

ANNUAL GENERAL MEETING

Results as at December 31st, 2018

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Verona, April 13th, 2019



THE SOCIO-ECONOMIC SCENARIO: VOLATILE AND IN DETERIORATION

- Interest rates back to very low levels
- Rising spread due to political uncertainty and to scenario deterioration
- Strong volatility of financial markets
- Italian economy slowing down after a moderate recovery
- Still limited inflation

THE ITALIAN INSURANCE MARKET IN 2018

MOTOR

- Claim frequency still decreasing (about -3%)
- Average Motor premium (moderately) decreasing for the sixth year in a row
- Strong competition

NON MOTOR

- Moderate growth, especially of certain lines (health and assistance)

LIFE

- Stable premiums, unit-linked decreasing
- Reduction of financial margins
- Focus on products with lower capital absorption

CLIENTS, DISTRIBUTION CHANNELS AND REGULATORY FRAMEWORK

CLIENTS

- Growing insurance needs (healthcare coverage, complementary pension funds, ...)
- Demand for simple and professional services with multi-channel access
- Higher focus on risk prevention and on quality of service

DISTRIBUTION CHANNELS

- Agents: predominant in Non-Life although slowly losing their position
- Banks: leaders in Life, growing well in Non-Life

REGULATORY FRAMEWORK

- Careful capital management
- Stricter regulation on distribution activities (IDD)
- New accounting principles (IFRS 9/17) coming into force in the coming years

RESULT SUMMARY

	FY2017	FY2018	Var. %
Total Direct Premiums	4,994	5,776	+15.6%
Non-Life Direct Premiums	2,015	2,104	+4.4%
Life Direct Premiums	2,979	3,672	+23.2%
Combined Ratio¹	94.7%	93.4%	-1.3 pp

(euro million)

RESULT SUMMARY

	FY2017	FY2018	Var. %
Operating Result ¹	206	292	+42.2%
Group Result	41	107	n.s.
Solvency II Ratio ²	160% ³	171%	+11 pp
Dividend per share	€ 0.35	€ 0.40	+14.3%

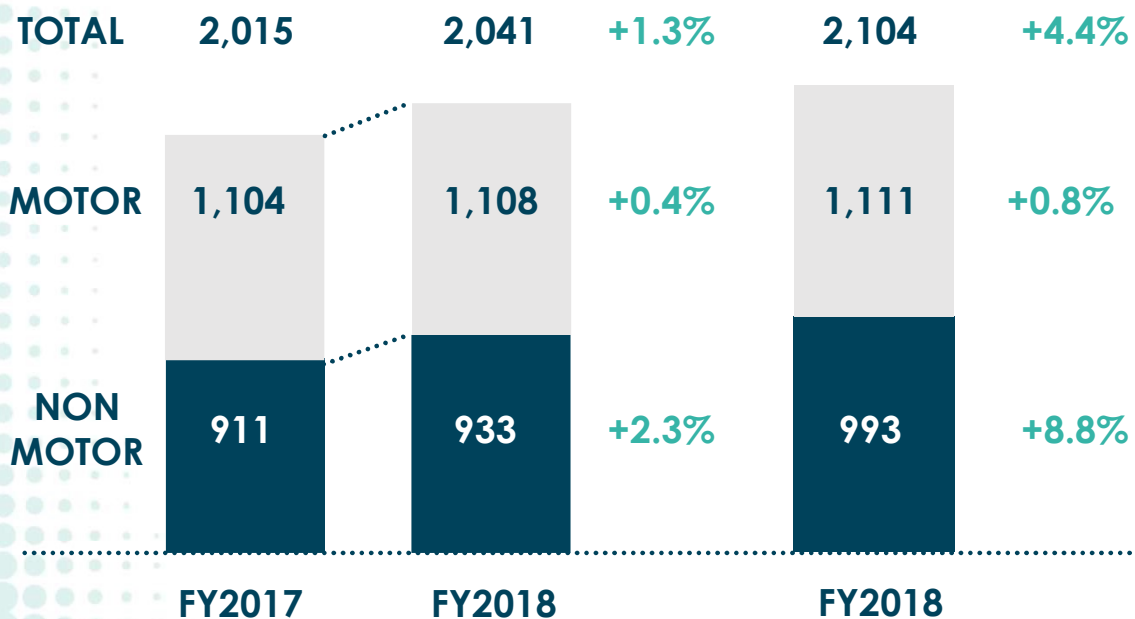
These results have been achieved despite:

