



# Results at September 30<sup>th</sup>, 2021

Cattolica Assicurazioni Group

Verona, November 17<sup>th</sup>, 2021

# Introduction

It should be noted that the income statement data of Lombarda Vita (disposed of on 12 April 2021) at 30 September 2020 and 2021 and its assets and liabilities at 31 December 2020 have been reclassified to the specific "discontinued" items pursuant to IFRS 5. The data commented on here are like for like, without the contribution of Lombarda Vita, which is synthetically represented in net profit together with the capital gain on disposal.

# Key consolidated figures

Results at September 30<sup>th</sup>, 2021

(€ mln)

## IAS IFRS RESULTS

	9M2020	9M2021	Δ%
<b>Total Direct Premiums</b>	3,160	3,685	+16.6%
<i>Non-Life Direct Premiums</i>	1,483	1,513	+2.0%
<i>Life Direct Premiums<sup>1</sup></i>	1,677	2,172	+29.5%
<b>Combined ratio<sup>2</sup></b>	90.0%	89.7%	-0.3 pps
<b>Cons. Shareholders' Equity</b>	2,613 <sup>3</sup>	2,691	+3.0%
<b>Solvency II Ratio</b>	187% <sup>3</sup>	193%	+6 pps
<b>Operating Result</b>	238	190	-20.3%
<b>Consolidated Result</b>	72	122	+70.4%
<b>Group's Result</b>	42	116	+178.6%
<b>Adjusted Result</b>	116	175	+51.7%
<b>Operating Return On Equity</b>	6.8%	5.6%	-1.2 pps

Δ% 9M21/9M20: -6.1%  
(Lombarda Vita included)

Δ% 9M21/9M20: -10.7%  
(Lombarda Vita included)



The 9M2021 and 9M2020 figures are shown on a like-for-like basis without the contribution of Lombarda Vita.

(1) Including investment contracts.

(2) Retained business.

(3) At 31 December 2020.

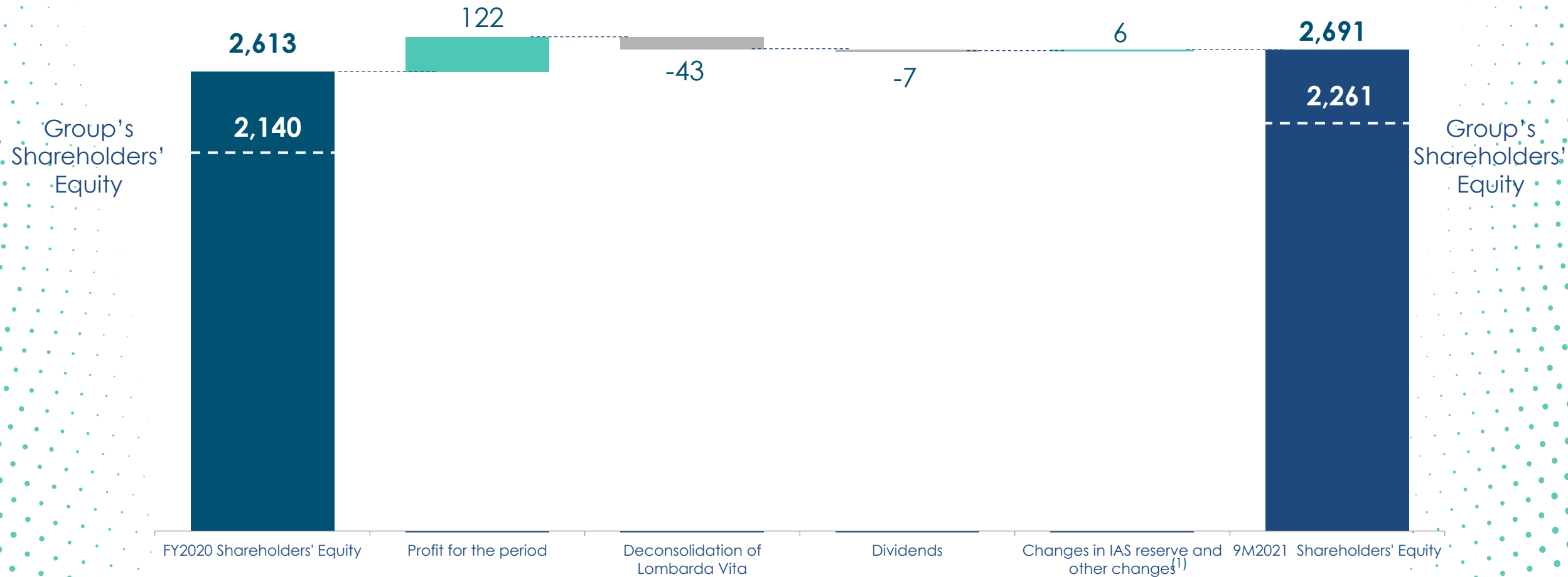
# Income statement by segment of activity

Results at September 30<sup>th</sup>, 2021

	NON LIFE		LIFE		OTHER		TOTAL		Δ%
	9M2020	9M2021	9M2020	9M2021	9M2020	9M2021	9M2020	9M2021	
(importi in milioni)									
Net Premiums	1,384	1,400	1,638	2,157	0	0	3,022	3,557	
Net charges relating to claims	-775	-821	-1,557	-2,323	0	0	-2,332	-3,144	
Operating expenses	-403	-414	-107	-129	0	0	-510	-543	
Other revenues net of other costs (other technical income and charges)	-66	-21	-17	-40	0	0	-83	-61	
Income on ordinary gross investments (Class C)	64	68	241	235	0	0	305	303	
Income on ordinary gross investments (Class D)	0	0	-88	160	0	0	-88	160	
Net income from investments in subsidiaries, associated companies and joint ventures	3	4	-4	0	0	0	-1	4	
Commissions income net of commissions expense	0	0	-1	-1	0	0	-1	-1	
Operating expenses relating to investments	-7	-8	-26	-27	-2	-2	-35	-37	
Other revenues net of other operating costs	-28	-33	-10	-15	-1	0	-39	-48	
<b>OPERATING RESULT</b>	<b>172</b>	<b>175</b>	<b>69</b>	<b>17</b>	<b>-3</b>	<b>-2</b>	<b>238</b>	<b>190</b>	<b>-20.3%</b>
Realised and valuation income	0	-6	0	3	-4	-9	-4	-12	
Interests on subordinated debt	-18	-16	-4	-8	0	0	-22	-24	
Non-operating net income from investments in subsidiaries, associated companies and joint ventures	-8	-2	-4	0	0	0	-12	-2	
Other revenues net of other non-operating costs	-13	-25	-83	-51	0	-1	-96	-77	
<b>PROFIT (LOSS) BEFORE TAXATION FOR THE YEAR</b>	<b>133</b>	<b>126</b>	<b>-22</b>	<b>-39</b>	<b>-7</b>	<b>-12</b>	<b>104</b>	<b>75</b>	<b>-28.1%</b>
Taxation	-59	-59	-18	-5	1	3	-76	-61	
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>74</b>	<b>67</b>	<b>-40</b>	<b>-44</b>	<b>-6</b>	<b>-9</b>	<b>28</b>	<b>14</b>	<b>-49.4%</b>
<b>PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>108</b>	
<b>CONSOLIDATED PROFIT (LOSS) FOR THE YEAR</b>	<b>74</b>	<b>67</b>	<b>4</b>	<b>64</b>	<b>-6</b>	<b>-9</b>	<b>72</b>	<b>122</b>	<b>70.4%</b>
of which pertaining to the Group	73	65	-25	60	-6	-9	42	116	178.6%
of which pertaining to minority interests	1	2	29	4	0	0	30	6	-78.5%
<b>ADJUSTED RESULT</b>	<b>75</b>	<b>80</b>	<b>47</b>	<b>104</b>	<b>-6</b>	<b>-9</b>	<b>116</b>	<b>175</b>	<b>51.7%</b>

