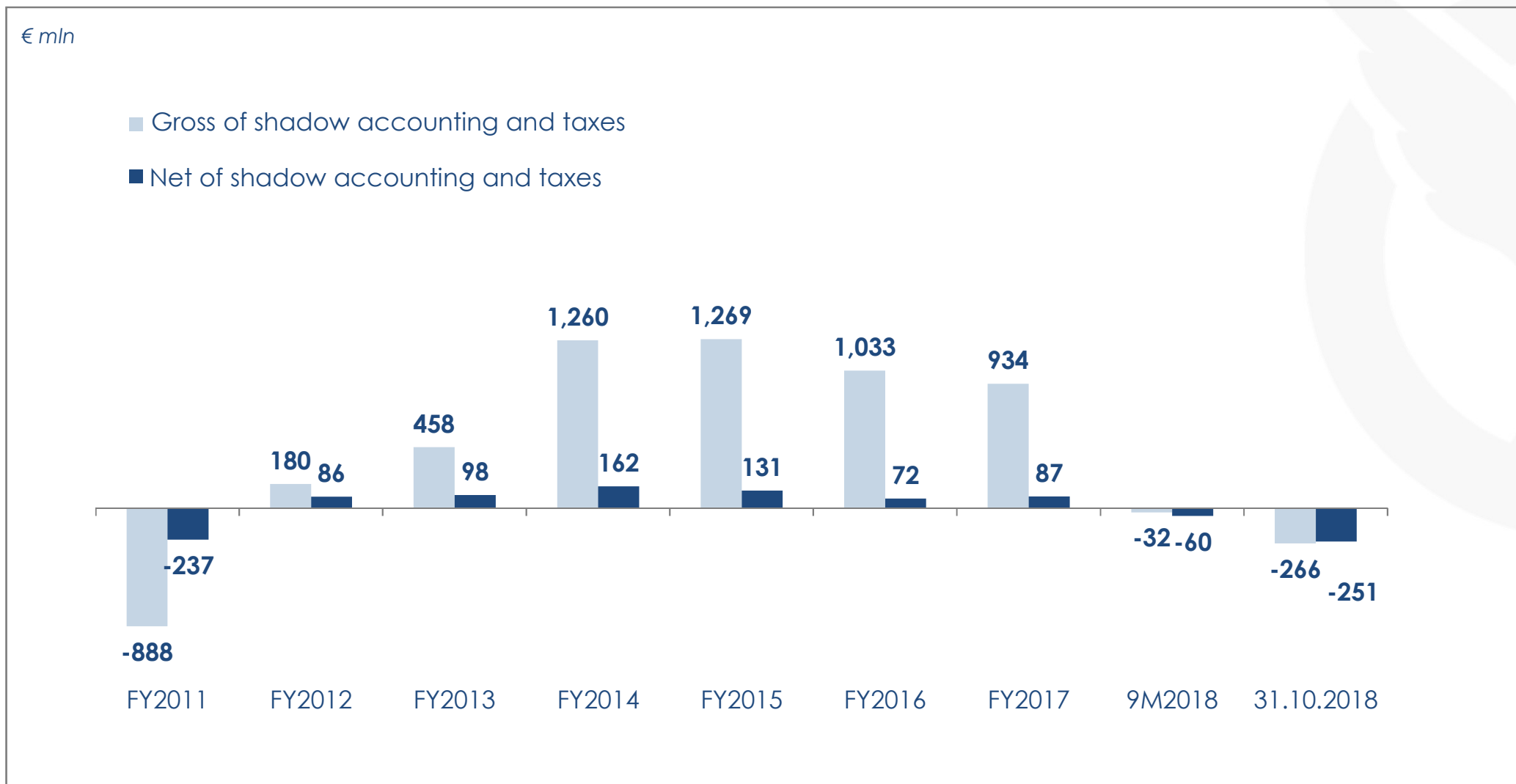|	≤ 1%	1% < ≤ 2.5%	2.5% < < 4%	≥ 4%	Total
9M2018	64,1%	33,1%	1,0%	1,8%	**20.217**
FY2017	53,2%	42,9%	1,4%	2,5%	**13.853**
1H2017	49,0%	46,9%	1,5%	2,6%	**13.415**
FY2016	43,7%	51,8%	1,6%	2,9%	**12.830**
1H2016	37,5%	57,8%	1,6%	3,1%	**12.444**
FY2015	29,9%	65,1%	1,7%	3,3%	**12.156**
1H2015	21,8%	72,9%	1,9%	3,4%	**11.948**
FY2014	12,3%	82,0%	2,0%	3,7%	**11.394**
1H2014	7,2%	86,5%	2,2%	4,1%	**10.835**

