



# Results at December 31<sup>st</sup>, 2021

Cattolica Assicurazioni

Verona, 15 March 2022

# Premessa

The income statement data of Lombarda Vita (disposed of on 12 April 2021) at 31 December 2020 and 2021 have been reclassified to specific "discontinued" items pursuant to IFRS 5. The data commented on here are therefore shown like for like, without the contribution of Lombarda Vita, which is synthetically represented in profit from discontinued operations together with capital gains on disposal.

As of 5 November 2021, thanks to the success of the public tender offer, Assicurazioni Generali controls Società Cattolica and its subsidiaries. The consolidated results of the sub-group consisting of Cattolica Assicurazioni and its subsidiaries are presented in this document.

Following this event, there was no longer a regulatory requirement to calculate a Group Solvency II ratio. The ratio shown here therefore refers exclusively to Cattolica Assicurazioni



# Key consolidated figures

Results at December 31<sup>st</sup>, 2021

(€ mln)

## IAS IFRS RESULTS

	FY2020	FY2021	Δ%	
<b>Total Direct Premiums</b>	4,683	5,142	+9.8%	Δ% FY21/FY20: <b>-9.0%</b> (Lombarda Vita included)
<i>Non-Life Direct Premiums</i>	2,104	2,134	+1.4%	
<i>Life Direct Premiums</i> <sup>1</sup>	2,579	3,008	+16.6%	Δ% FY21/FY20: <b>-14.9%</b> (Lombarda Vita included)
<b>Combined ratio</b> <sup>2</sup>	86.8%	89.1%	+2.3 pps	
<b>Cons. Shareholders' Equity</b>	2,613	2,841	+8.7%	
<b>Cattolica Solvency II Ratio</b> <sup>3</sup>	188%	203% <sup>4</sup>	+15 pps	
<b>Operating Result</b>	352	300	-14.7%	
<b>Consolidated Result</b>	71	108	+52.9%	
<b>Group's Result</b>	36	96	+163.2%	
<b>Adjusted Result</b>	192	253	+31.7%	
<b>Operating Return On Equity</b>	8.6%	7.3%	-1.3 pps	



FY2021 and FY2020 figures are shown on a like-for-like basis without the contribution of Lombarda Vita.

- (1) Including investment contracts.
- (2) Retained business.
- (3) Group Solvency II ratio was 187% on 31 December 2020.
- (4) Ratio including a distribution of a € 0.15 dividend per share.

# Income statement by segment of activity

Results at December 31st, 2021

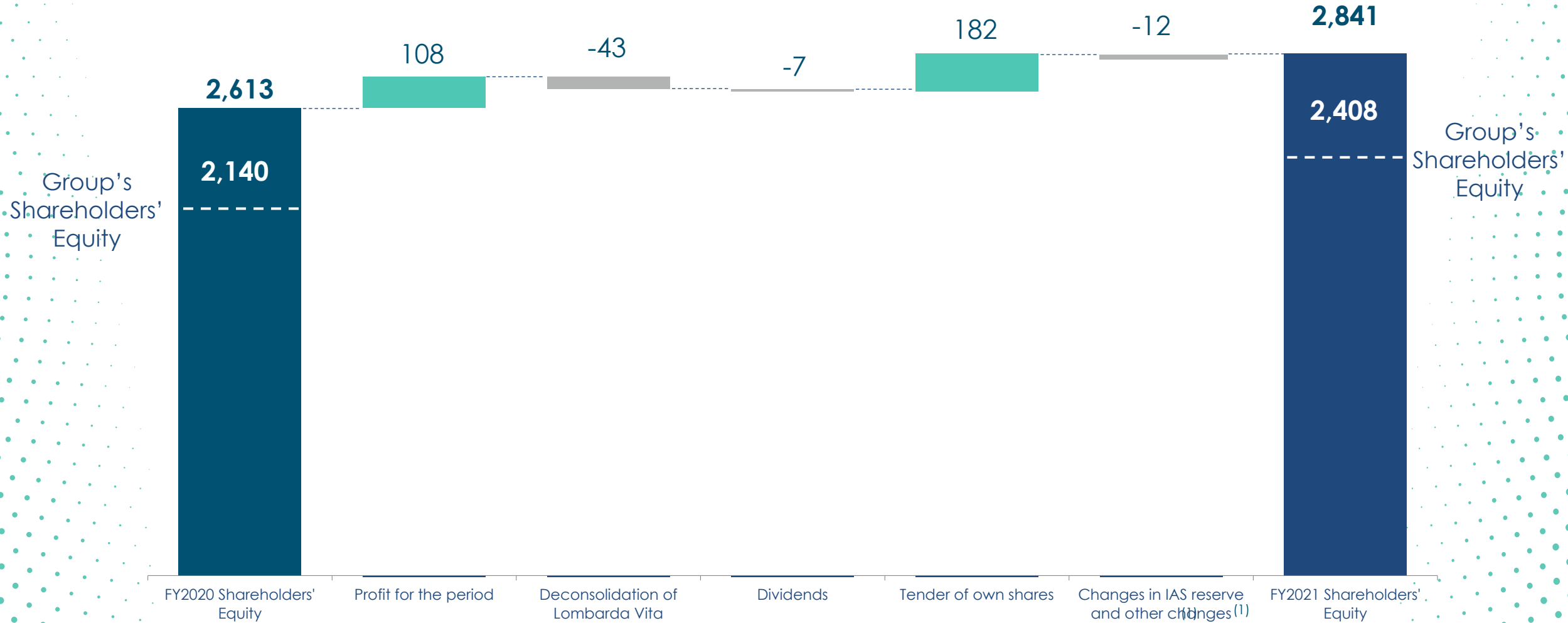
(€ million)	NON-LIFE		LIFE		OTHER		TOTAL		Δ%
	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	
Net Premiums	1,868	1,902	2,537	2,989	0	0	4,405	4,891	
Net charges relating to claims	-1,025	-1,098	-2,593	-3,199	0	0	-3,618	-4,297	
Operating expenses	-544	-570	-153	-174	0	0	-697	-744	
Other revenues net of other costs (other technical income and charges)	-53	-28	-40	-44	0	0	-93	-72	
Income on ordinary gross investments (Class C)	85	91	318	310	-1	0	402	401	
Income on ordinary gross investments (Class D)	0	0	68	232	0	0	68	232	
Net income from investments in subsidiaries, associated companies and joint ventures	4	5	-4	1	0	0	0	6	
Commissions income net of commissions expense	0	0	-2	-2	0	0	-2	-2	
Operating expenses relating to investments	-10	-13	-35	-37	-3	-3	-48	-53	
<b>RESULT OF INSURANCE BUSINESS AND FINANCIAL OPERATIONS</b>	<b>325</b>	<b>289</b>	<b>96</b>	<b>76</b>	<b>-4</b>	<b>-3</b>	<b>417</b>	<b>362</b>	<b>-13.1%</b>
Other revenues net of other operating costs	-49	-41	-17	-21	1	0	-65	-62	
<b>OPERATING RESULT</b>	<b>276</b>	<b>248</b>	<b>79</b>	<b>55</b>	<b>-3</b>	<b>-3</b>	<b>352</b>	<b>300</b>	<b>-14.7%</b>
Realised and valuation income	-1	-6	0	4	-9	-7	-10	-9	
Interests on subordinated debt	-23	-21	-8	-11	0	0	-31	-32	
Non-operating net income from investments in subsidiaries, associated companies and joint ventures	-9	-2	-4	0	0	0	-13	-2	
Other revenues net of other non-operating costs	-28	-29	-156	-131	-1	-3	-185	-163	
<b>PROFIT (LOSS) BEFORE TAXATION FOR THE YEAR</b>	<b>215</b>	<b>190</b>	<b>-89</b>	<b>-83</b>	<b>-13</b>	<b>-13</b>	<b>113</b>	<b>94</b>	<b>-17.3%</b>
Taxation	-91	-86	-15	-11	3	3	-103	-94	
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>124</b>	<b>104</b>	<b>-104</b>	<b>-94</b>	<b>-10</b>	<b>-10</b>	<b>10</b>	<b>0</b>	<b>-104.6%</b>
<b>PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>61</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>61</b>	<b>108</b>	
<b>CONSOLIDATED PROFIT (LOSS) FOR THE YEAR</b>	<b>124</b>	<b>104</b>	<b>-43</b>	<b>14</b>	<b>-10</b>	<b>-10</b>	<b>71</b>	<b>108</b>	<b>+52.9%</b>
of which pertaining to the Group	120	100	-74	6	-10	-10	36	96	+163.2%
of which pertaining to minority interests	4	4	31	8	0	0	35	12	
<b>ADJUSTED RESULT</b>	<b>133</b>	<b>133</b>	<b>69</b>	<b>130</b>	<b>-10</b>	<b>-10</b>	<b>192</b>	<b>253</b>	<b>+31.7%</b>



FY2021 and FY2020 figures are shown on a like-for-like basis without the contribution of Lombarda Vita, synthetically represented in net profit together with the capital gain on disposal.

