



Vittoria

Assicurazioni

SOCIETÀ PER AZIONI
VIA IGNAZIO GARDELLA, 2 - 20149 MILAN - ITALY
EURO 67,378,924 FULLY PAID-UP
TAX CODE AND MILAN COMPANIES' REGISTER
NO. 01329510158 – REA No. 54871
ENTERED IN THE REGISTER OF INSURANCE AND REINSURANCE COMPANIES – SECTION I NO. 1.00014
COMPANY BEING PART OF VITTORIA ASSICURAZIONI GROUP
ENTERED IN THE REGISTER OF INSURANCE GROUPS UNDER NO. 008
SUBJECT TO THE DIRECTION AND COORDINATION
BY THE PARENT COMPANY YAFA S.P.A.

Business report for the 99th year

2020 Annual Report & Accounts

Contents	page
Corporate bodies and officers	4
Directors' report	7
2020 Balance Sheet & Income Statement	53
Explanatory Notes to Accounts	73
Format and content of year-end financial statements	73
Reclassified Balance Sheet	74
Reclassified Individual Profit and Loss account	76
Part A – Accounting policies	77
Part B - Information on Balance Sheet and Income Statement	91
Balance Sheet	91
Income Statement	119
Tax schedules	130
Part C - Other information	133
Appendices 1-32 to Explanatory Notes	145
Board of statutory auditors' report	205
Independent auditor's report	211
Company Development since its Foundation	220

Board of Directors

Carlo ACUTIS	Chairman Emeritus
Andrea ACUTIS	Chairman
Adriana ACUTIS	Deputy Chairman
Cesare CALDARELLI	Managing Director
Massimo ANTONARELLI	Independent Director
Luciano GOBBI	Independent Director
Giorgio MARSIAJ	Independent Director
Maria Antonella MASSARI	Independent Director
Urs MINDER	Independent Director
Marzia MORENA	Independent Director
Luca PAVERI FONTANA	Non-executive Director
Giuseppe SPADAFORA	Non-executive Director
David MONTI	Secretary

Board of Statutory Auditors

Giuseppe CERATI	Chairman
Giovanni MARITANO	Standing statutory auditor
Francesca SANGIANI	Standing statutory auditor
Luca LAURINI	Substitute statutory auditor
Antonio SALVI	Substitute statutory auditor

GENERAL MANAGEMENT

Matteo CAMPANER	General Manager
Luca ARENSI	Deputy General Manager
Paolo NOVATI	Deputy General Manager

INDEPENDENT AUDITOR

Deloitte & Touche S.p.A.

APPOINTMENTS AND REMUNERATION COMMITTEE

Maria Antonella MASSARI	Independent non-executive chairman
Luciano GOBBI	Independent non-executive member
Luca PAVERI FONTANA	Non-executive member

INTERNAL CONTROL COMMITTEE

Massimo ANTONARELLI	Independent non-executive chairman
Luciano GOBBI	Independent non-executive member
Maria Antonella MASSARI	Independent non-executive member

FINANCE COMMITTEE

Andrea ACUTIS	Non-executive chairman
Adriana ACUTIS	Non-executive member
Carlo ACUTIS	Non-executive member
Cesare CALDARELLI	Executive member
Luciano GOBBI	Independent non-executive member
Luca PAVERI FONTANA	Non-executive member
Giuseppe SPADAFORA	Non-executive member

REAL ESTATE COMMITTEE

Andrea ACUTIS	Non-executive chairman
Adriana ACUTIS	Non-executive member
Carlo ACUTIS	Non-executive member
Cesare CALDARELLI	Executive member
Marzia MORENA	Independent non-executive member
Luca PAVERI FONTANA	Non-executive member
Giuseppe SPADAFORA	Non-executive member

RELATED-PARTY COMMITTEE

Maria Antonella MASSARI	Independent non-executive chairman
Luciano GOBBI	Independent non-executive member