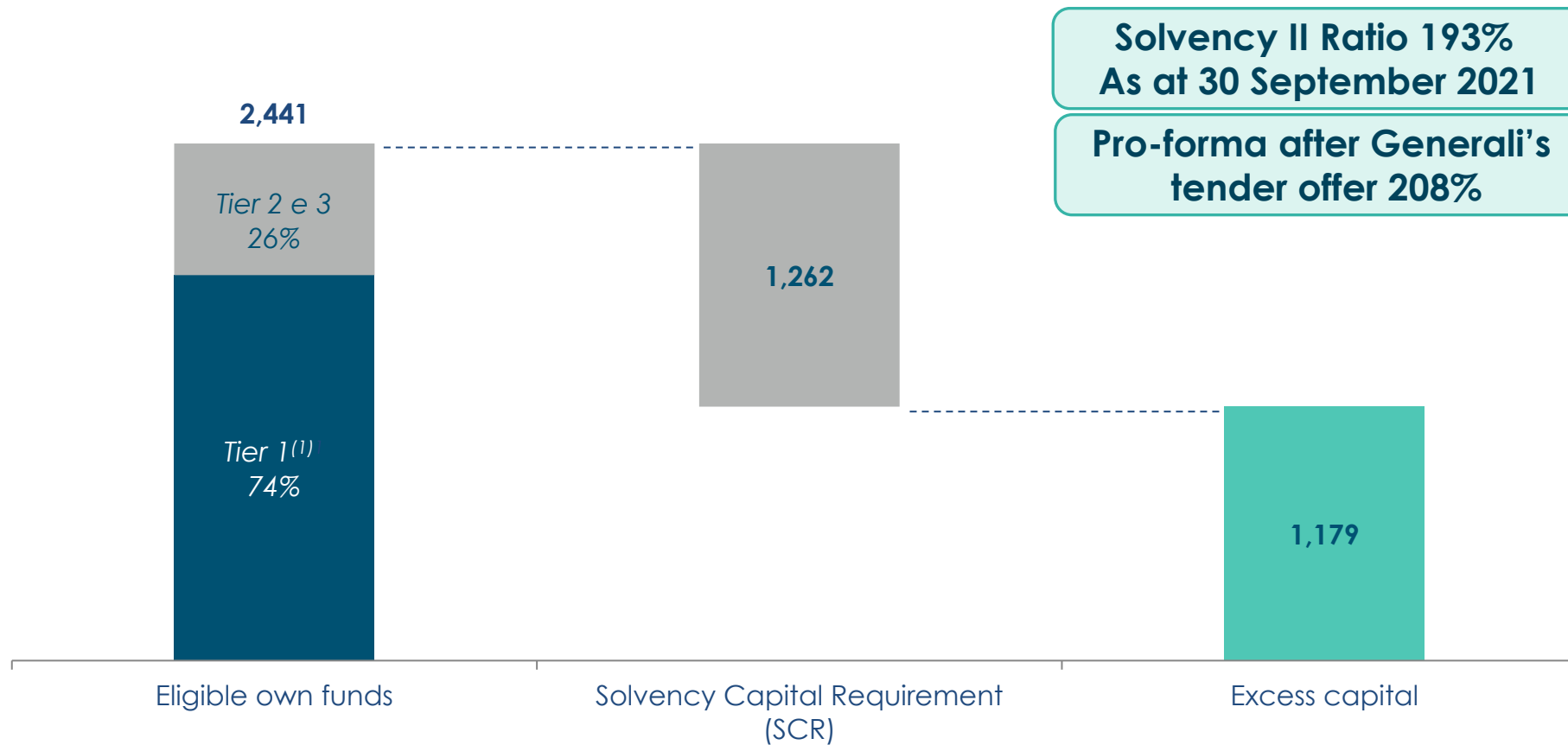
# Consolidated Shareholders' Equity

Results at September 30<sup>th</sup>, 2021



# Solvency II ratio di Gruppo

Results at September 30<sup>th</sup>, 2021



(1) Tier 1 "unrestricted" eligible own funds (share capital and capital buffers) equal to about 74% of total own eligible funds.

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

# The Cattolica Group and the Covid-19 Crisis (1/4)

## 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.** 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 2020 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. From 15 October 2021 a process of gradual return to work in presence is underway, on a voluntary basis and always with a view to a maximum of 25% of workforce. **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 (2/4)

## Azioni intraprese dal Gruppo

- **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 already during 2020. 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 2020 total 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**.
  - 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 has been introduced.
  - 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). As regards the **Motor Voucher** granted in 2020, after the year of validity has ended at the end of May 2021, **a complete reabsorption of the same is not applied to the renewal of the policy**.

# The Cattolica Group and the Covid-19 Crisis (3/4)

## Actions taken by the Group

- Following the Government's extension of the so-called "superbonus 110%" which is **part of the measures to support the economic recovery**, the Group, with a dedicated product in placement from 2021, **is also making the tax credit purchase service available to customers**, with the further possibility of combining a series of insurance coverage addressed according to the type of applicant (construction company, condominium, professionals or individuals).
- In terms of **solidarity, donations** were made in 2020, donated by the Cattolica Assicurazioni and the Cattolica Foundation for the purchase of medical or assistance material, for a total of **€ 2.0M**. Furthermore:
  - In December 2020, support was given to **the "Protect yourself from Covid for the holidays" initiative** of the Culture & Solidarity Association to allow covid tests to be carried out for those who for any reason are unable to access the service;
  - In 2021, support was given, in terms of the communication campaign, to the **"MetropoliSana: next stop, your health" initiative**, consisting of the opening of "health points" within the Milan subway to access prevention services anti-Covid19 at controlled prices.

# The Cattolica Group and the Covid-19 Crisis (4/4)

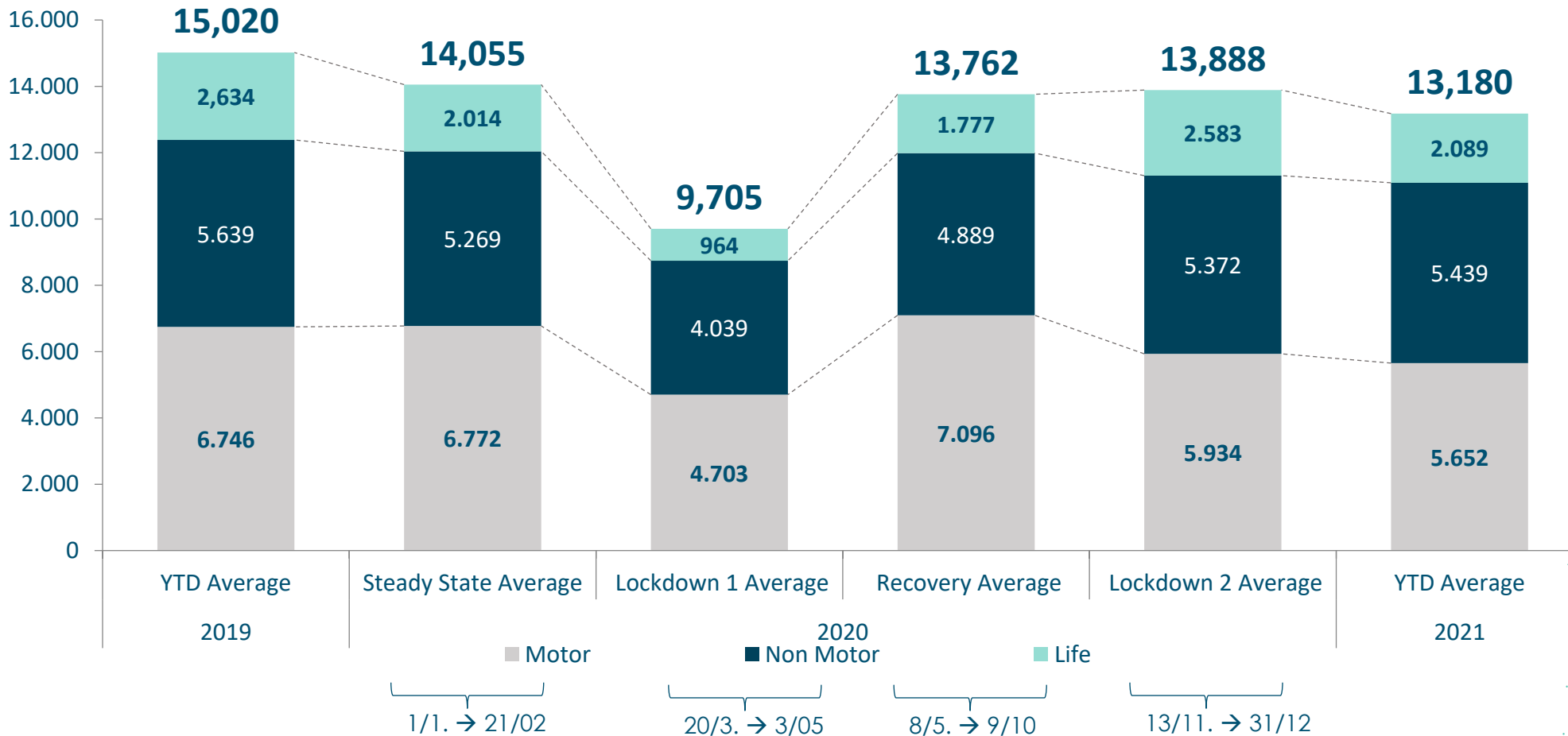
Overview at 11 July 2021

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 as at 23 October is + 15,2% compared to 2020, but the indicator remains in decline compared to 2019, -18,5%.**
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 substantially in line with the expected trends.**

# Weekly new business

Life and Non Life Business performance (as at 22 October 2021)