# Consolidated Shareholders' Equity

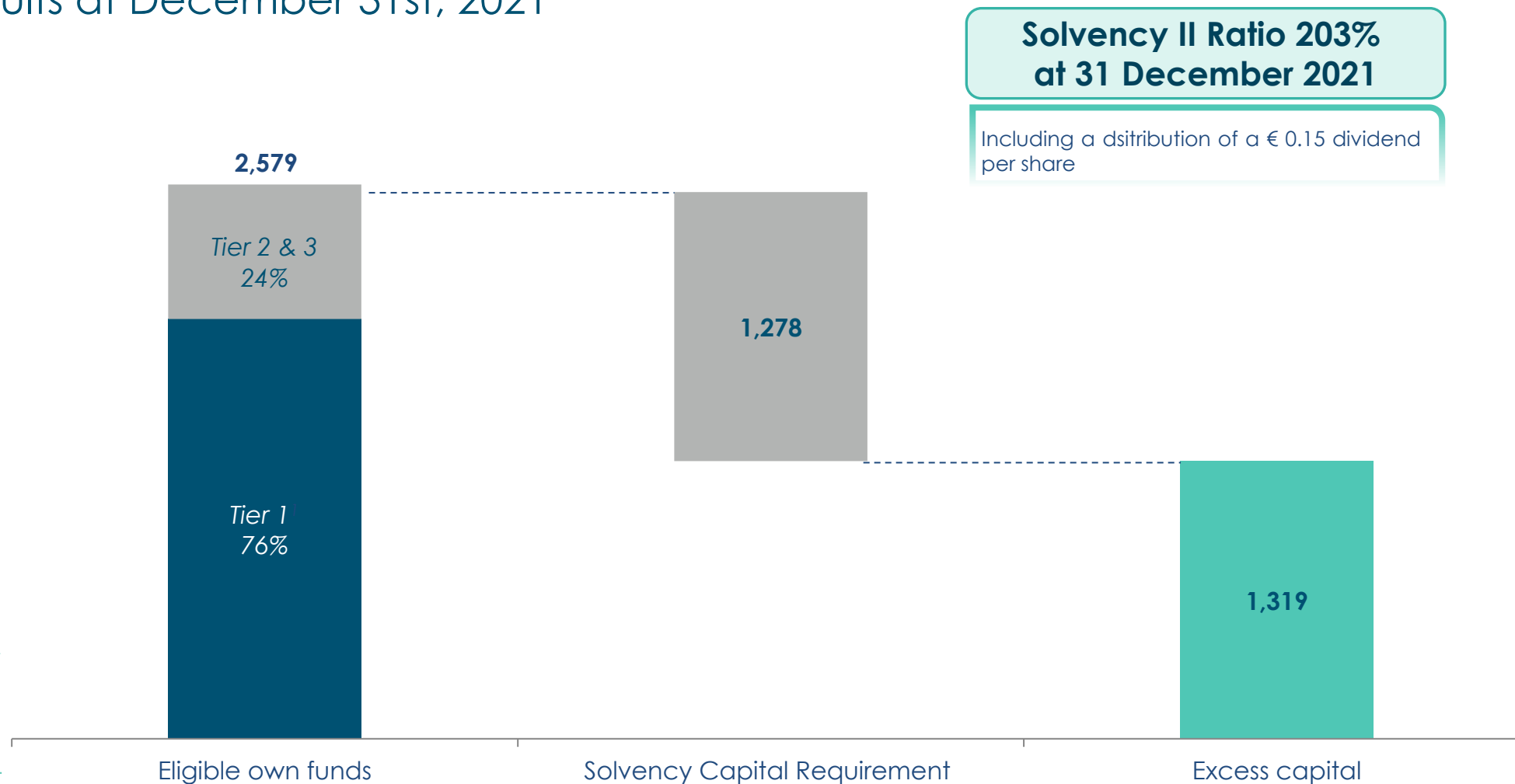
Results at December 31st, 2021



(1) Including the changes of the AFS reserve (net of shadow accounting and taxation) and of other profits and losses recognized directly in equity and other minor changes.

# Cattolica Assicurazioni Solvency II ratio

Results at December 31st, 2021



(1) Tier 1 "unrestricted" eligible own funds (share capital and capital buffers) equal to about 76% of total own eligible funds..