Legend: ≤ 1% | 1% < ≤ 2.5% | 2.5% < < 4% | ≥ 4%
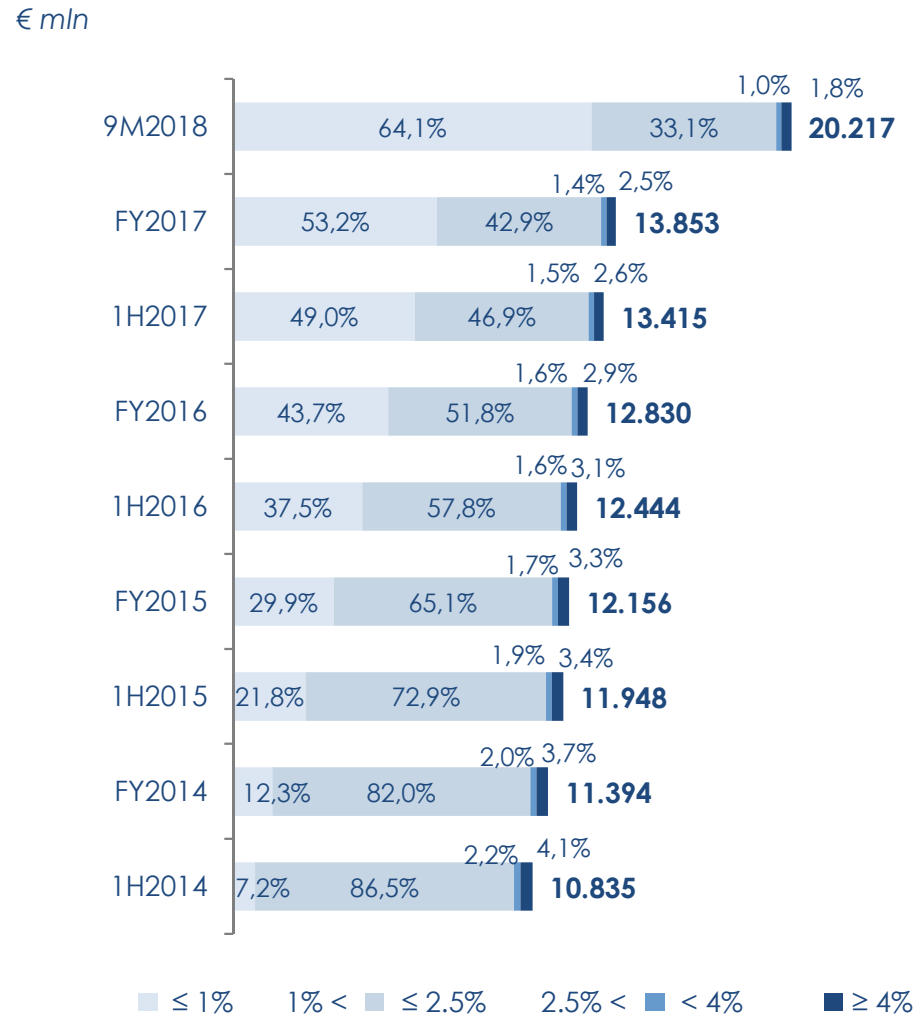
Yield v.s. Minimum Guaranteed (2018)