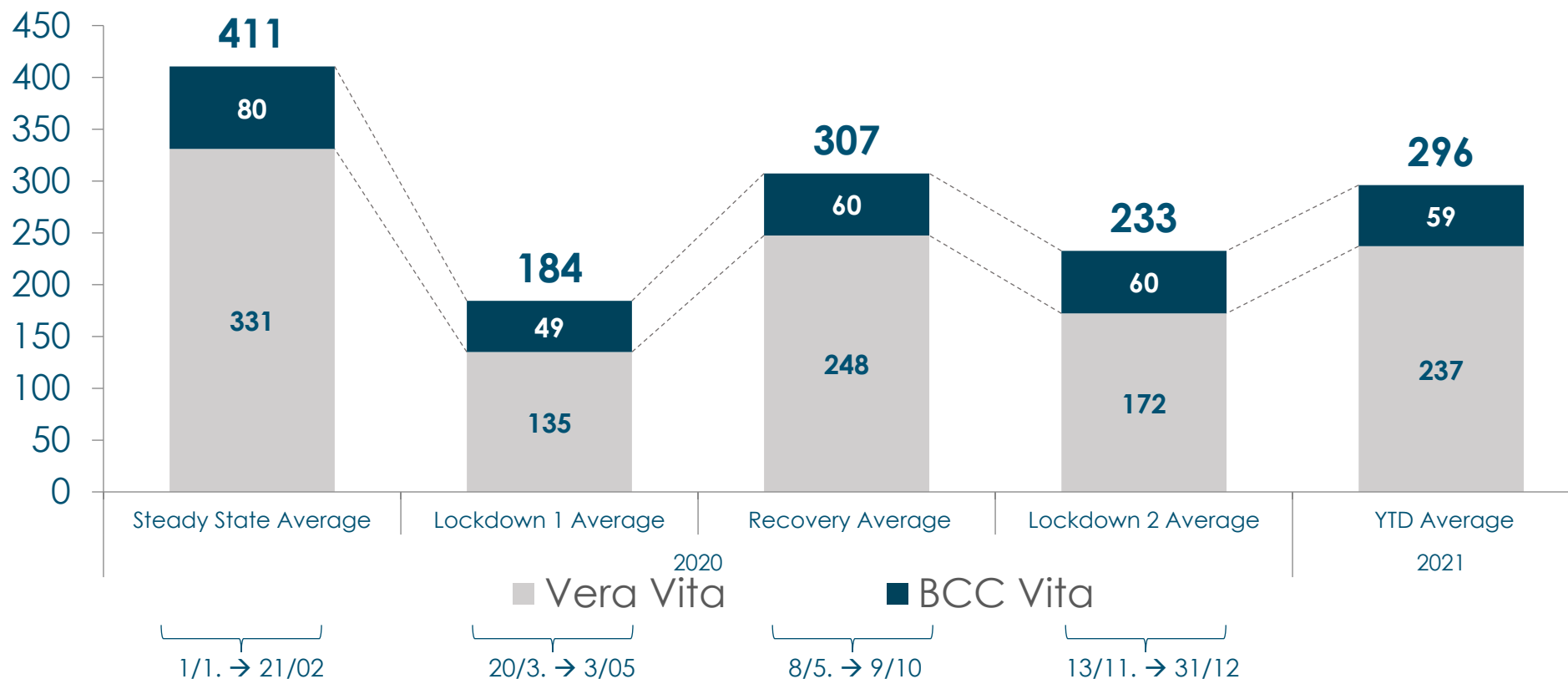
No. Average policies



# Bancassurance - Weekly Life redemptions

(as at 22 October 2021)

No. weekly redemptions



(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.

The FY2019 and FY2020 figures are shown on a like-for-like basis without the contribution of Lombarda Vita.

# Claims – Weekly Group’s reported claim trend

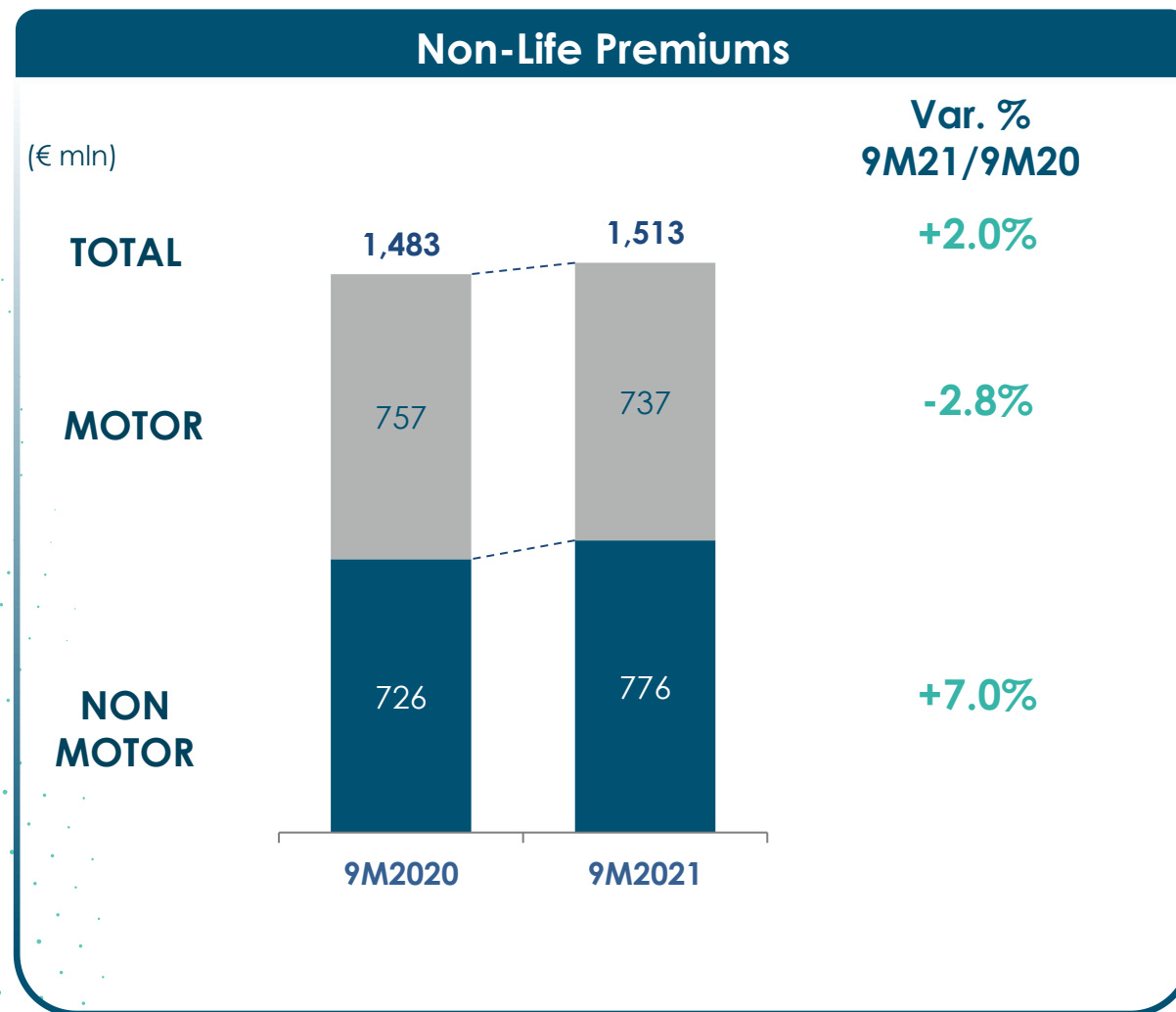
	At the 42 <sup>nd</sup> week					
	REPORTED CLAIMS					
	2021	2020	2019	2021vs2019 Δ%	2021vs2020 Δ%	
01 Accidents and injury	18,261	18,226	21,899	-16.6%	+0.2%	
02 Health	121,770	102,105	165,245	-26.3%	+19.3%	
03 Land vehicles hulls	57,727	50,941	59,083	-2.3%	+13.3%	
08 Fire and natural forces	13,315	17,649	17,810	-25.2%	-24.6%	
09 Other damages to assets	43,484	44,756	43,698	-0.5%	-2.8%	
10 Motor TPL	128,948	121,076	169,563	-24.0%	+6.5%	
13 General TPL	20,208	19,608	21,299	-5.1%	+3.1%	
16 Sundry financial losses	6,914	8,382	7,225	-4.3%	-17.5%	
<b>Total classes</b>	<b>410,627</b>	<b>382,743</b>	<b>505,822</b>	<b>-18.8%</b>	<b>+7.3%</b>	

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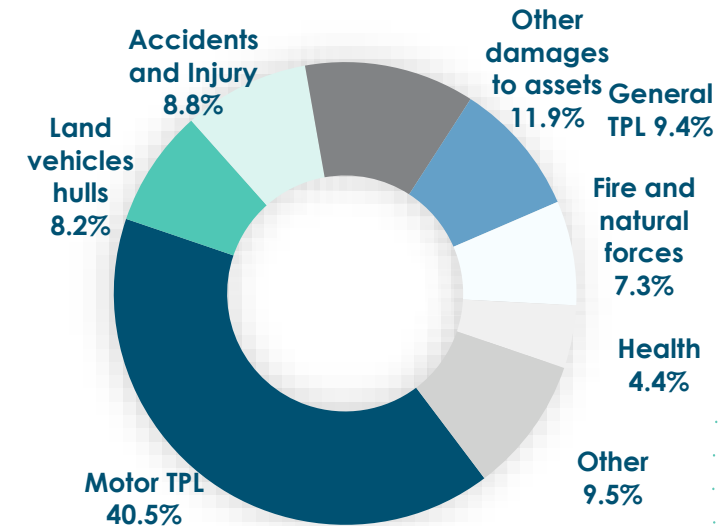
-  The Cattolica Group and the Covid-19 Crisis
-  **Non-Life Business Performance**
-  Life Business Performance
-  Investments