STRATEGY COMMITTEE

Andrea ACUTIS	Non-executive chairman
Carlo ACUTIS	Non-executive member
Adriana ACUTIS	Non-executive member
Cesare CALDARELLI	Executive member
Luciano GOBBI	Independent non-executive member
Luca PAVERI FONTANA	Non-executive member
Giuseppe SPADAFORA	Non-executive member

Directors' report

Contents

Main key performance indicators.....	8
Strategic objectives.....	12
Review of operating performance.....	13
Life Business.....	15
Non-Life business.....	17
Reinsurance.....	22
Commercial organisation.....	23
Products - Research and development.....	24
Overhead costs – direct business.....	25
Operating costs – direct business.....	25
Investments.....	26
Real estate.....	28
Fixed-income securities, investments and mutual investment funds.....	28
Investments benefiting Life policyholders who bear related risk and relating to pension fund management.....	33
Non-convertible fixed-rate subordinated bond loan.....	33
Risk Report.....	34
Report on corporate governance and ownership structure.....	43
Human resources.....	45
Relations with the Supervisory Authority.....	46
Solvency Capital Requirements.....	47
Consolidated Non-Financial Statement for 2020 FY.....	47
Management and coordination.....	48
Intragroup and related-party transactions.....	49
Performance in the first months of the 2021 financial year and business outlook.....	50
Allocation of earnings.....	51

€/million

Main Key Performance Indicators			
	31/12/2020	31/12/2019	Δ %
Non Life business			
Gross Premiums written - direct Non Life business	1,221.3	1,220.9	0.03%
(1) - Loss Ratio (retained)	58.0%	65.1%	(7.1)
(2) - Combined Ratio (retained)	84.3%	89.7%	(5.4)
(3) - Expense Ratio (retained)	26.1%	24.4%	1.7
Non Life business technical balance (before transferral of technical profits from investments)	189.1	119.5	58.2%
Ordinary net investment income	2.7	(0.1)	n.s.
Next extraordinary income from investment	(3.0)	4.8	n.s.
Other income and expenses	(49.8)	(22.7)	n.s.
Taxes	(45.2)	(34.4)	31.3%
Non Life business net technical balance	93.9	67.1	39.8%
Life business			
Gross Premiums written - direct Life business	222.5	249.8	(10.9)%
(4) Annual Premium Equivalent (APE)	29.5	34.9	(15.5)%
Segregated fund performance: Rendimento Mensile	2.92%	2.98%	(0.06)
Segregated fund performance: Obiettivo Crescita	3.11%	3.02%	0.09
Segregated fund performance: Valore Crescente	4.03%	4.07%	(0.04)
Segregated funds assets	1,475.3	1,383.1	6.7%
Index/Unit - linked and Pension funds assets	113.8	91.4	24.5%
Life business technical balance	7.4	5.7	29.8%
Life business net technical balance	14.8	7.2	103.7%
Total Agencies			
Total Agencies	472	471	1
Average of employees	535	535	0
Investments with the risk borne by the Company	3,821.8	3,612.6	5.8%
Overhead costs as a % of GPW - direct business	8.2%	7.3%	0.9
Total net ordinary and extraordinary income from investments with risk borne by the Company	55.9	45.7	22.3%
Profit (loss) before taxation	159.8	112.3	42.3%
Net profit (loss)	108.6	74.4	46.0%
Shareholders' equity	664.9	569.2	16.8%
ROE	17.6%	13.7%	3.9
Dividend per share	0.47	0.20	135.0%

Legend

- 1) Loss Ratio – retained business: the ratio of current year claims to current year earned premiums;
- 2) Combined Ratio – retained business: the ratio of (current year claims + operating costs + intangible assets amortization + technical charges) to current year earned premiums;
- 3) Expense Ratio – retained business: the ratio of (operating costs + intangible assets amortization + net technical charges) to current year earned premiums;
- 4) APE (Annual Premium Equivalent): the sum of total premium business and 10% of sales of single premium business.