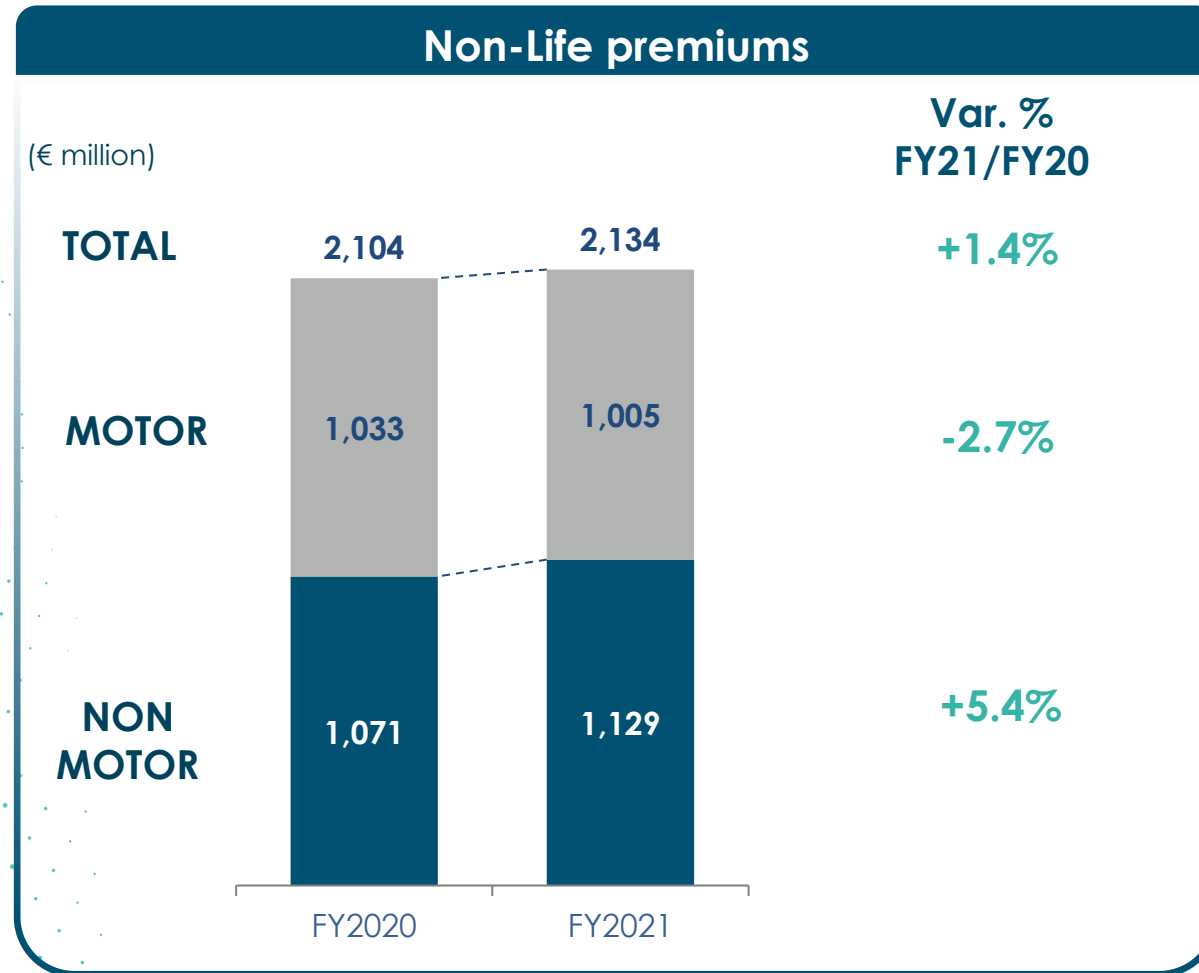
# Contents

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

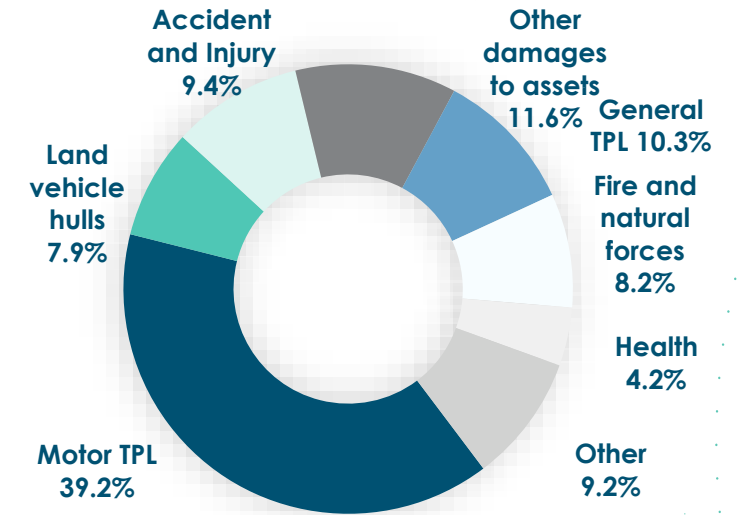


# Non-Life Premiums

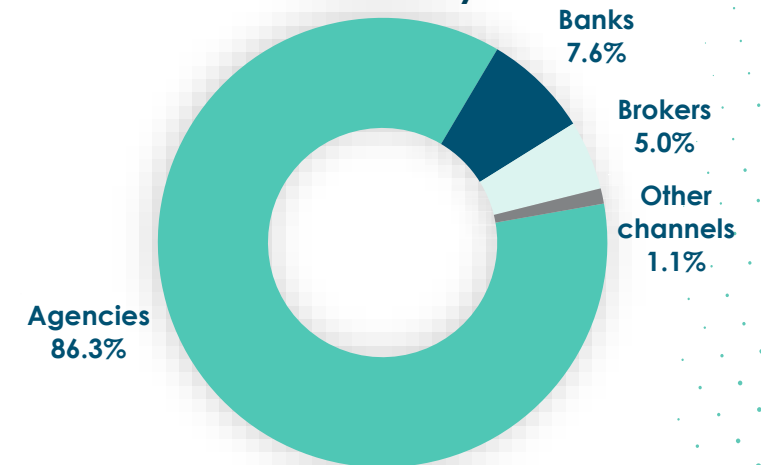
Non-Life business performance



### Non-Life Premiums by Class



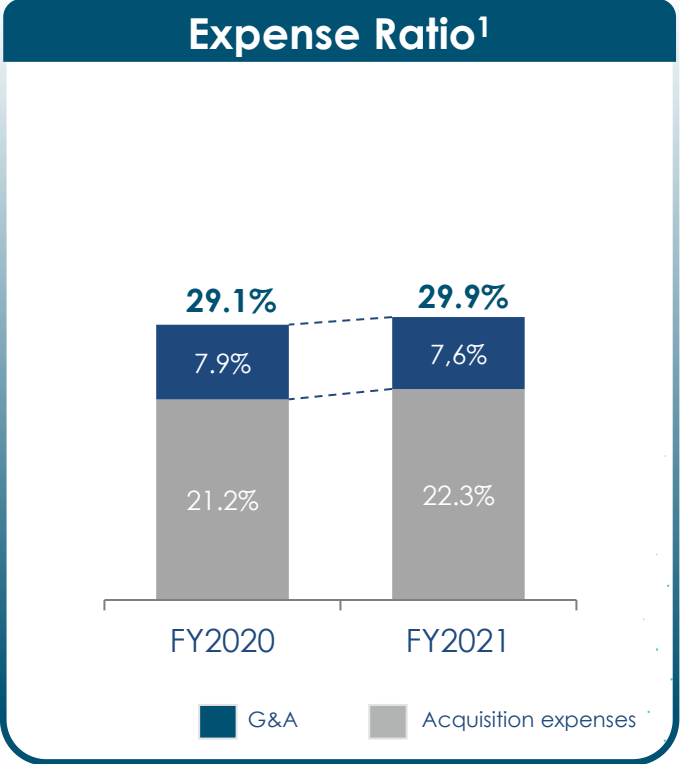
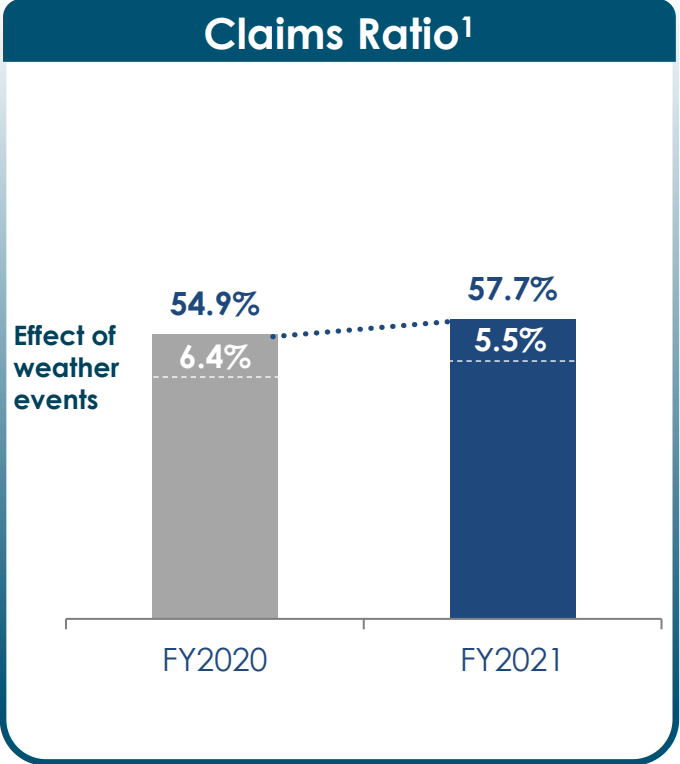
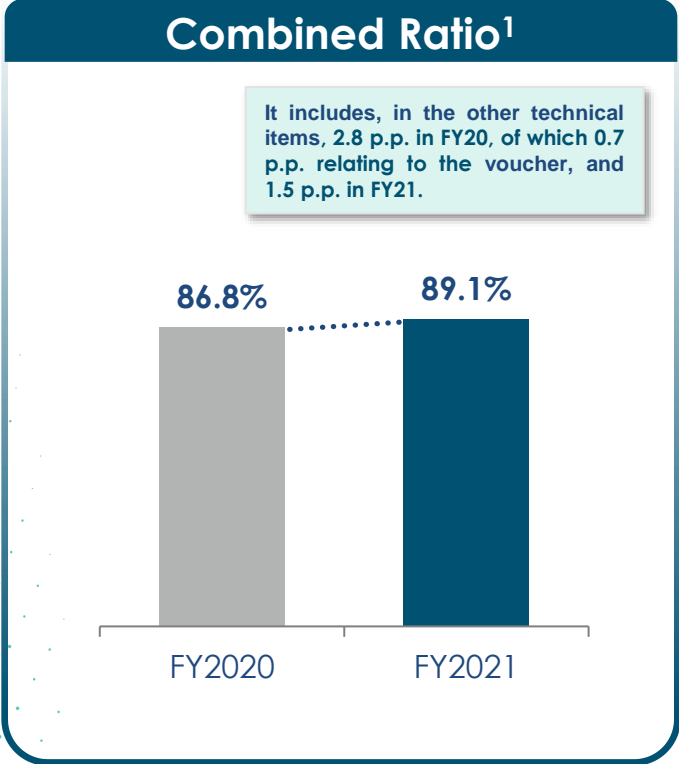
### Non-Life Premiums by Channel





# Technical Ratios

## Non-Life business performance

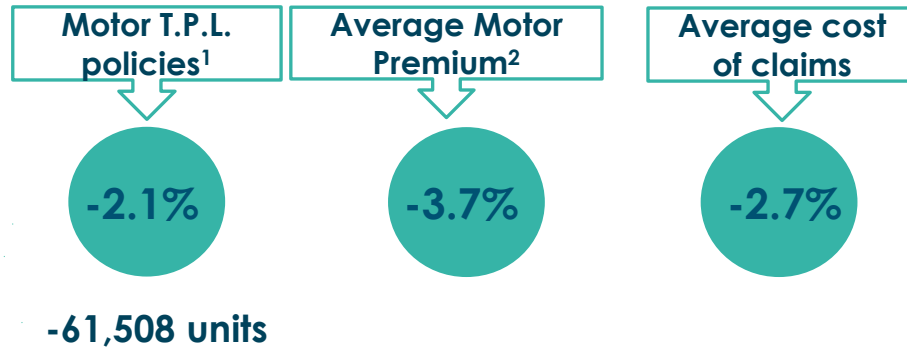


(1) Retained business.

# Motor TPL Technical Ratios

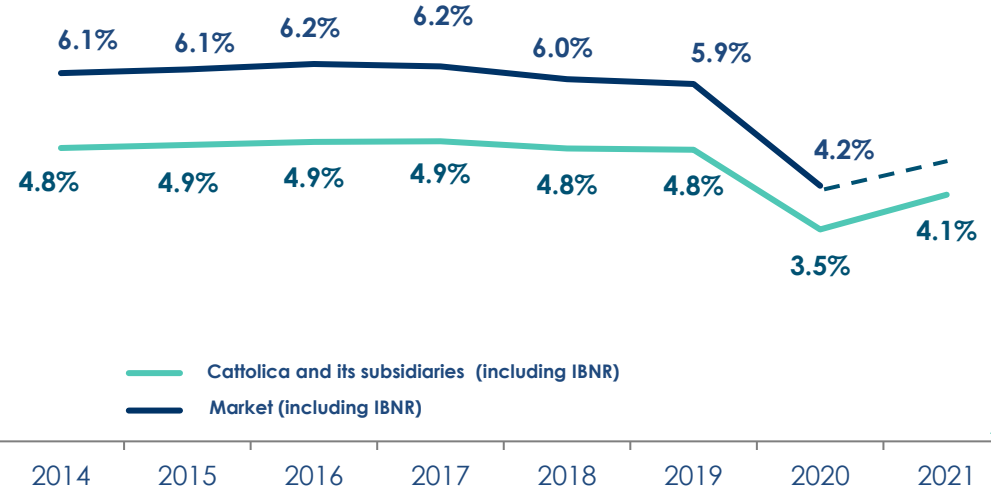
Non-Life business performance

## MOTOR TPL – Policies and Premiums



Figures at FY2021  
 Δ compared with FY2020

## MOTOR TPL - Claims Frequency



(1) ) Motor T.P.L. policies including fleets  
 (2) Average Premium excluding fleets.