- Additional reserves related to the “dormienti” term life insurance policies”;
- A risk fund for possible VAT application on coinsurance commission;
- Failure to benefit from certain tax measures.

(euro million)

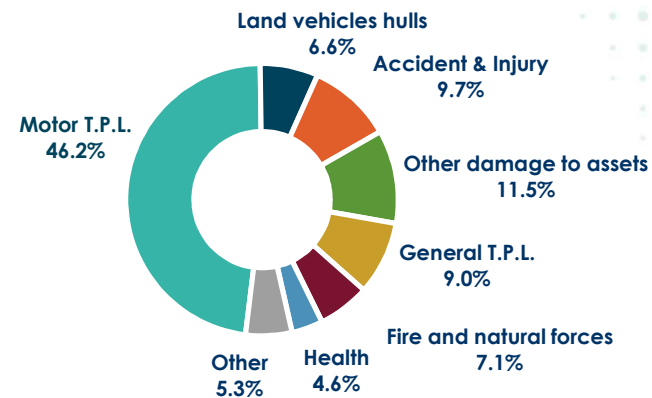
RESULT SUMMARY – NON-LIFE PREMIUMS

Premiums* Excluding Var. % Including Var. %
 JVs with BBPM JVs with BBPM

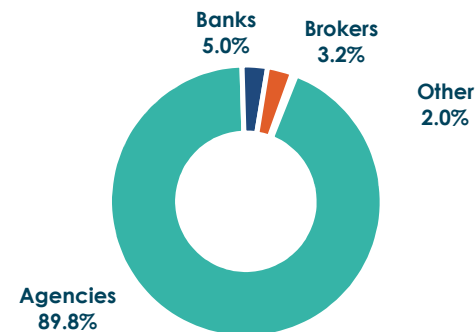


(euro million)