# Non-Life Premiums

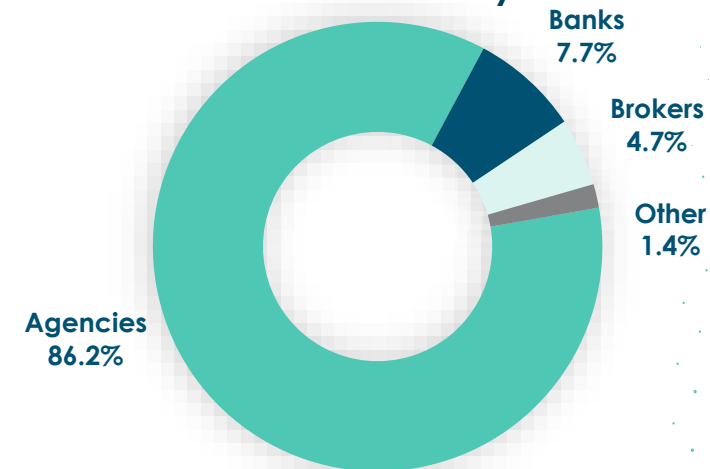
## Non-Life Business Performance



### Non-Life Premiums by Class



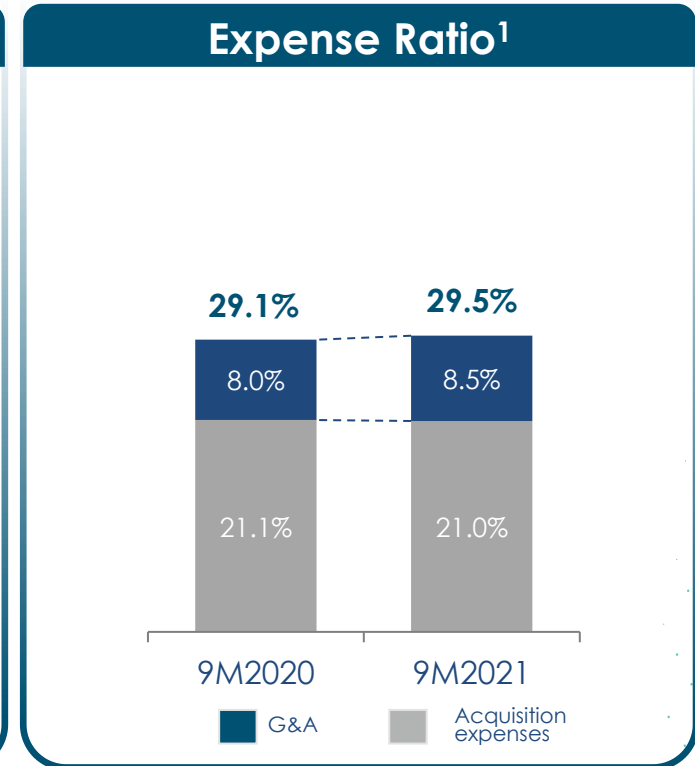
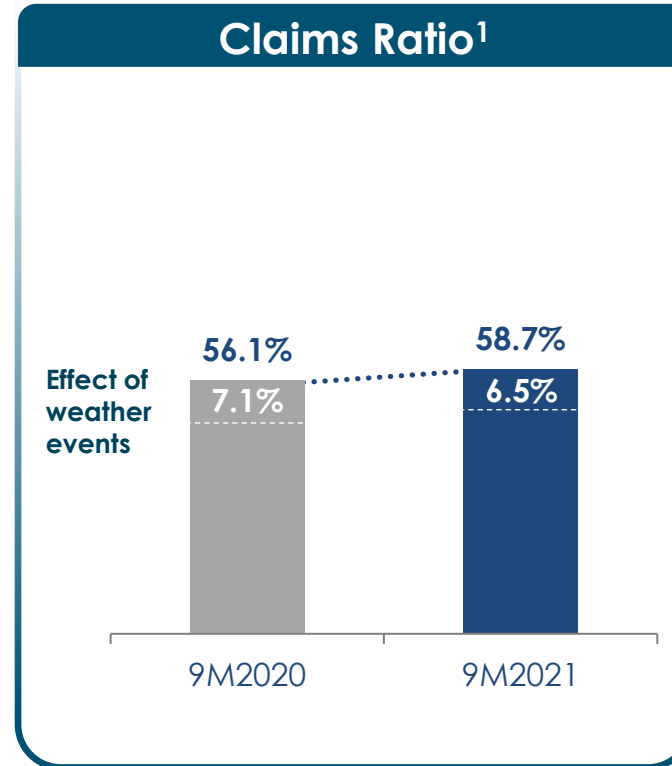
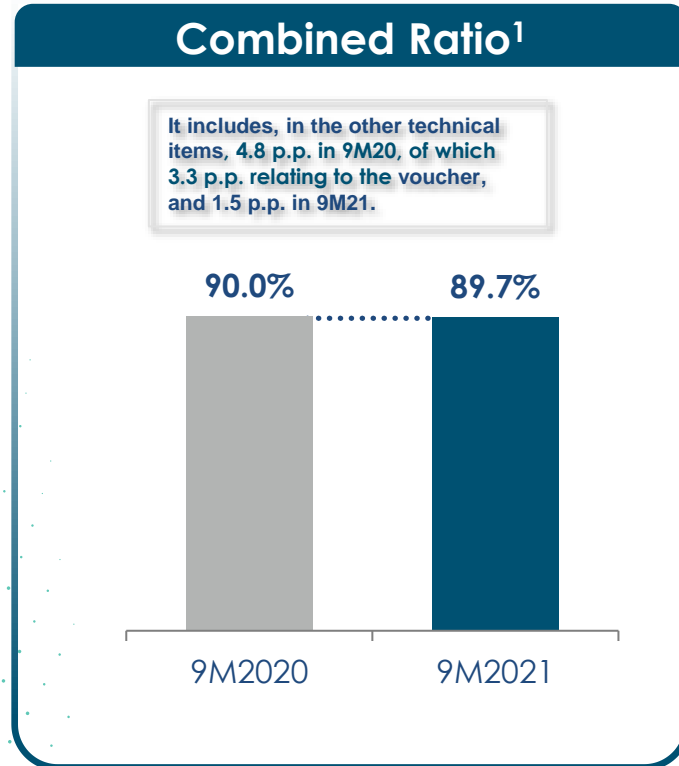
### Non-Life Premiums by Channel