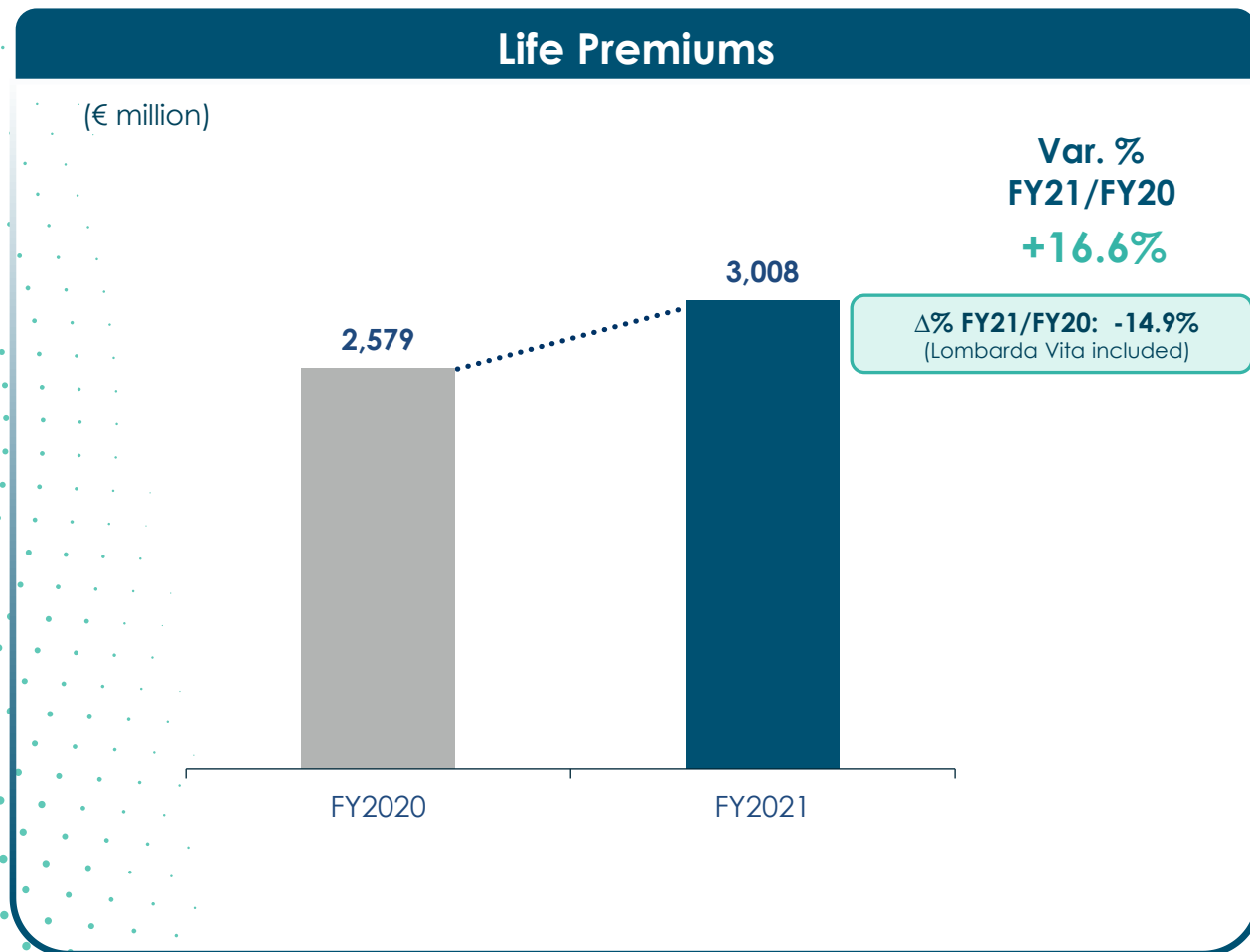
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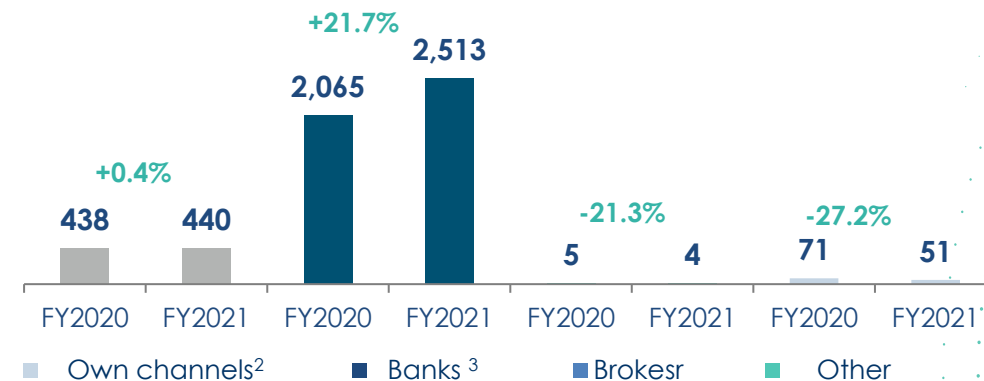


# Life Premiums

## Life Business Performance



## Life Premiums by Channel



## Life premiums by class

	FY2020		FY2021		FY21/FY20
	€ mln	%	€ mln	%	Δ%
Traditional products <sup>1</sup>	1,936	75.0%	1,475	49.1%	-23.8%
Linked products	603	23.4%	1,520	50.5%	+152.3%
Pension funds	40	1.6%	13	0.4%	-68.7%
<b>Total premiums</b>	<b>2,579</b>		<b>3,008</b>		<b>+16.6%</b>

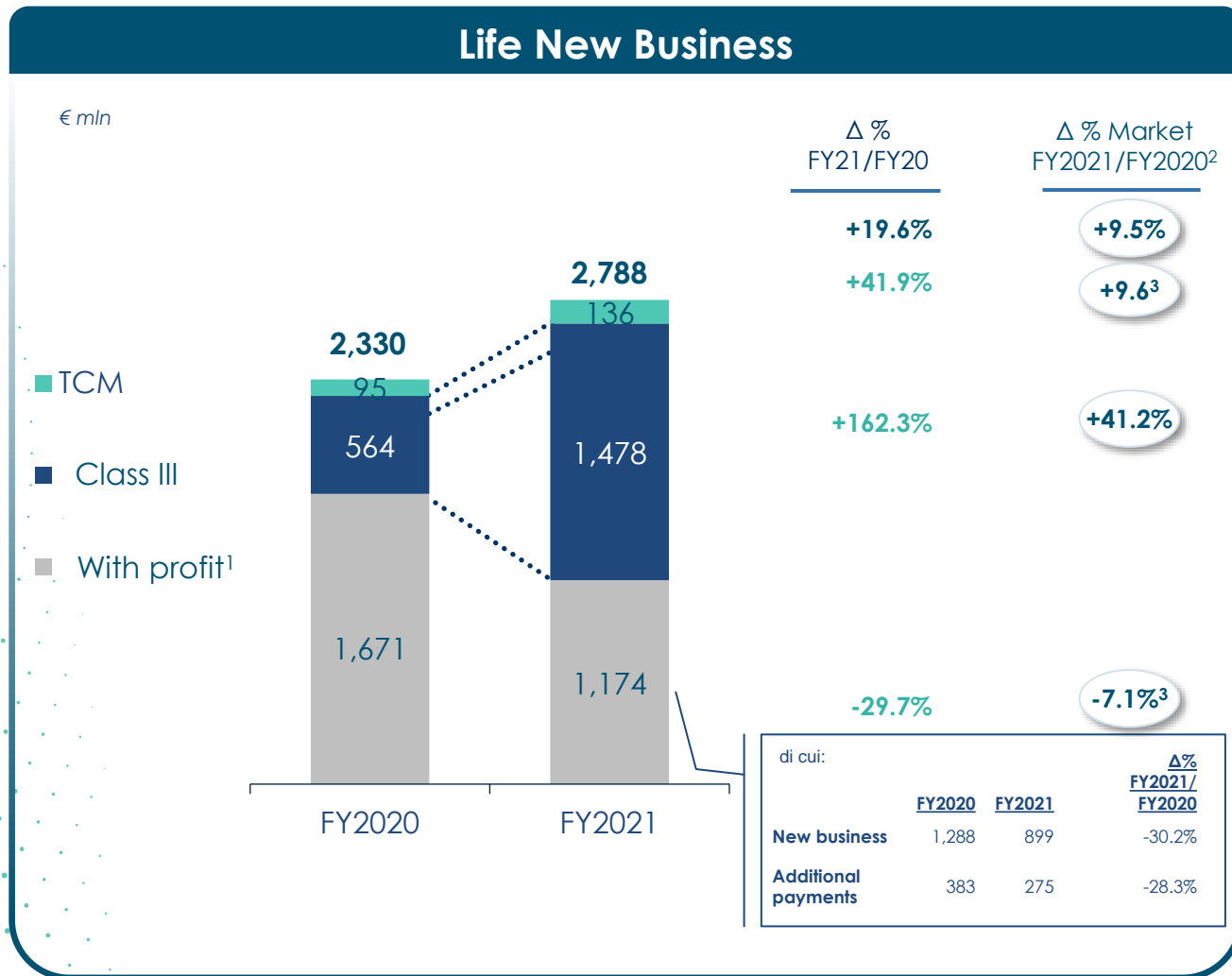


The FY2021 and FY2020 figures are shown on a like-for-like basis without the contribution of Lombarda Vita.