Non-Life Premiums by Class

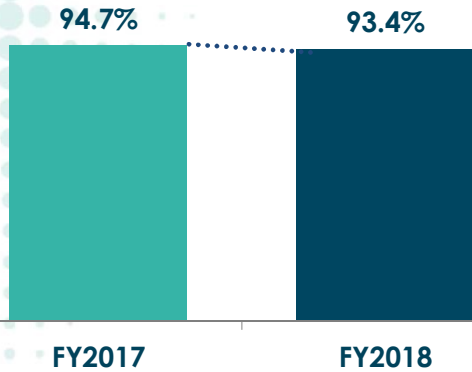


Non-Life Premiums by Channel

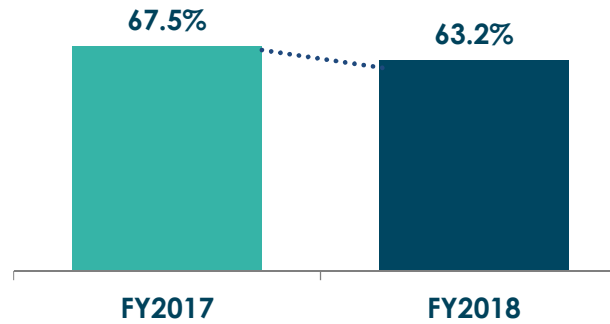


RESULT SUMMARY – TECHNICAL INDICATORS

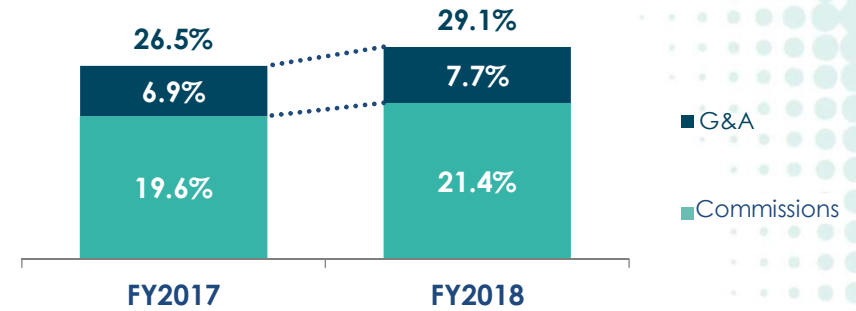
Combined Ratio¹



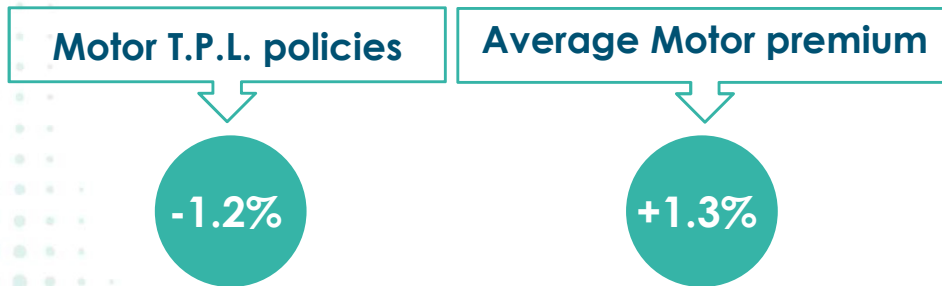
Claims Ratio¹