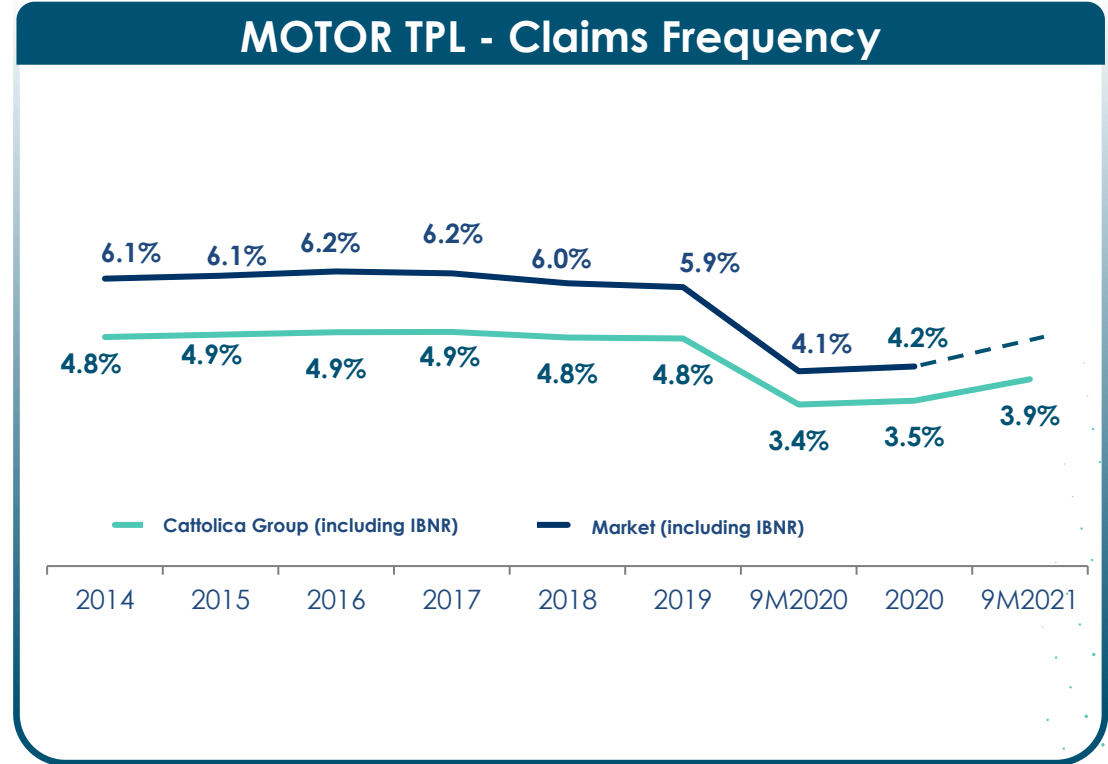
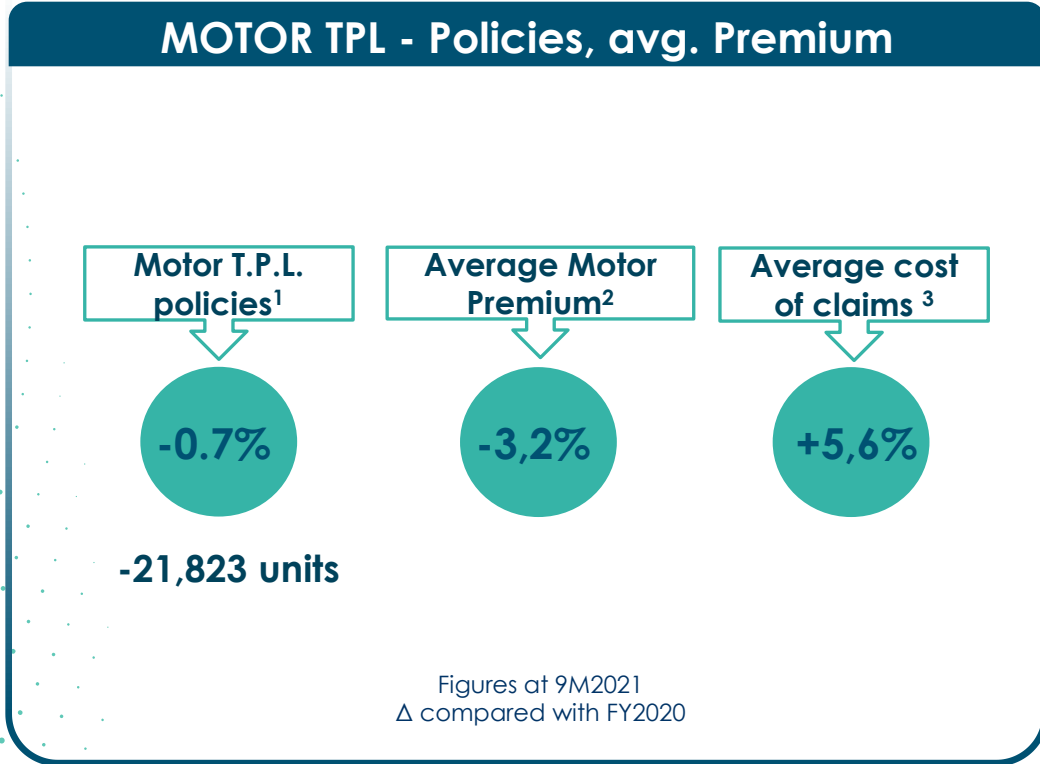
# Technical Ratios

## Non-Life Business Performance



# Motor TPL Technical Ratios

## Non-Life Business Performance

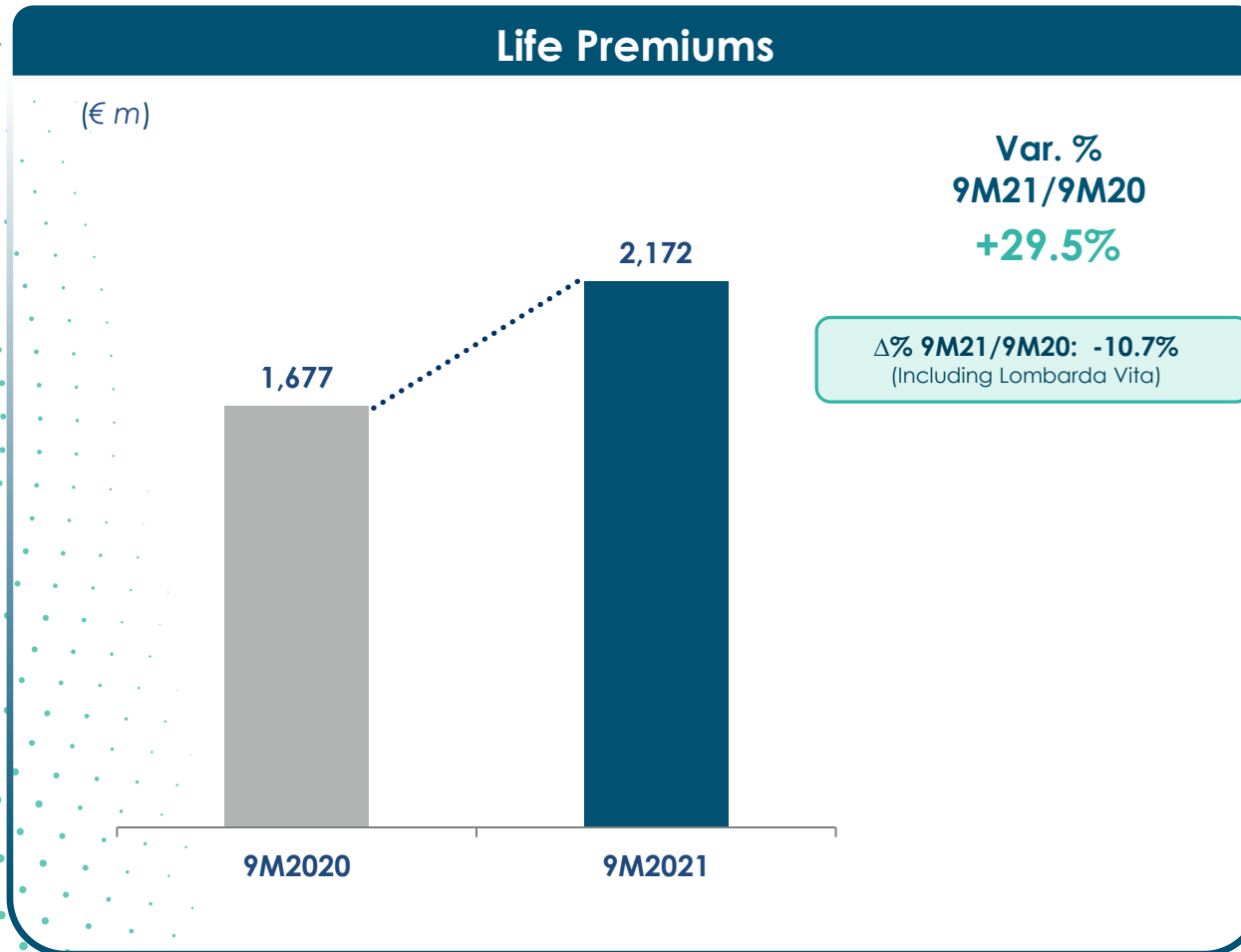


# Contents

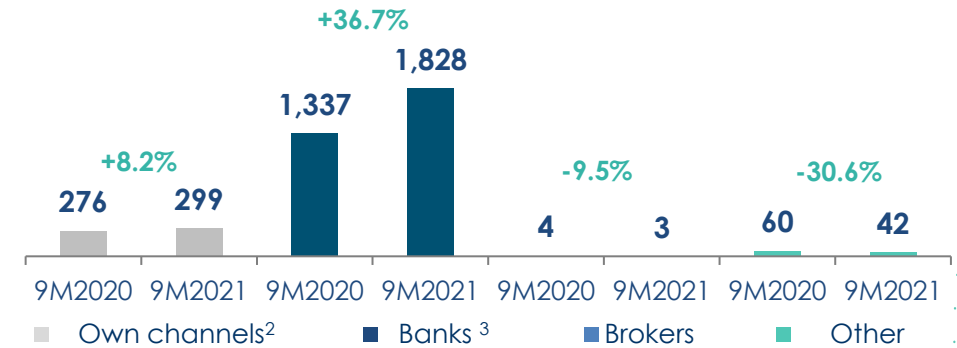
- The Cattolica Group and the Covid-19 Crisis
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# Life Premiums