Dear Shareholders,

The 99th FY financial statements that are submitted for your approval show a net income of 108,624 thousand euro, increasing by 46.0% compared to the outcome of 2019 year (74,370 thousand euro).

The year 2020 was characterised by the Covid-19 pandemic, a disaster of exceptional proportions, to which your Company immediately reacted with a series of actions in favour of personnel, clients and the agency network, continuing to maintain a high level of attention on the management of the emergency that is still ongoing.

With regard to **company employees**, the agile work mode was promptly activated, in order to guarantee continuity in core processes, without impacting company productivity in relation to premium collection. After the lock-down period, all the necessary measures were put in place to ensure the gradual partial return of employees to company premises in complete safety.

All clients have been given free access to easy payment of premiums, through monthly splits with no interest, the suspension of all legal actions to recover premiums, deductibles and claims for compensation, and the possibility of paying premiums online via the Reserved Area / App. **Motor insurance customers** have been given the option of suspending and reactivating their motor liability cover free of charge and an increase in the period of grace allowed for premium payment of 15 days.

For the **distribution network**, support actions were activated to face the difficulties resulting from the pandemic, in terms of safety equipment and extraordinary economic support, both for the primary and secondary network, to ensure continuity of service to customers.

In addition to suspending the collection of instalments on reinsurance and non-insurance items from March 2020 and throughout 2020, an immediate advance of 90% of the payment of accrued incentives was provided for March 2020, in addition to the concession of further extraordinary facilities to support in particular, but not only, the production of the non-marine business.

For these initiatives, the Company incurred expenses of approximately 7 million euro in the 2020 financial year.

All of the actions described above highlighted Vittoria Assicurazioni's ability to react, which was able to deal with the emergency very quickly, providing immediate support to all business areas. This capacity enabled us to record a Non-Life premium volume that was essentially unchanged from the previous year (1,221,405 thousand euro, compared with 1,220,946 thousand euro at 31 December 2019), together with a loss ratio and a combined ratio for retained business of 58.0% and 84.3% respectively (65.1% and 89.7% in the previous year). Life business also contributed to the excellent result for the year, showing an improved technical result compared to the previous year. The overall Life business result also benefited from a disinvestment transaction on Italian government bonds which generated profits totalling 11,530 thousand euro. Life business premiums decreased by 10.9% compared to 2019, when large single-premium contracts were taken out.

These results are accompanied by solvency ratios that confirm the solidity of the Company, which promptly responded to requests from IVASS for further information on solvency. Vittoria's capital reinforcement in recent years and its ongoing investment in technological solutions allow us to confirm that there are no elements that might put into question the company's ability to continue as a going concern, the logic on which this Report is based. The Company is solid, liquid, present and careful about what is happening in our country and invests as much as possible to protect and support employees, the distribution network and customers.