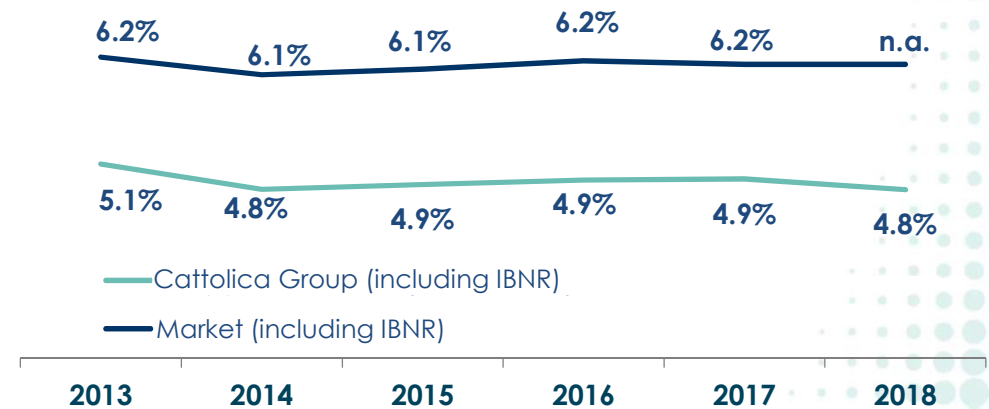
Expense Ratio¹



Motor policies and premiums Δ FY18/FY17



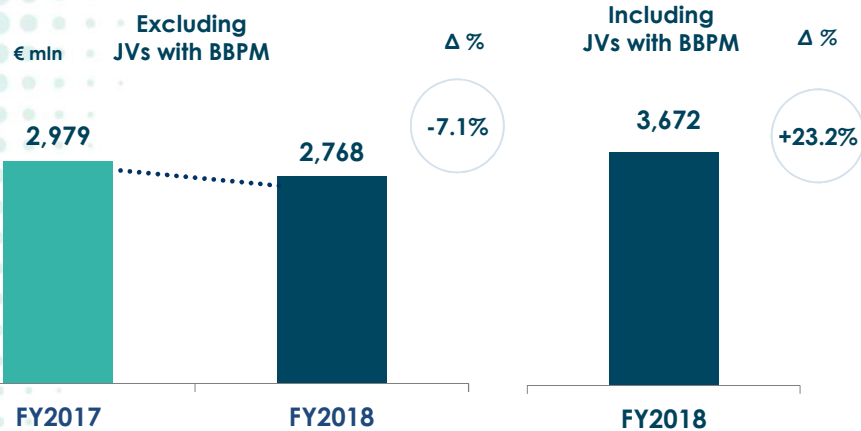
Motor T.P.L. claim frequency trend



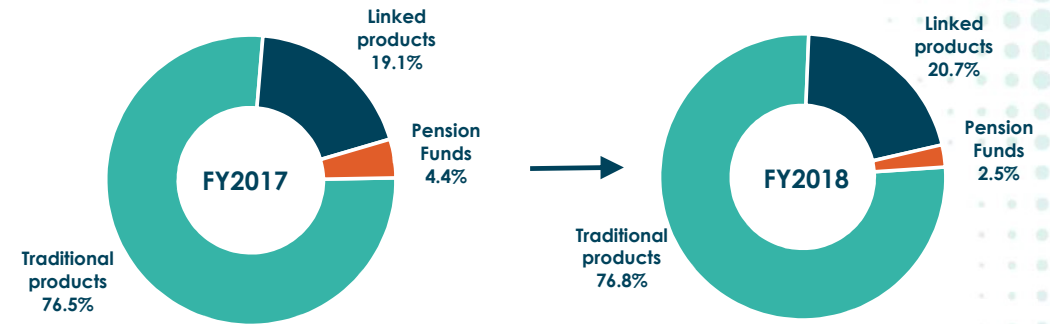
Frequency still decreasing and average premium growing despite a competitive market.