## Life Business Performance



### Life Premiums by Channel



### Life premiums by class

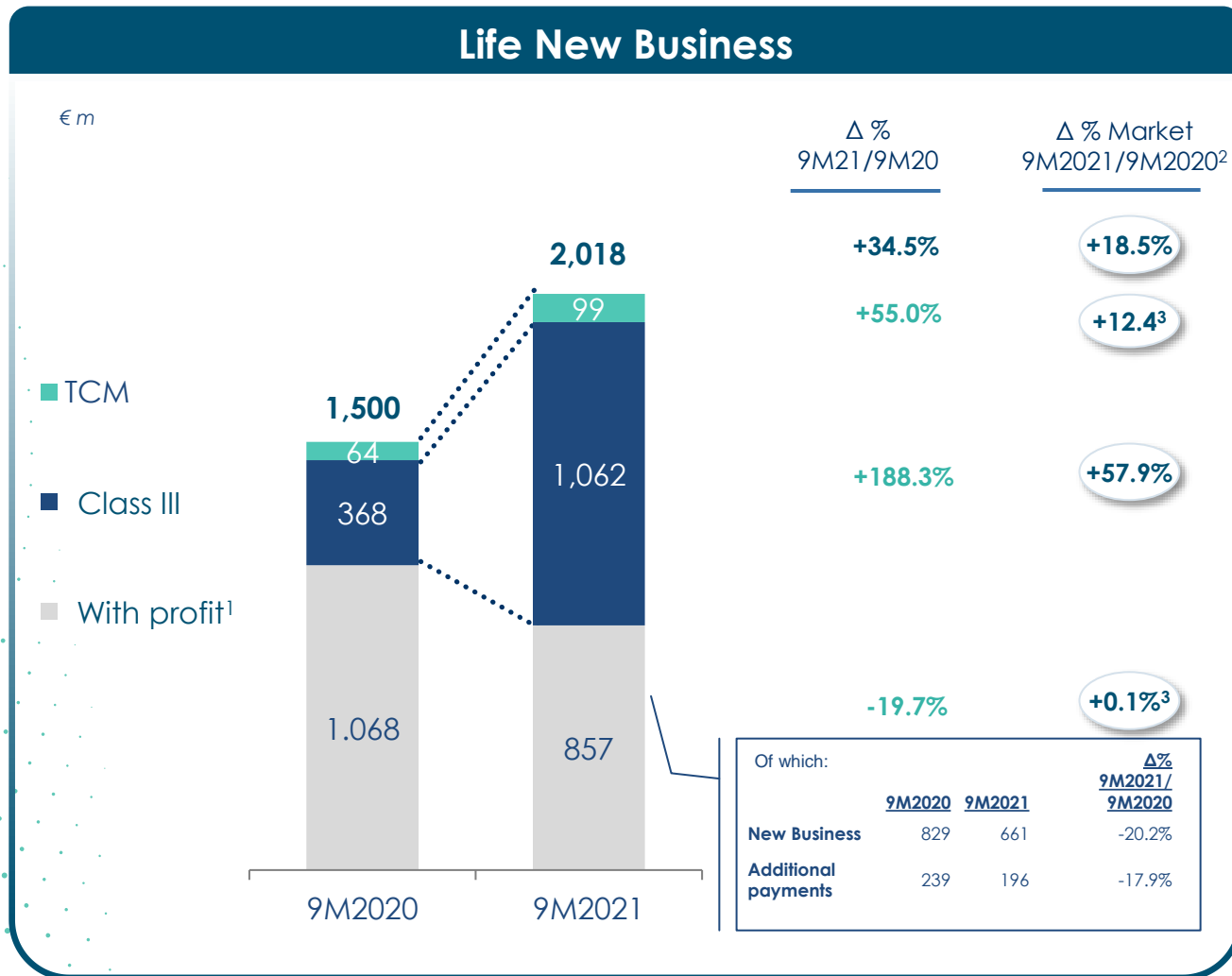
	9M2020		9M2021		9M21/9M20
	€ mln	%	€ mln	%	Δ%
Traditional products <sup>1</sup>	1,247	74.3%	1,073	49.4%	-13.9%
Linked products	395	23.6%	1,091	50.2%	+176.0%
Pension funds	35	2.1%	8	0.4%	-77.8%
<b>Total premiums</b>	<b>1,677</b>		<b>2,172</b>		<b>+29.5%</b>



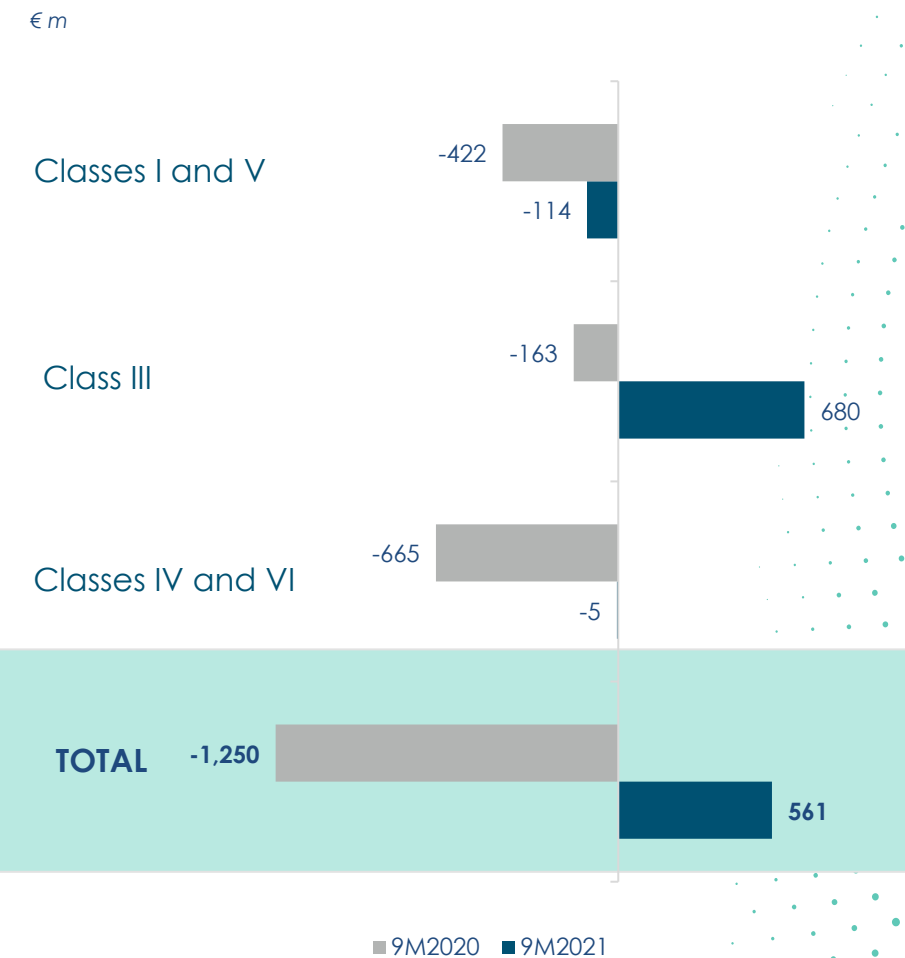
The 9M2021 and 9M2020 figures are shown on a like-for-like basis without the contribution of Lombarda Vita.  
 (1) Classes I, IV and V. (2) Agents and sub-agents. (3) It includes Financial Advisors.

# Life New Business and Life Net Inflows

## Life Business Performance



### Life Net Inflows by Class



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# Investment Result and Group Asset Allocation

## Investments

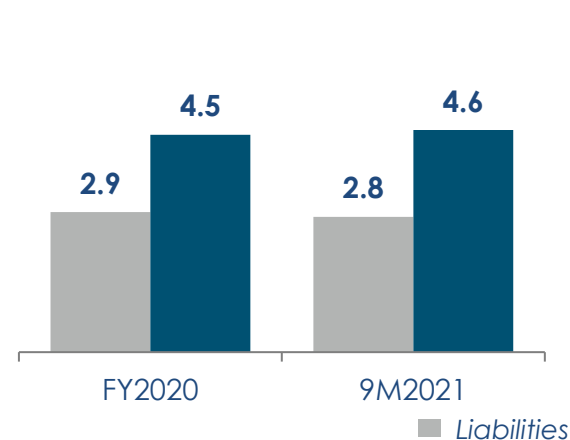
### Group Asset allocation<sup>1</sup>



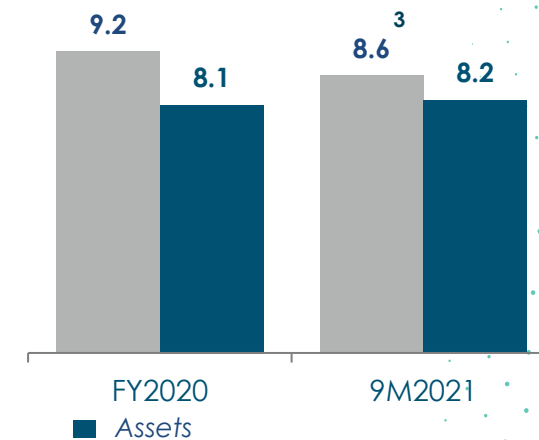
### Investment Result and yield

€ m	9M2020				9M2021			
	NON LIFE		LIFE		NON LIFE		LIFE	
	€ m	yield	€ m	Yield	€ m	Yield	€ m	yield
Ordinary investment income	64	2.5%	208	1.8%	68	2.5%	180	1.6%
Net realised and unrealised gains/losses	0	0.0%	33	0.3%	-6	-0.2%	58	0.5%
<b>TOTAL</b>	<b>64</b>	<b>2.5%</b>	<b>241</b>	<b>2.1%</b>	<b>62</b>	<b>2.3%</b>	<b>238</b>	<b>2.1%</b>

### Non Life Duration



### Life Duration



(1) Management data. Only Italian Insurance Companies included.