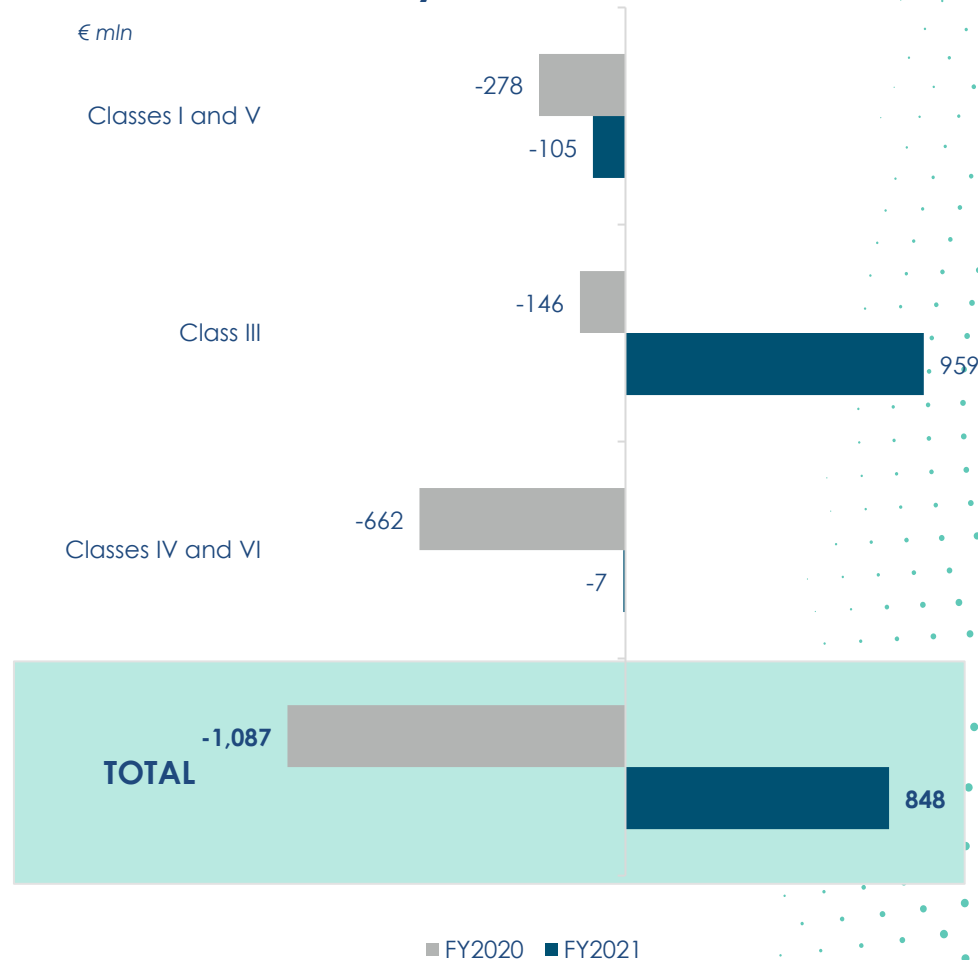
(1) Classes I, IV and V. (2) Agents and sub-agents. (3) It includes Financial Advisors.

# Life New Business and Life Net Inflows

## Life Business Performance



### Life Net Inflows by Class



The FY2021 and FY2020 figures are shown on a like-for-like basis without the contribution of Lombardia Vita.

(1) With profit - Classes I and V.

(2) Source: Newsletter Vita\_dicembre 2021" Ania Trends – n.12\_Febbraio 2022

(3) Changes calculated on the basis of ANIA monthly statistic on Life new business– December 2021

# Contents

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# Investment Result and Group Asset Allocation

## Investments

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

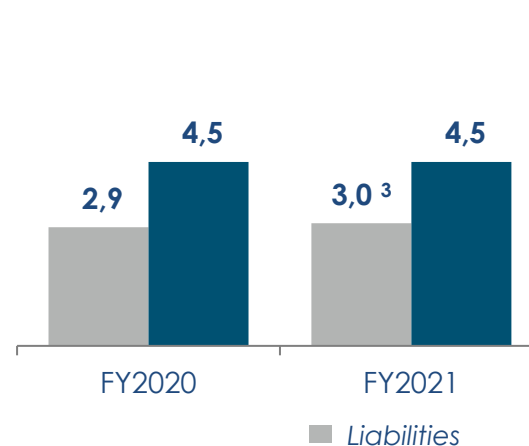


### Investment Result and yield

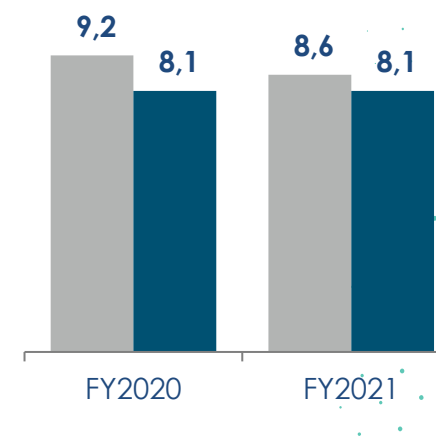
€ mln

	FY2020				FY2021			
	NON LIFE		LIFE		NON LIFE		LIFE	
	mln	yield	mln	yield	mln	Yield	mln	yield
Ordinary investment income	85	2.5%	270	1.8%	91	2.5%	244	1.6%
Net realised and unrealised gains/losses	-1	0.0%	48	0.3%	-6	-0.2%	70	0.5%
<b>TOTAL</b>	<b>84</b>	<b>2.5%</b>	<b>318</b>	<b>2.1%</b>	<b>85</b>	<b>2.4%</b>	<b>314</b>	<b>2.0%</b>

### Non-Life Duration



### Life Duration



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

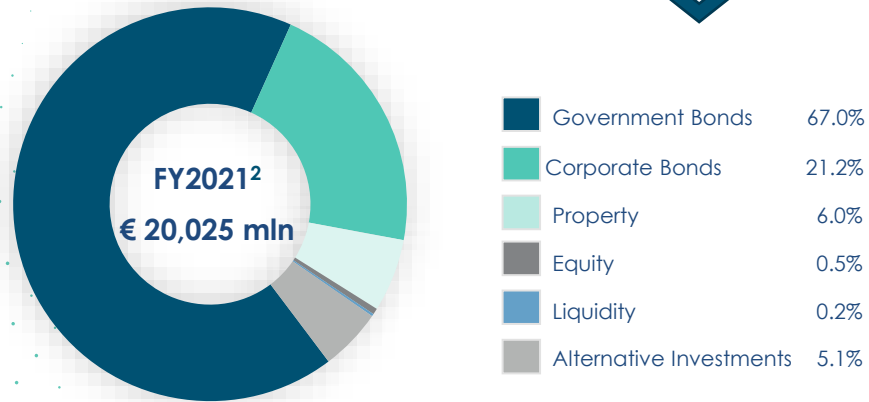
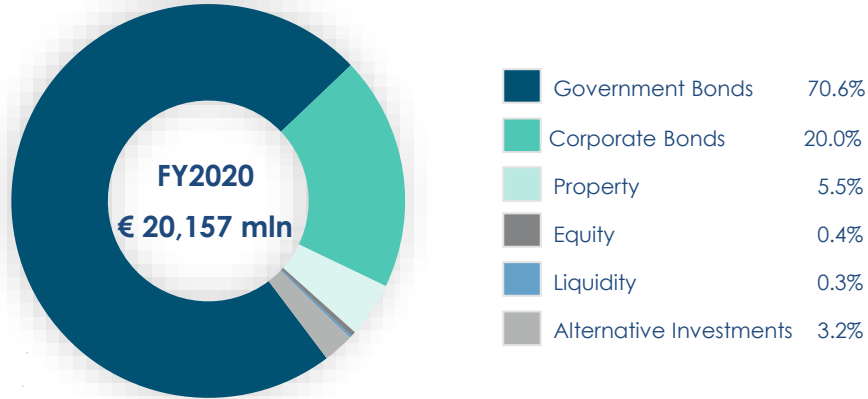
(2) FY2021 data do not include operational liquidity.