RESULT SUMMARY – LIFE PREMIUMS

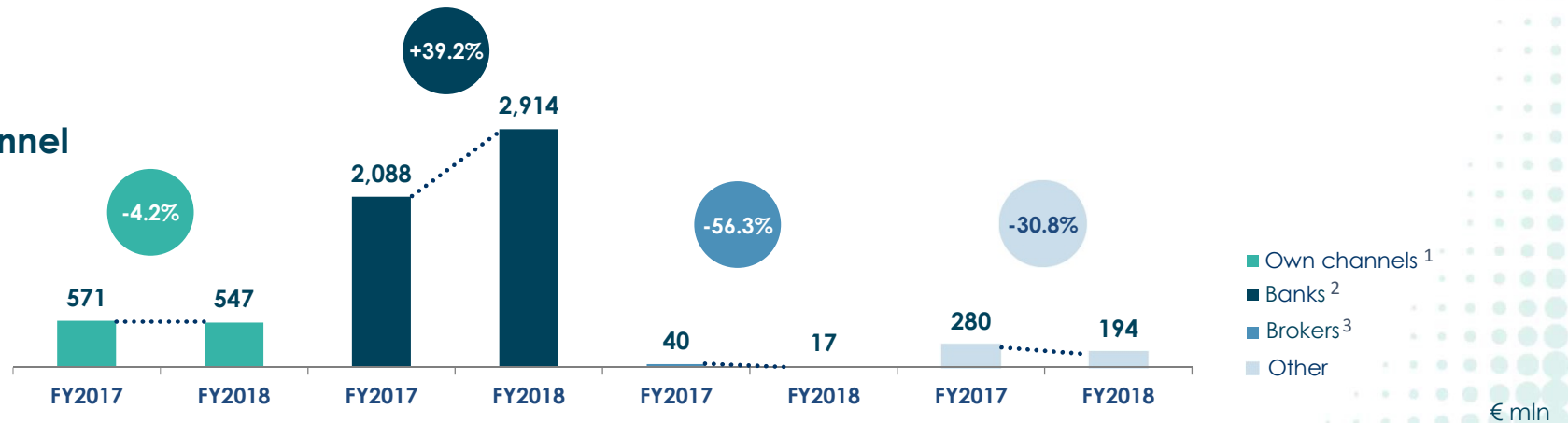
Life Premiums



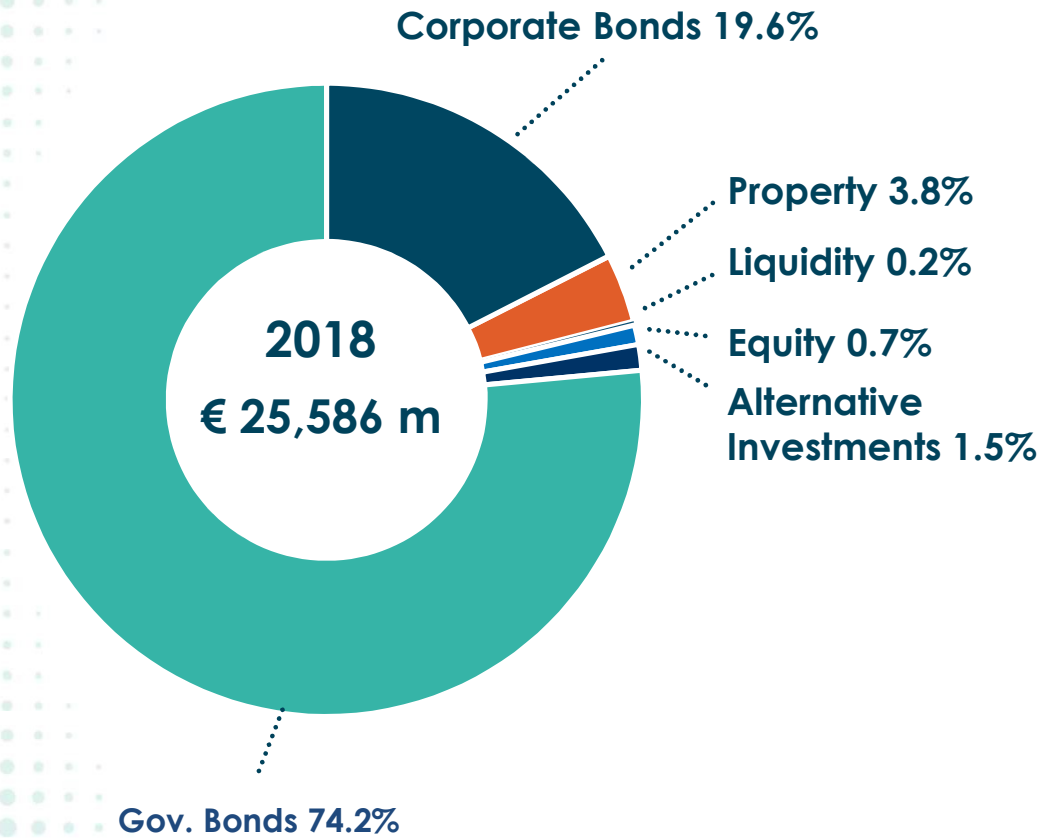
Life Premiums by Class



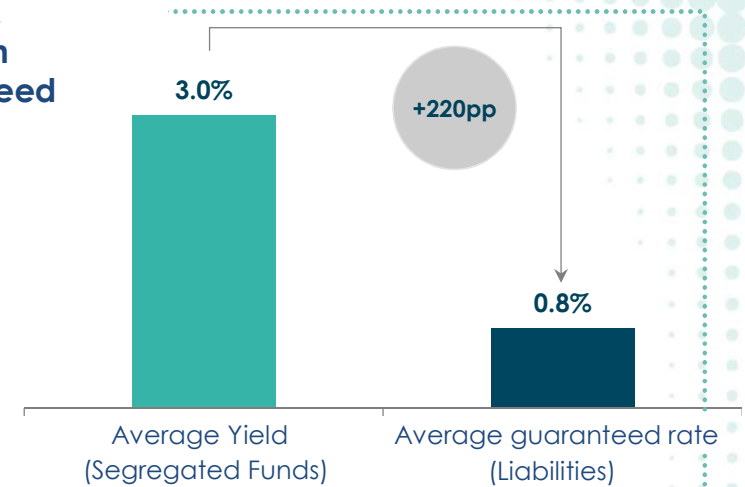
Life Premiums by Channel



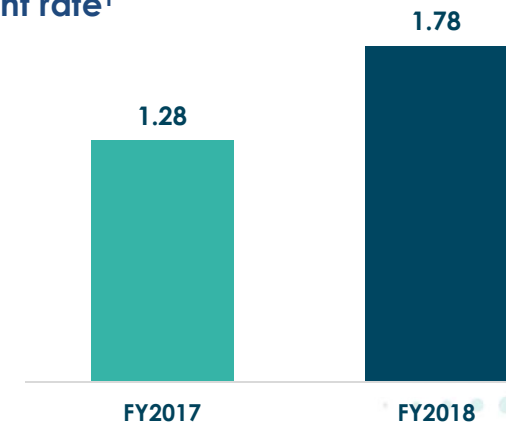
GROUP'S ASSET ALLOCATION








Yield v.s. Minimum Guaranteed



Bond reinvestment rate¹



ORGANISATION AND HR

Intervention Areas	Elements of the environment	Actions
 Organisation	<ul style="list-style-type: none"> Corporate processes Reorganisations Regulations 	<ul style="list-style-type: none"> Review and updating of 96% of corporate processes Reorganisations of Group's structures First Simplification process completed
 People	<ul style="list-style-type: none"> HC Plan Job Market Recruiting 	<ul style="list-style-type: none"> Job Market New management team 41 temporary workers were hired in 2018 Creation of a Recruitment office and process
 Talent & Reward	<ul style="list-style-type: none"> Policies/Total Reward Welfare and inclusiveness Meritocracy 	<ul style="list-style-type: none"> Remuneration policies WITH System Welfare and inclusiveness program 'A coffee with the CEO' and communication
 Internal Relations	<ul style="list-style-type: none"> Work-Life Balance Funding Renewal of CCA 	<ul style="list-style-type: none"> Smart Working Development of corporate welfare New forms of flexible working time Funds for training Meaningful review of many contracts
 Academy	<ul style="list-style-type: none"> Re-training projects Cultural transformation Evolution of professional families 	<ul style="list-style-type: none"> Feedback and Agile to support transformation initiatives Training to support technical competences and the cultural/digital change Re-training to support internal upgrading

COMMUNICATION AND INSTITUTIONAL RELATIONS

2018 Activities



Media

- **> 2,200 articles** (+25% vs 2017)
- **595 m** of contacts (+32%)
- **10.7 m €** in advertising material(+65%)



Brand

- **Institutional Campaign 'Pronti alla vita'**: increase of brand visibility by **71%** (+12 p.p.)
- Main sponsor FIR



Web site

- **'Best climber'** in Italy and Europe according to Webranking 2018 and Lundquist (+95 positions)



Internal Communication

- Over **200 text-based contents and videos**



CSR

- **Creation of a Committee for the Corporate Governance and sustainability**
- **Environmental Policy** for Ca' Tron agricultural estate
- **DNF and involvement of over 2000 stakeholder** (Members, Agents, employees)



Events

- **50 events** of institutional, business and media nature



Corporate Events

- **Cattolica Celebration Day**: first Group's corporate event (>2300 Agents and employees)