(2) 9M2021 data do not include operational liquidity.

(3) Duration of liabilities at 30.06.2021.

The 9M2021 and 9M2020 figures are shown on a like-for-like basis without the contribution of Lombarda Vita.

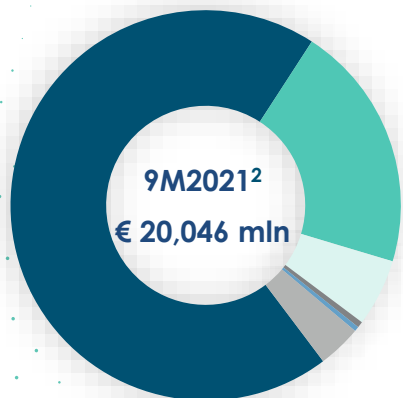
# Group Asset allocation

## Investments

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

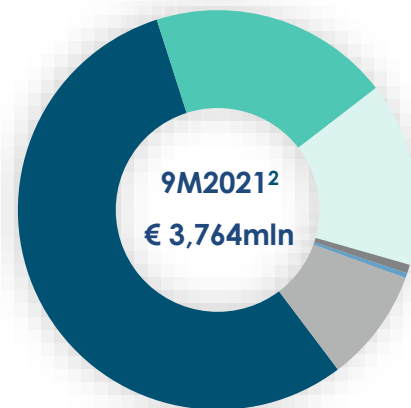


Government Bonds	70.6%
Corporate Bonds	20.0%
Property	5.5%
Equity	0.4%
Liquidity	0.3%
Alternative Investments	3.2%



Government Bonds	67.6%
Corporate Bonds	21.4%
Property	5.7%
Equity	0.5%
Liquidity	0.3%
Alternative Investments	4.5%

### Non Life Asset allocation



Government Bonds	55.4%
Corporate Bonds	19.5%
Property	14.9%
Equity	0.7%
Liquidity	0.4%
Alternative Investments	9.2%

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

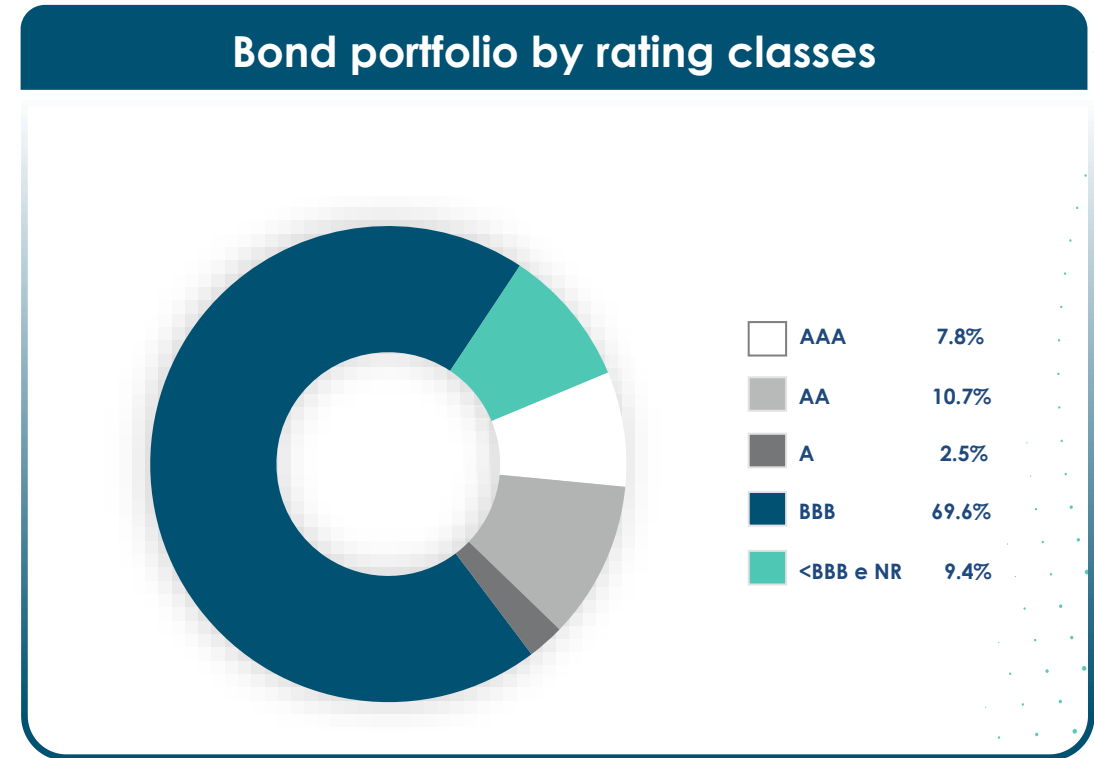
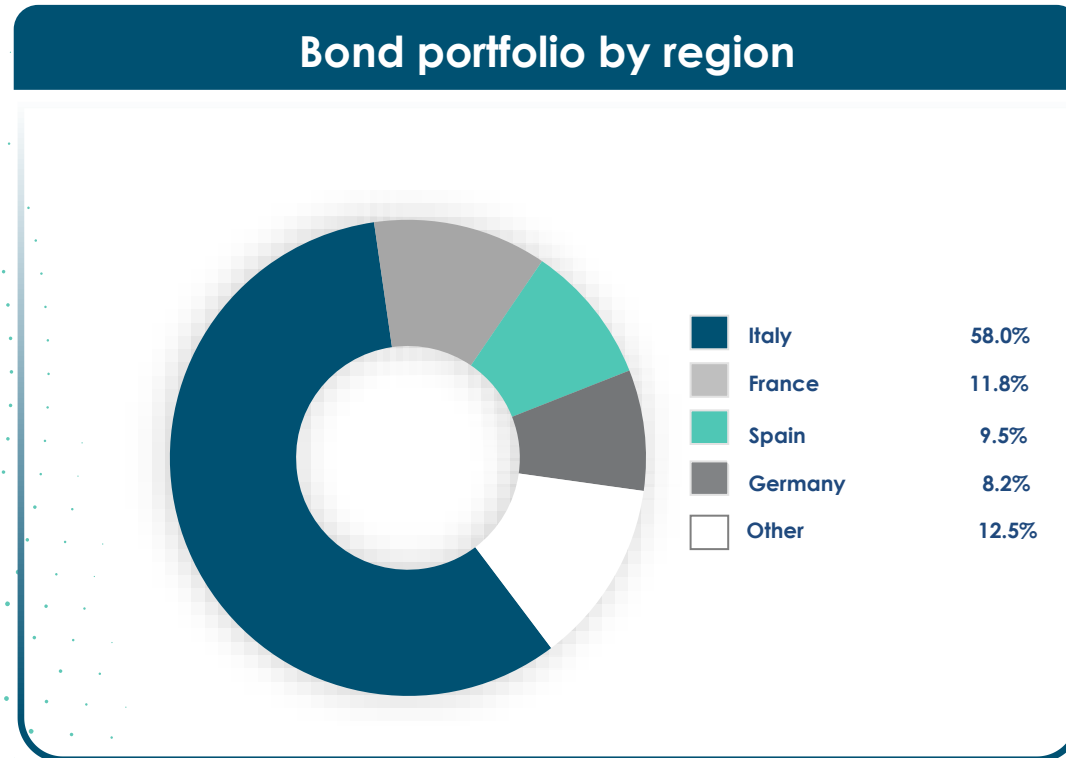


Government Bonds	70.4%
Corporate Bonds	21.9%
Property	3.6%
Equity	0.4%
Liquidity	0.2%
Alternative Investments	3.4%