(3) Calculated as the weighted average of the Best Estimate Liability of Cattolica and its subsidiaries. FY2021 and FY2020 figures are shown on a like-for-like basis without the contribution of Lombarda Vita.

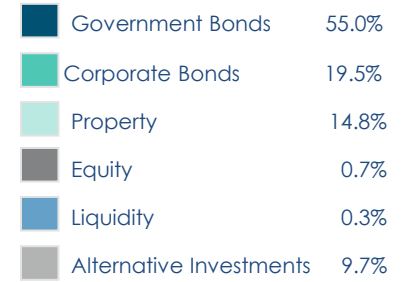
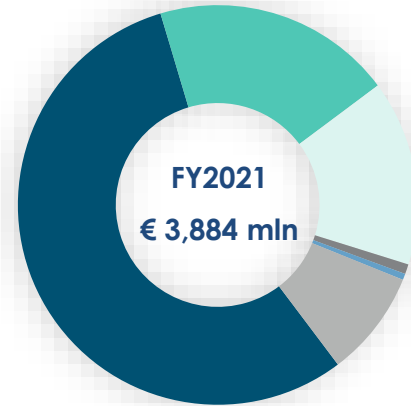
# Asset allocation

## Investments

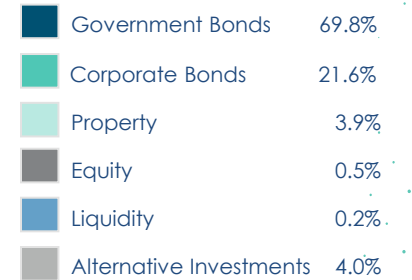
### Asset allocation<sup>1</sup>



### Non-Life allocation<sup>1</sup>



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

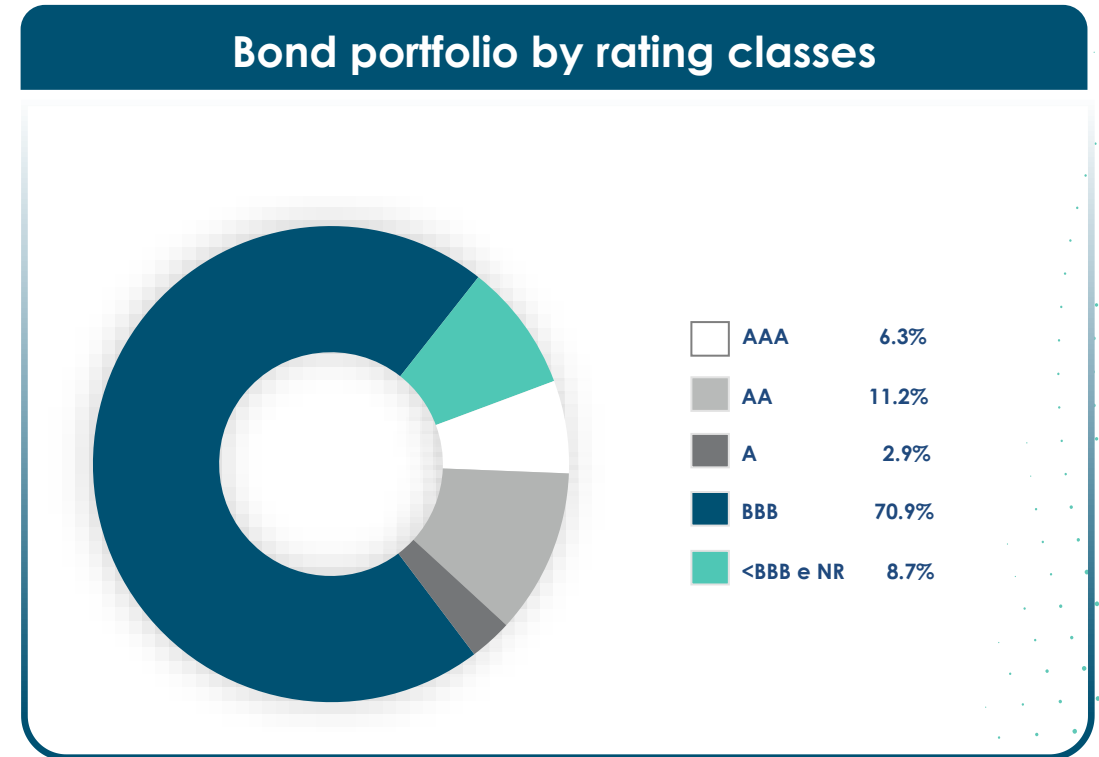
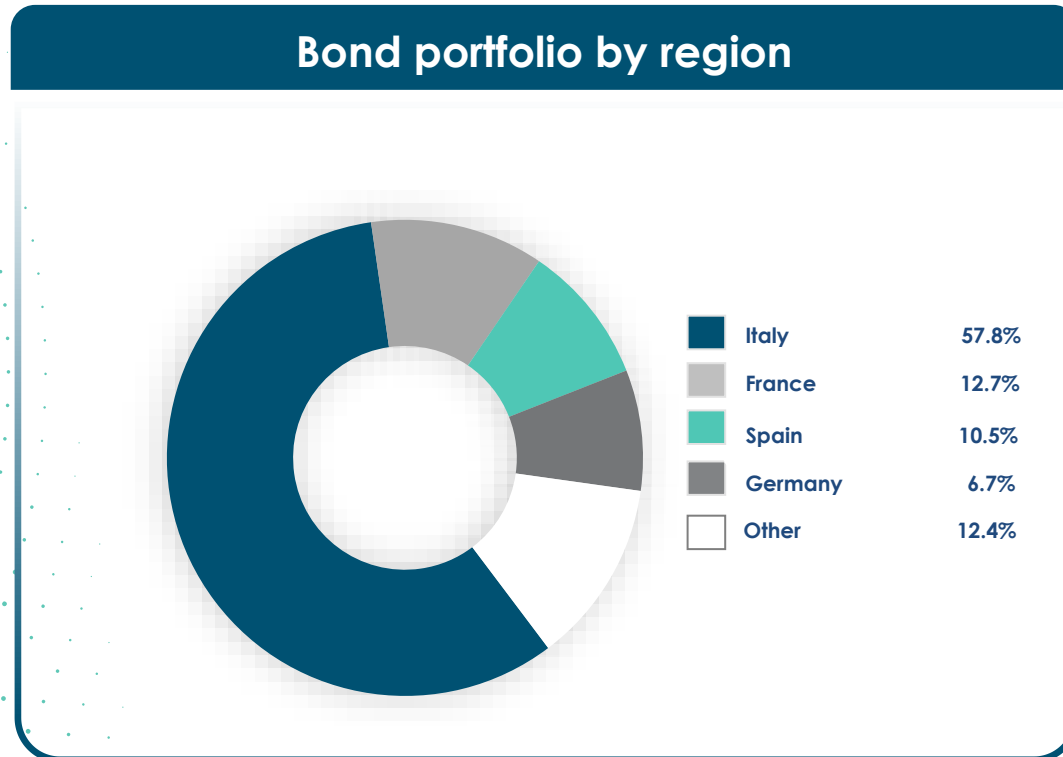


(1) Management Data: only Italian Insurance Companies included.  
 (2) FY2021 data do not include operational liquidity.