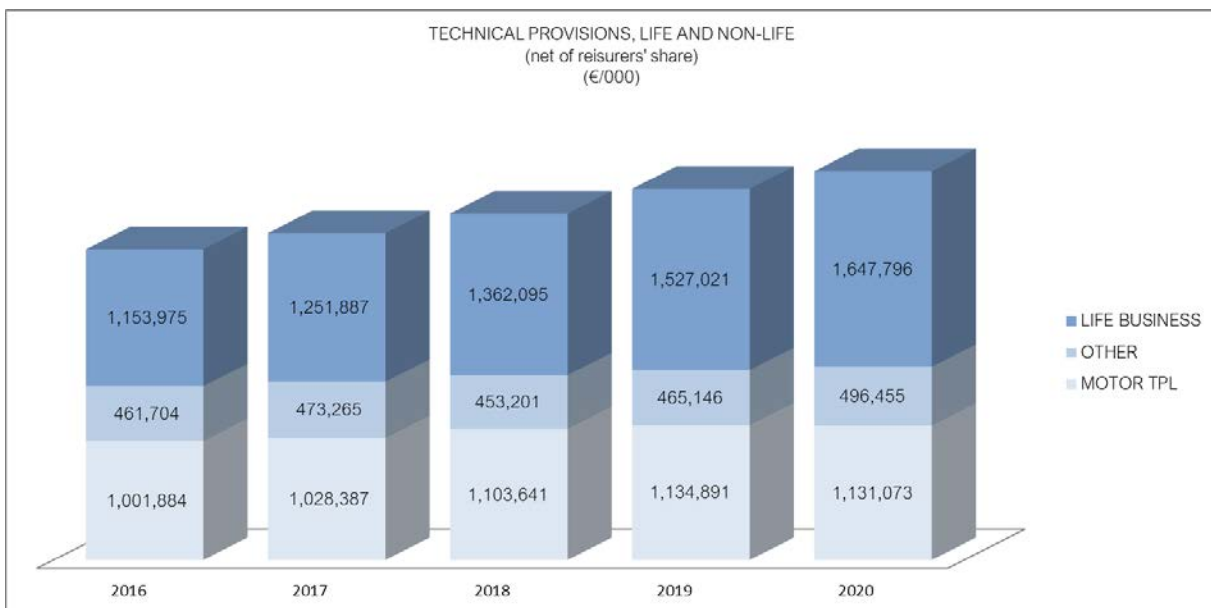
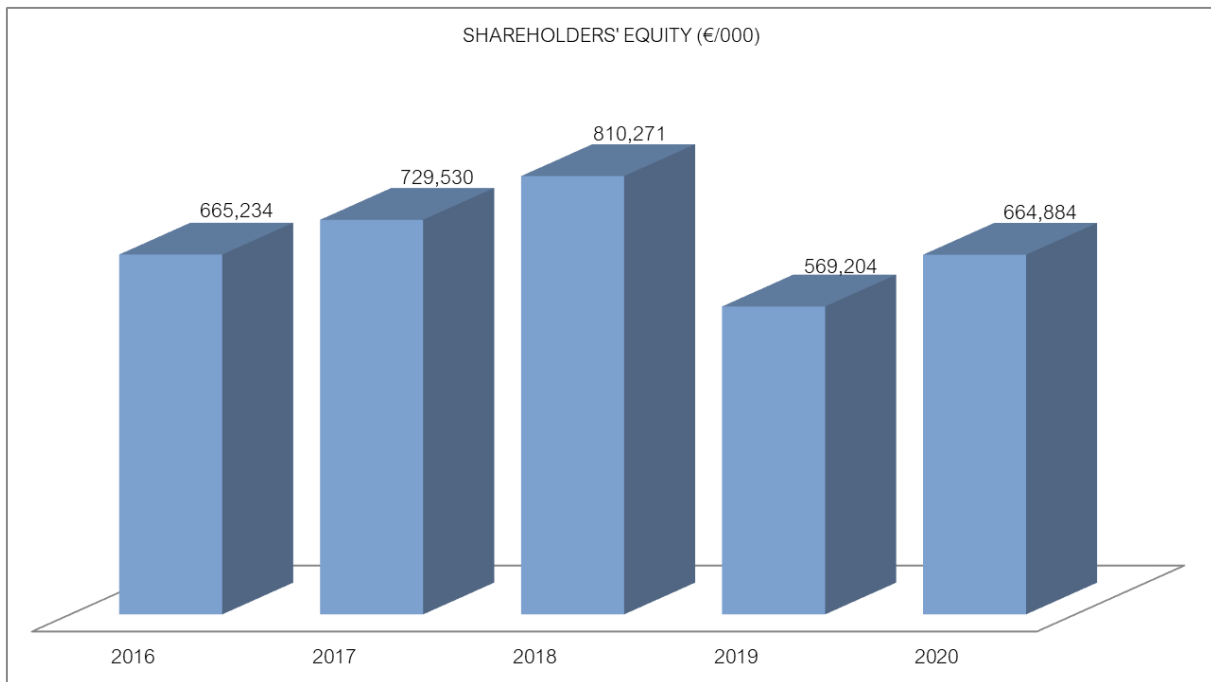
Investments, detailed in the chapter "Investment assets", totalled 3,935,641 thousand euro (+6.3% compared to 31 December 2019).