# Group's bond portfolio by region and rating classes

Investments

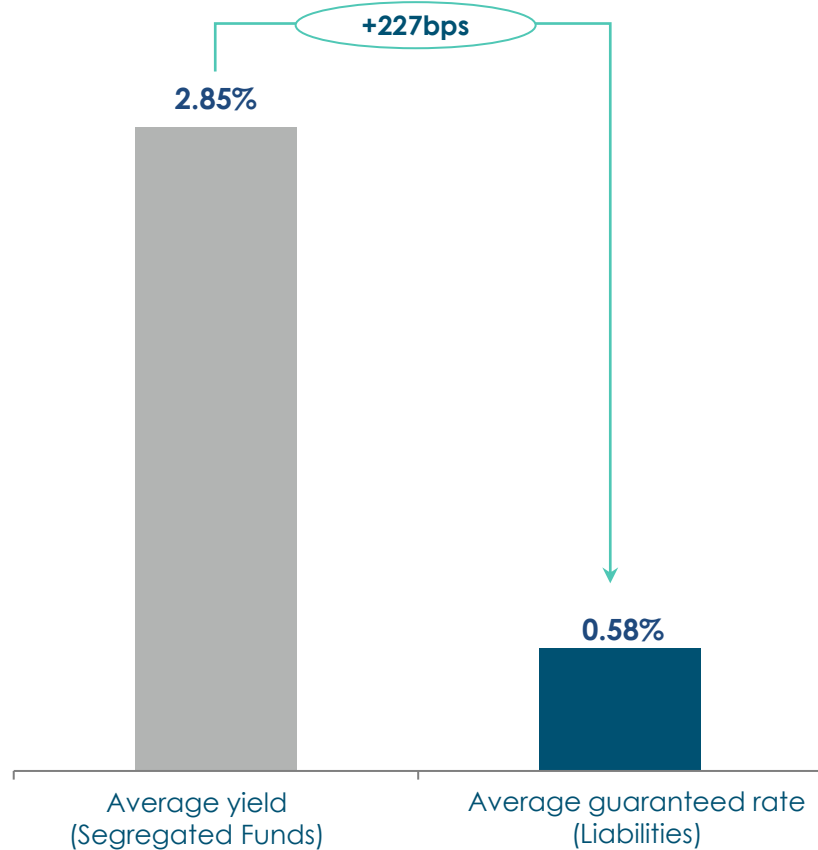


➤ **Italian Government bonds' exposure as at 30 September 2021 has reached 43.4%**

# Financial performance and Minimum Guaranteed

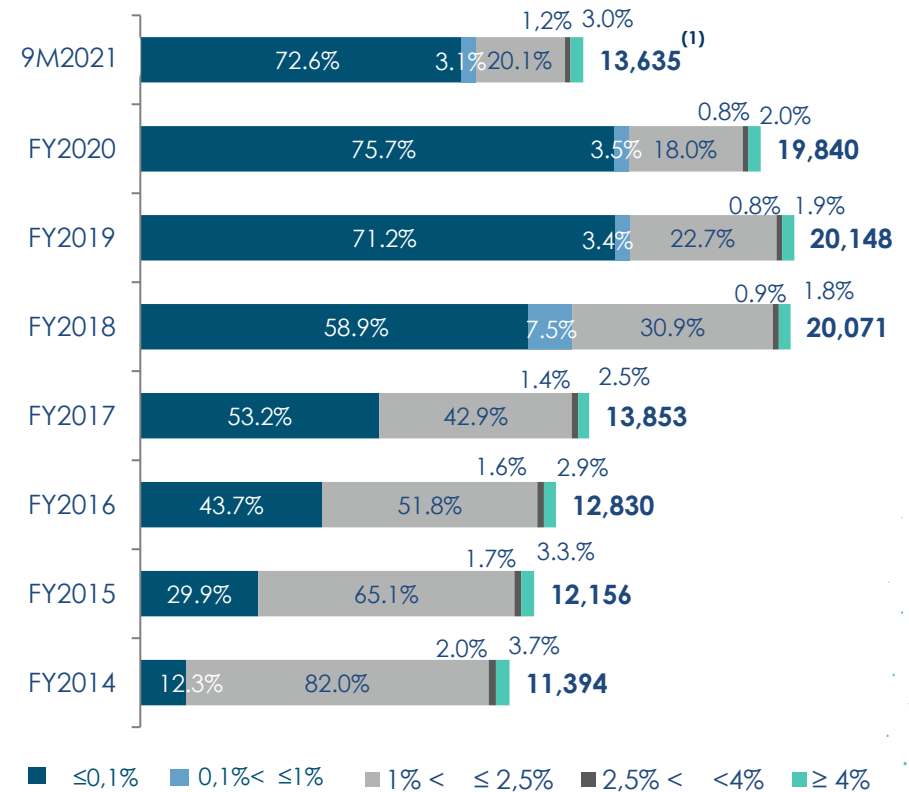
## Investments

### Yield and Minimum Guaranteed – 9M2021



### Technical reserves breakdown by min. guaranteed

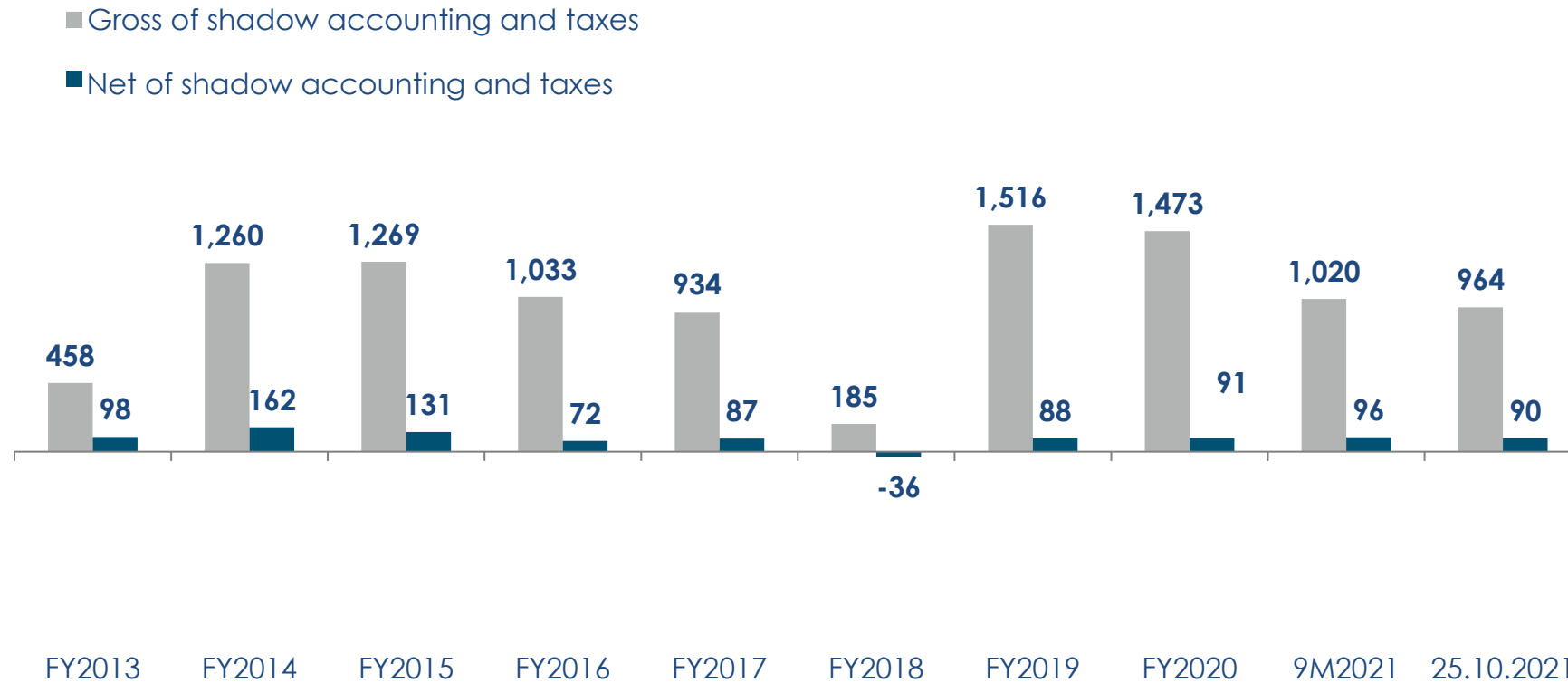
Segregated Funds  
€ m



# Trend of the Available for Sale Reserve

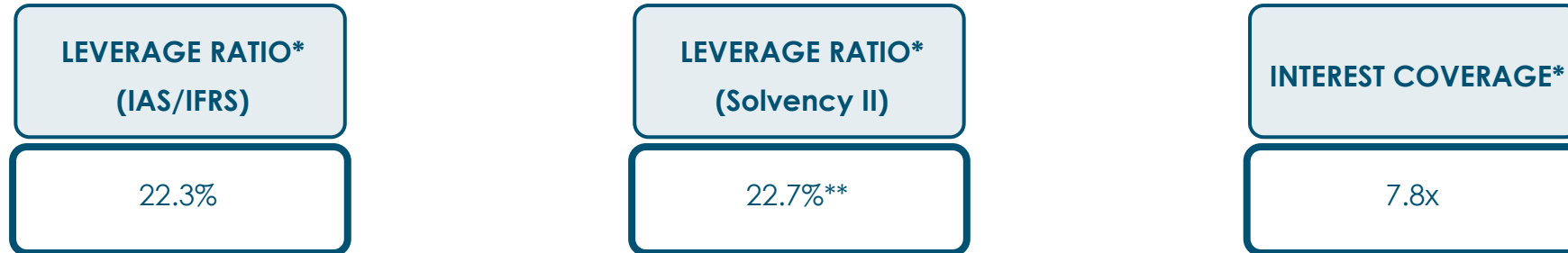
## Investments

### Available for Sale Reserve



# Outstanding financial debt

## Investments



\* See formulas on page 33

	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	n.s.
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

\*\*\* Repaid to intesa Sanpaolo on 13 October 2021. It is no longer counted in the Own Funds.



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.**

# 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.*

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