# Group's bond portfolio by region and rating classes

Investments



➤ Italian Government bonds' exposure as at 31 December 2021 has reached 42.9%

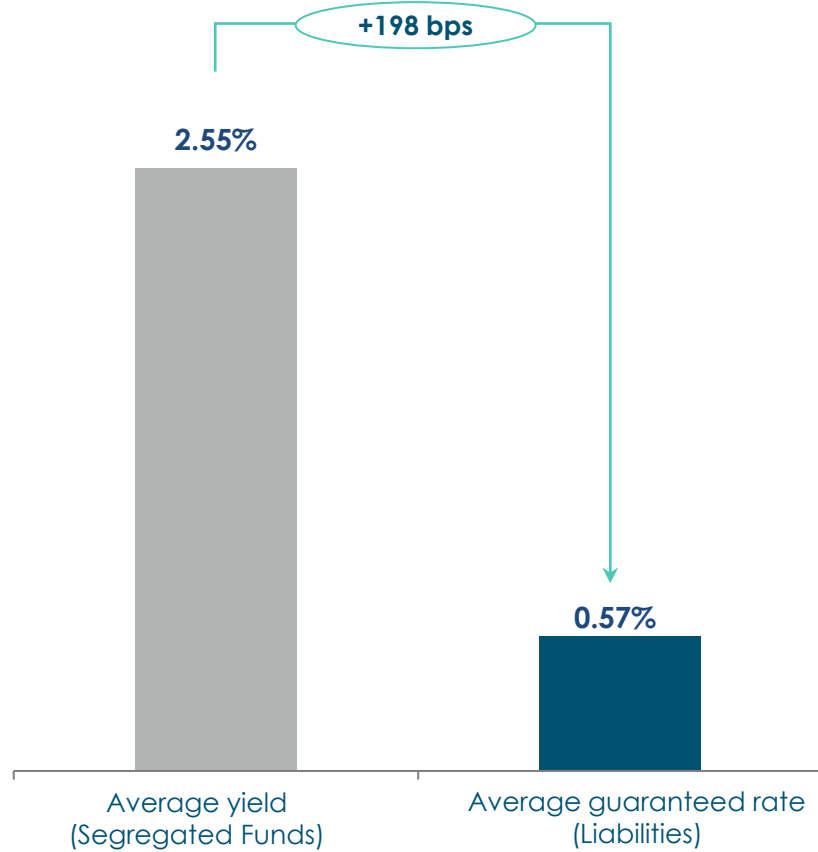


Only Italian Insurance Companies included

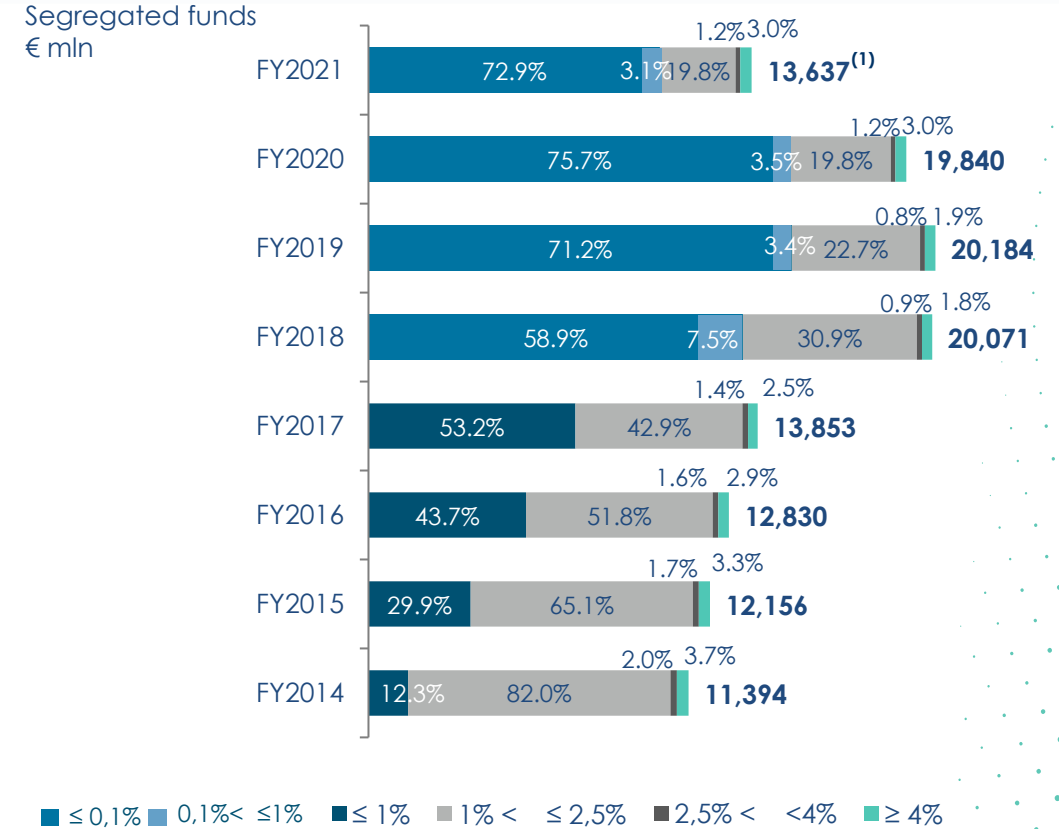
# Financial performance and Minimum Guaranteed

## Investments

### Yield and Minimum Guaranteed – FY2021



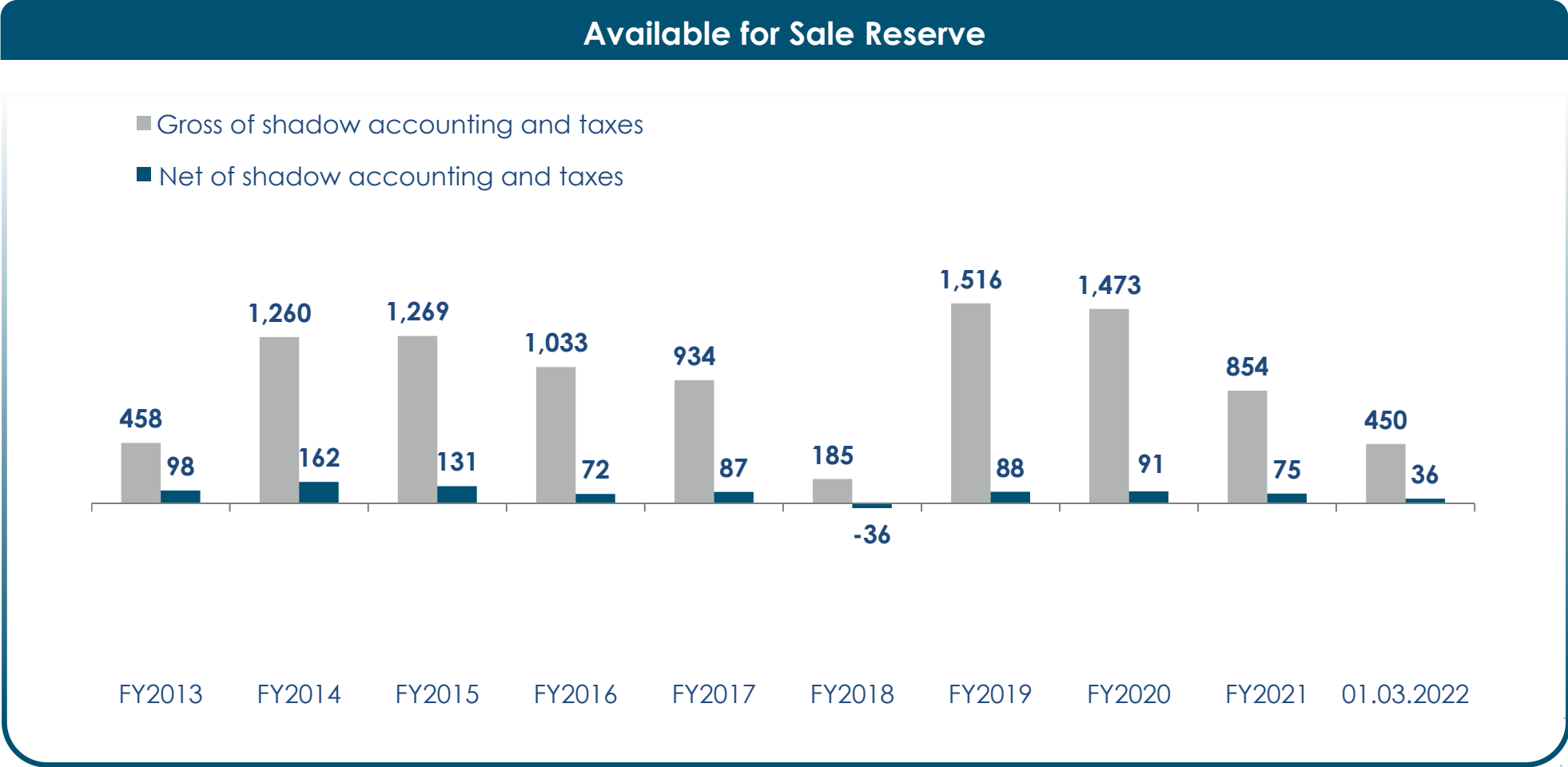
### Technical reserves breakdown by min. guaranteed



(1) Figures at FY2021 do not include Lombardia Vita.

# Trend of the Available for Sale Reserve

## Investments



The figures at FY2020, FY2021 and as at 1.3.2022 are shown on a like-for-like basis without the contribution of Lombarda Vita.

# Outstanding financial debt

investments

**LEVERAGE RATIO\***  
(IAS/IFRS)

18.8%

**CATTOLICA LEVERAGE RATIO\***  
(Solvency II)

22.8%

**INTEREST COVERAGE\***

9.3x

\* V. glossario a pagina 66

	Subscriber	Rating	Coupon	Nominal issuance (€ mln)	Outstanding (€ mln)	Issue date	Maturity	Callable	Tier
Subordinated debt	Institutional investors	BB+	7.25% <sup>1</sup>	100	100	17/12/2013	17/12/2043	17/12/2023	Tier 2
Subordinated debt	Institutional investors	BB+	4.25% <sup>2</sup>	500	500	14/12/2017	14/12/2047	14/12/2027	Tier 2



(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.