Group's shareholders' equity* (IAS/IFRS accounting standards) totalled 765.743 thousand euro, up by 16.1% compared to the shareholders' equity of 659.638 thousand euro recorded as at 31 December 2019.

Group's net profit totalled 110,883 thousand euro (+40.0% compared with the net profit of 79,201 thousand euro in the previous year).

* The Group definition refers to Vittoria Assicurazioni S.p.A. and to companies consolidated by it.

The following charts show local shareholders' equity trend and technical provisions amount in the last five FYs:



Strategic objectives

Vittoria Assicurazioni operates in all the insurance sectors and bases its activity on a long experience in the insurance field, gained from 1921 to today, for the protection of people, family and companies.

The main objective is to comply with the contractual commitments towards the Insured in a timely fashion and in the correct manner, obtaining an adequate profit margin.

This objective is supported by the achievement of technical profitability, by a policy focused on the consolidation of the acquired portfolio, by the loyalty of existing customers, but also by the increase in market share in the Non-Life Classes and by the acquisition of new production in the Life Class.

In carrying out its activities, the Company pays attention to the management of its risk profile mainly through:

- accurate risk pricing, achieved through segmentation of the portfolio into customer clusters, geographical area and belonging to specific interest groups;
- support to the sales network (which is the first filter in portfolio selection) through continuous training, constant technological support and a company interface characterised by strong technicality and decision-making streamlining;
- a stable and technically prepared management that guarantees guidelines consistent over time both in terms of underwriting and settlement;
- a low-risk investment policy (mainly to support the technical business) driven by the profile of insurance liabilities, without neglecting the search for adequate returns through portfolio diversification, also with investment property focusing on corporate sector, quality property and economically profitable areas;
- the protection of the Company's financial solidity and a balanced trade-off between profitability and solvency requirements in the long run;
- a structured and effective governance.

Review of operating performance

The following table compares, for each line, premiums written in FYs 2020 and 2019 and their contribution to the total portfolio mix:

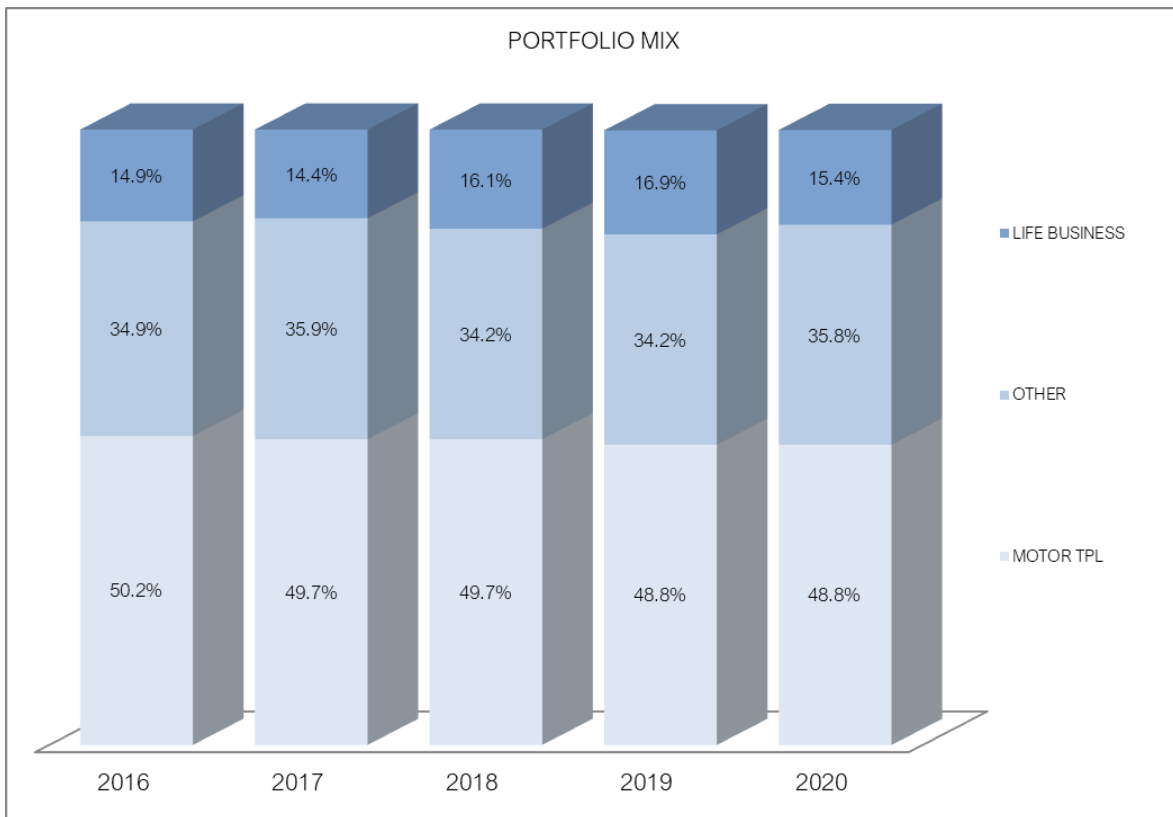
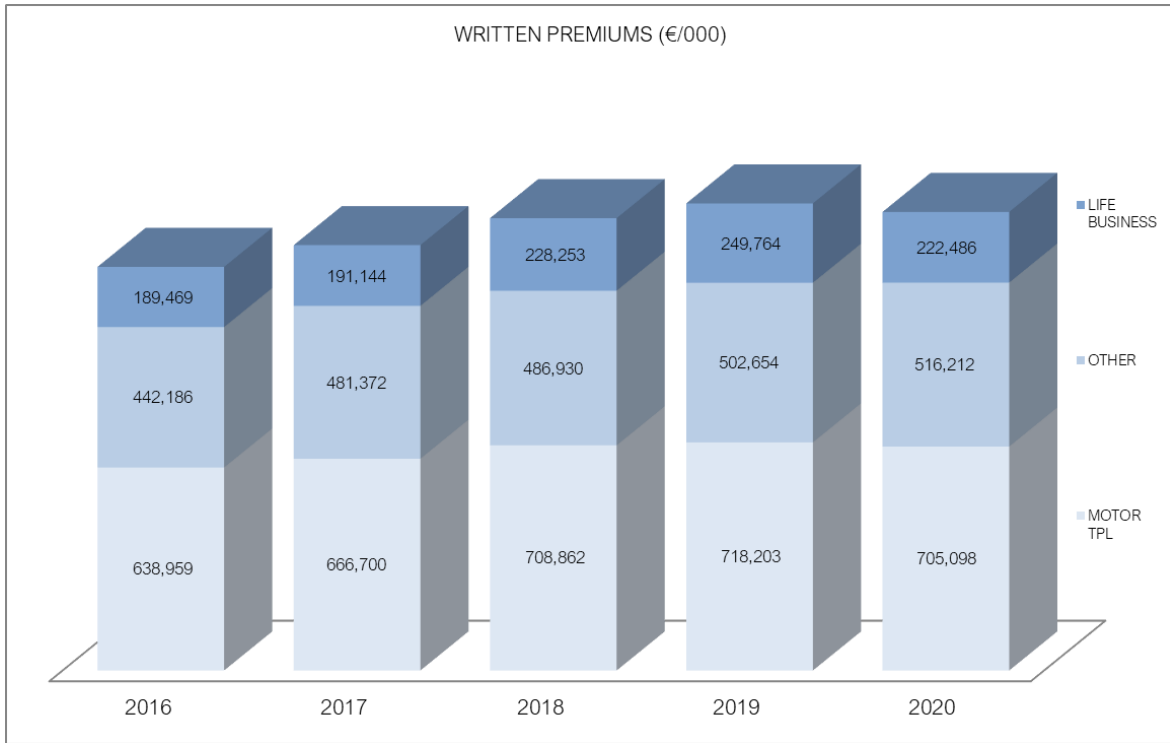
COMPARISON BETWEEN GROSS PREMIUMS WRITTEN IN 2020 AND 2019 DIRECT AND INDIRECT BUSINESS