+220pp

3.0% — Average Yield (Segregated Funds)

0.8% — Average guaranteed rate (Liabilities)
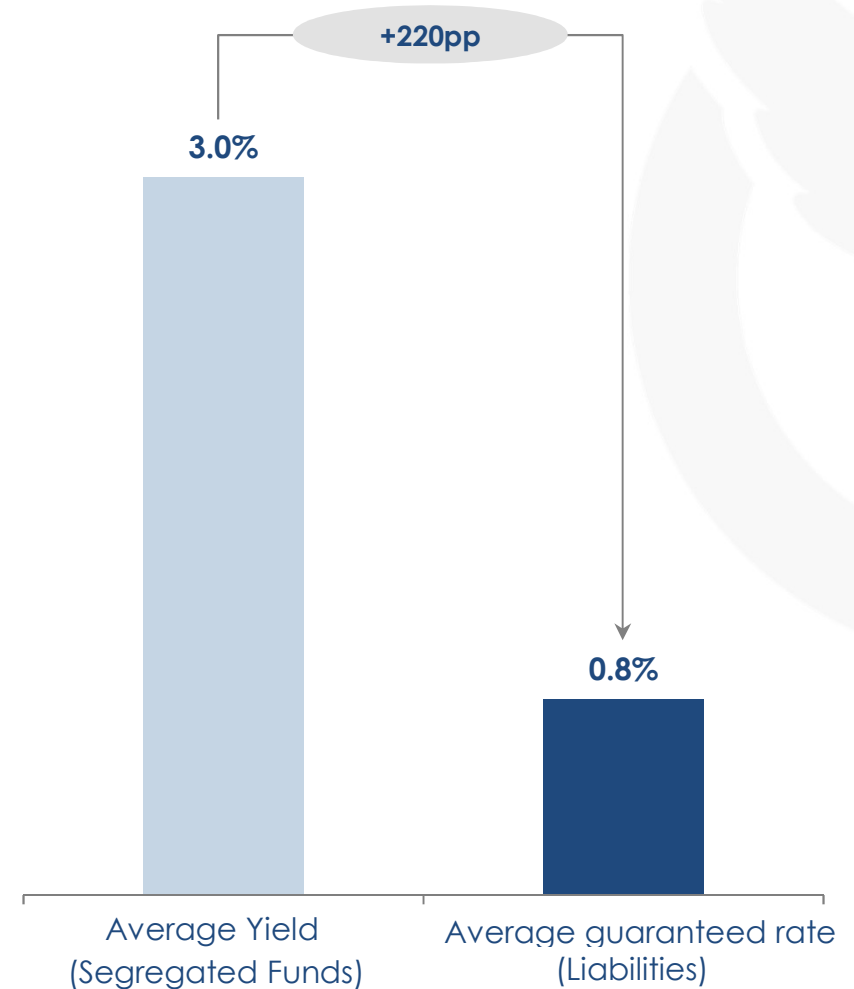
(1) including the effects of the joint ventures with Banco BPM.

Trend of the Available for Sale Reserve

€ mln

- Gross of shadow accounting and taxes
- Net of shadow accounting and taxes

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	9M2018	31.10.2018
Gross	-888	180	458	1,260	1,269	1,033	934	-32	-266
Net	-237	86	98	162	131	72	87	-60	-251

APPENDIX

Ratio	Formula
Claims Ratio	*Net claims costs / Net premiums (retained business)*
Expense Ratio (P&C)	*Operating expenses / Net premiums (retained business)*
Combined Ratio	*(1-(Technical result / Net premiums)) (retained business)*
Non – Life operating result	*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	*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.*
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); the income taxes are calculated using a normalized tax rate.*

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