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- The Cattolica Group and the Covid-19 Crisis



# 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% home-working since 24 February 2020**. The activities necessary for a safe return to the operational sites were carried out. A first return took place in September 2020 with a maximum of 25% of staff present at the sites. Due to the new peak in the infection recorded since the beginning of October, the Group considered it appropriate to return to full home-working mode. From 15 October 2021 a process of gradual return to work in presence was restored, then suspended from mid-December following the spread of the new variant of the virus. **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.** Even in the period of full home-working and traffic restrictions, 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)

## Actions taken

- **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

- 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)

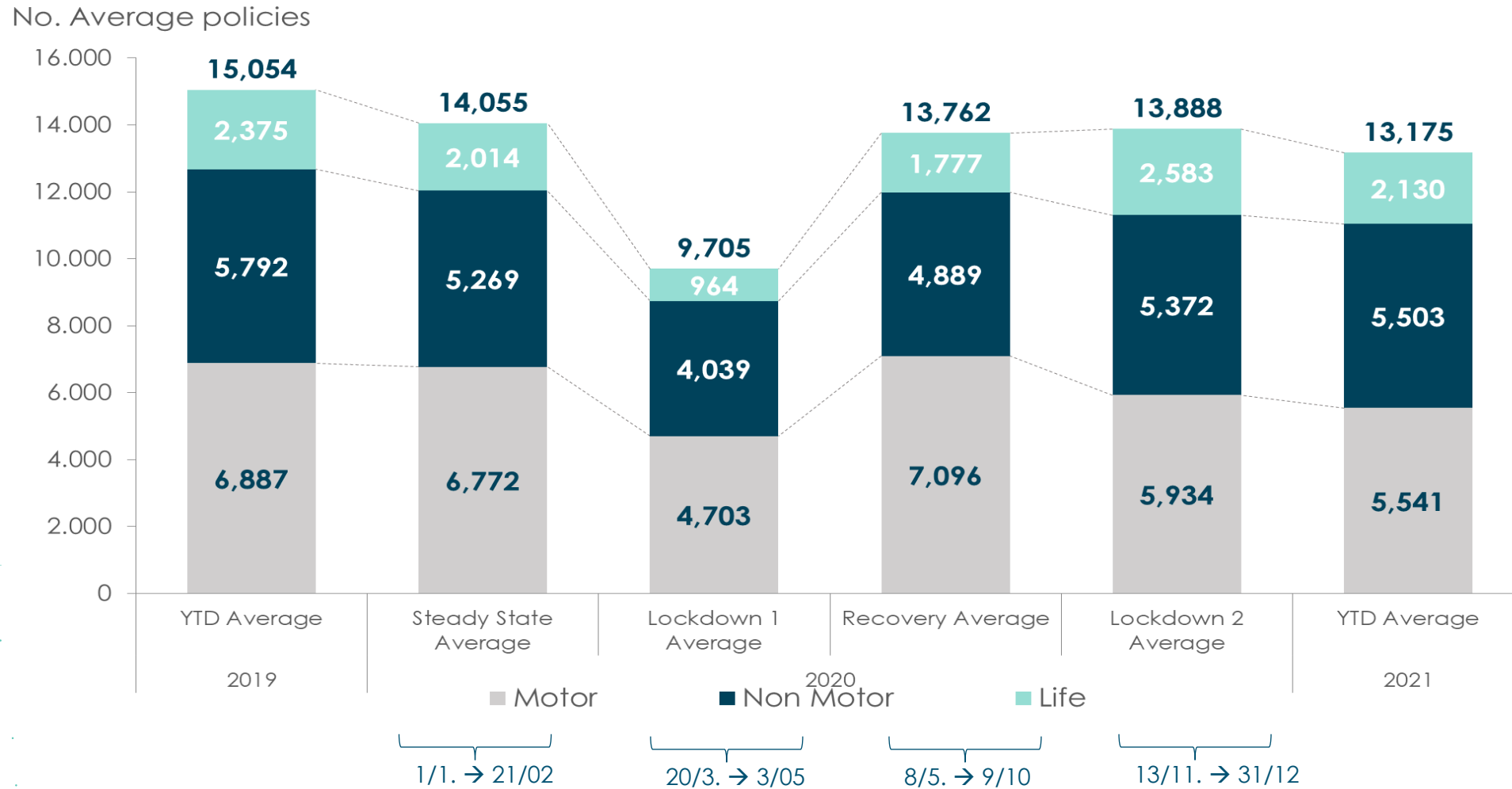
Overview at 31 December 2021

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 2020 (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 at the end of 2021 is + 18% compared to 2020, but the indicator remains in decline compared to 2019, -16%.**
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

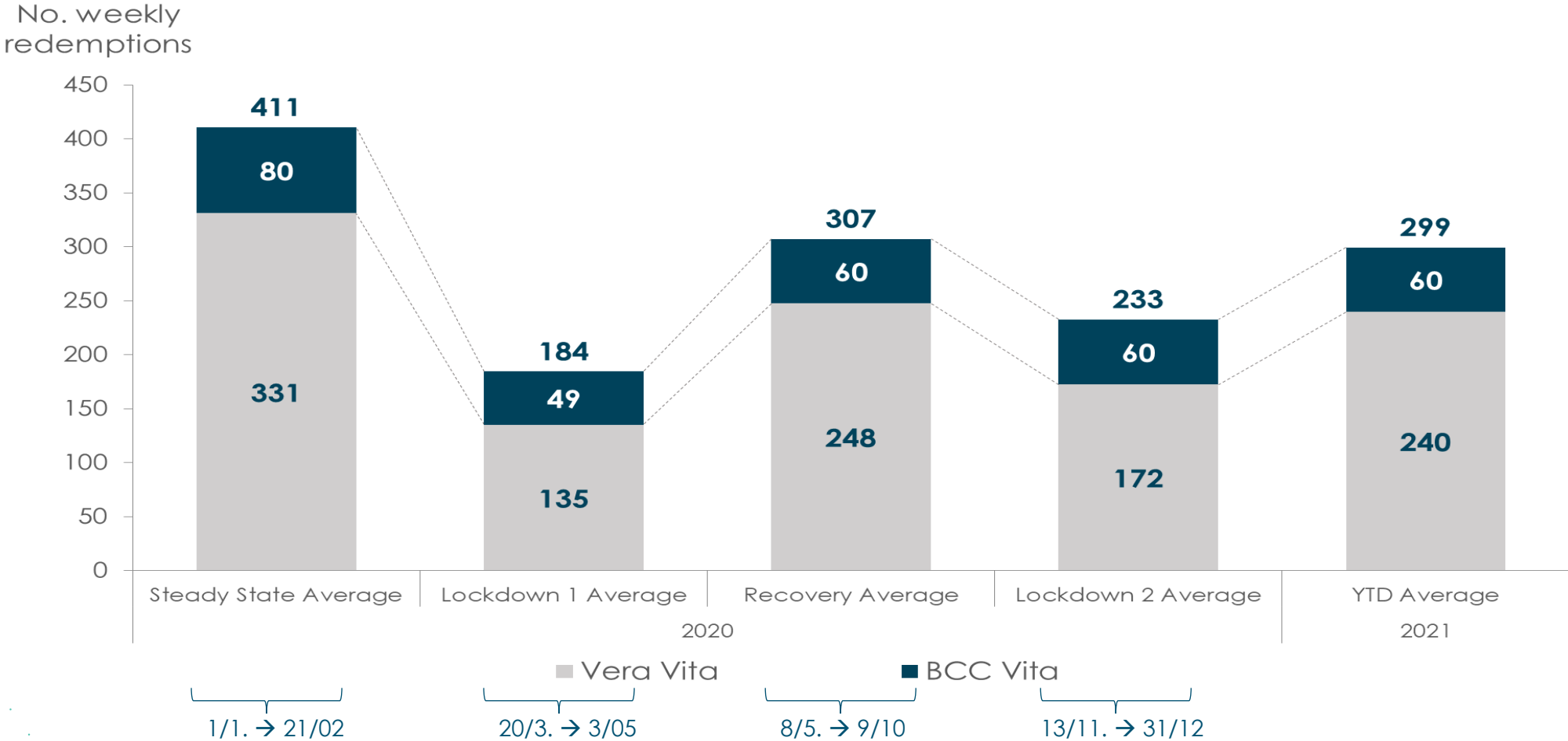
Life and Non-Life Business performance (as at 31 December 2021)



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

# Bancassurance - Weekly Life redemptions

(as at 31 December 2021)



(1) (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

	FY2019-2020-2021				
	2021	2020	2019	2021vs2019 Δ%	2021vs2020 Δ%
01 Accidents and injury	23,363	21,806	27,187	-14.1%	+7.1%
02 Health	153,214	130,082	203,176	-24.6%	+17.8%
03 Land vehicles hulls	68,975	60,299	69,572	-0,9%	+14.4%
08 Fire and natural forces	15,060	19,815	21,038	-28.4%	-24.0%
09 Other damages to assets	52,999	55,127	87,868	-39.7%	-3.9%
10 Motor TPL	162,061	148,514	200,810	-19.3%	+9.1%
13 General TPL	24,927	24,250	26,051	-4.3%	+2.8%
16 Sundry financial losses	8,566	11,255	8,778	-2.4%	-23.9%
<b>Total classes</b>	<b>509,165</b>	<b>471,148</b>	<b>644,480</b>	<b>-21.0%</b>	<b>+8.1%</b>



# 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  $\rightarrow$   $\frac{\text{Net claims costs}}{\text{Net premiums (retained business)}}$

Expense ratio (non life)  $\rightarrow$   $\frac{\text{Operating expenses}}{\text{Net premiums (retained business)}}$

Combined ratio  $\rightarrow$   $(1 - (\frac{\text{Technical result}}{\text{Net premiums}}))$  (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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