	(€'000)				
	31/12/2020	31/12/2019	YoY change %	% of total book	
				2020	2019
<u>Domestic direct business</u>					
Life business					
I Whole- and term life	192,763	228,129	-15.5	13.4	15.4
III Unit-linked policies	26,308	18,386	43.1	1.8	1.3
IV Health (long-term care)	1,241	1,042	19.1	0.1	0.1
V Capitalisation	89	175	-49.1	0.0	0.0
VI Unit trust management	2,085	2,032	2.6	0.1	0.1
Total Life business	222,486	249,764	-10.9	15.4	16.9
Non-Life business					
Accident	98,949	95,540	3.6	6.9	6.5
Health	16,008	15,058	6.3	1.1	1.0
Fire and natural events	74,509	64,850	14.9	5.2	4.4
Miscellaneous damage	47,407	60,496	-21.6	3.3	4.1
General TPL (third-party liability)	77,576	73,980	4.9	5.4	5.0
Pecuniary losses	14,593	14,048	3.9	1.0	1.0
Legal protection	7,288	6,742	8.1	0.5	0.5
Total non-marine lines (exc. specialty and motor)	336,330	330,714	1.7	23.4	22.5
Railway rolling stock	26	5	420.0	0.0	0.0
Aircraft hulls	1	1	0.0	0.0	0.0
Marine hulls	1,897	1,356	39.9	0.1	0.1
Cargo insurance	2,369	1,851	28.0	0.2	0.1
Aviation TPL	1	1	0.0	0.0	0.0
Credit insurance	-119	-235	n.v	0.0	0.0
Bond insurance	3,448	3,754	-8.2	0.2	0.3
Total specialty lines	7,623	6,733	13.2	0.5	0.5
Third-party motor liability	705,098	718,203	-1.8	48.8	48.8
Third-party marine liability	1,169	1,103	6.0	0.1	0.1
Motor vehicle hulls	140,668	134,819	4.3	9.7	9.2
Support and assistance	30,422	29,285	3.9	2.1	2.0
Total motor lines	877,357	883,410	-0.7	60.7	60.1
Total Non-Life business	1,221,310	1,220,857	0.0	84.6	83.1
Total direct business	1,443,796	1,470,621	-1.8	100.0	100.0
<u>Domestic indirect business</u>					
Non-Life business	95	89	6.7	0.0	0.0
Total indirect business	95	89	6.7	0.0	0.0
Grand Total	1,443,891	1,470,710	-1.8	100.0	100.0

With regard to the Italian insurance market, it is noted that premiums as up 30 September 2020 (latest Ania Trends data) show, compared to the same period of last year, a decrease in Life business of 7% and a decrease in Non-Life business of 2.8% (-5% of which is Motor Third Party Liability).

The following charts highlight premium volume and portfolio breakdown in the last five FYs.