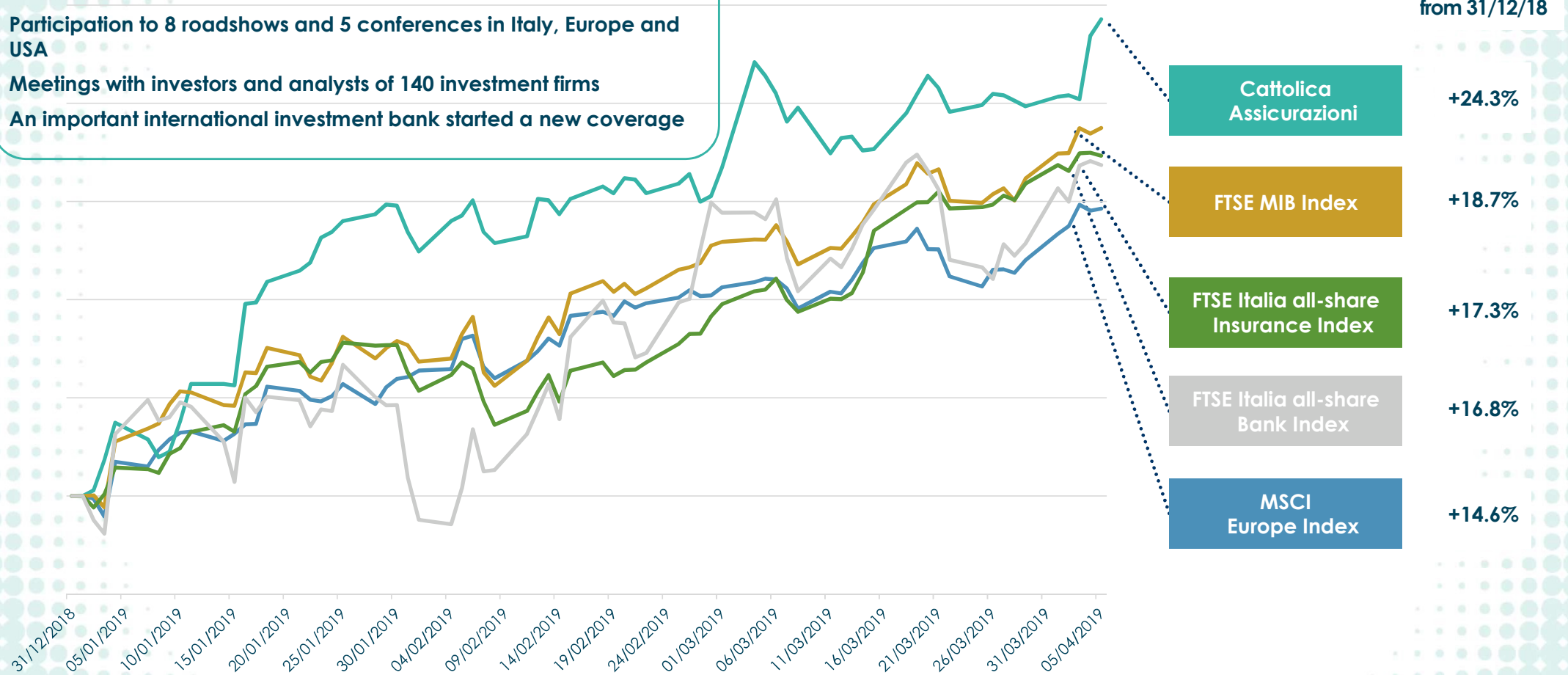
SHARE PERFORMANCE

IMPORTANT INVESTOR RELATIONS ACTIVITY IN 2018

Participation to 8 roadshows and 5 conferences in Italy, Europe and USA

Meetings with investors and analysts of 140 investment firms

An important international investment bank started a new coverage



DIVIDEND

**Dividend
per share**

**Price on
05/04/2019**

**Dividend
Yield***

€ 0.40

€ 8.83

4.5%

- Dividend is growing as envisaged in the Business Plan;
- Shareholder's remuneration is possible thanks to a strong capital position (Group's Solvency 2 ratio at 171%);
- Dividend yield at 4.5%, despite a revaluation of the share, well above the actual interest rates.



CATTOLICA
ASSICURAZIONI

DAL 1896