Italian Direct Business



Life Business

The range of products currently distributed by Vittoria Assicurazioni covers all insurance line of businesses. Vittoria Assicurazioni distributes products ranging from savings ("revaluable" policies relating to segregated funds), protection (policies covering risks of death, disability and non-self-sufficiency – long-term care) and supplementary pension plans (individual pension schemes and open-ended pension fund). The range offers also unit-linked policies and composite products, which are the investment solutions combining the potential return arising from insurance internal funds or investment funds (Lob III) and the security of the segregated fund (Lob I). The Company continues with the strategy of limiting the revaluable single-premium products linked to segregated funds. The commercialized segments include also policies that provide for the possibility of converting the accrued benefit into annuity: the conversion takes place at the conditions in force when the option is exercised. The tariff types applied are mixed, fixed term, entire life and temporary, both in the form of annual premium and in the single premium, as well as group rates for the case of death and / or disability. The contractual conditions are constantly updated and are in line with those commonly offered by the market.

The key features of FY2020 are summarised in the following table, where they are compared with data of the previous FY2019:

LIFE Business - 2020 Results - Net of reinsurance							(€/000)	
	2020 Results			2019 Results			Change	%
	Non - linked	Linked	Total	Non - linked	Linked	Total		
Premium Income	192,503	28,393	220,896	227,966	20,418	248,384	-27,488	-11.1
Other technical Income/(Costs)	-327	1,441	1,114	-89	1,161	1,072	42	3.9
Change in Technical Provisions	-93,893	-22,764	-116,657	-139,574	-24,195	-163,769	47,112	-28.8
Claims paid	-115,296	-5,996	-121,292	-106,995	-3,669	-110,664	-10,628	9.6
Overheads	-14,359	-1,870	-16,229	-13,411	-1,641	-15,052	-1,177	7.8
Ordinary and Extraordinary Investment net income	51,958	1,008	52,965	42,543	8,275	50,817	2,148	4.2
Operating Profit before Tax	20,586	212	20,797	10,439	349	10,787	10,009	92.8

In FY2020 the funds relating to segregated funds achieved the returns shown in the following table. The rate of return allocated to policyholders complies with the specific contractual terms stipulated:

	2020		2019	
	Rate of return	Total Assets	Rate of return	Total Assets
Vittoria Rendimento Mensile *	2.92%	748,094	2.98%	798,576
Vittoria Valore Crescente *	4.03%	76,554	4.07%	75,721
Vittoria Obiettivo Crescita *	3.11%	448,122	3.02%	373,842
Vittoria Previdenza **	3.02%	161,477	3.85%	134,948
Vittoria Obiettivo Rendimento *	2.59%	43,104	0.00%	-

* Observation period: 01/01/2020 - 31/12/2020

** Observation period: 01/10/2019 - 30/09/2020

Premiums

The Premiums for direct Life business amounted to 222,486 thousand euro, compared to 249,764 thousand euro in the previous year (-10.9%) and are broken down as follows:

	(€'000)				
	Year 31/12/2020	Year 31/12/2019	YoY change %	% of total book	
				2020	2019
Annual premiums	71,013	70,491	0.7	31.9	28.2
Single premiums	151,473	179,273	-15.5	68.1	71.8
Total Life business	222,486	249,764	-10.9	100.0	100.0

Claims, accrued capital sums & annuities, and surrenders

The following table summarises data for direct business relating to claims, accrued capital sums and annuities and surrenders (net of liquidation expenses), compared to data of previous year, with reference to line of business "I", "IV" and "V".

	(€'000)		
	31/12/2020	31/12/2019	YoY change %
Claims	14,873	16,656	(10.7)
Accrued capital sums & annuities	44,397	38,598	15.0
Surrenders	54,457	51,274	6.2
Total	113,726	106,527	6.8

Surrenders and claims relating to investments for which policyholders bear the risk (Lobs III unit- and index-linked policies and VI, open-ended pension fund) totalled 5,961 thousand euro vs. 3,649 thousand euro in FY2019.

Non-Life business

Technical result

The following table shows – in total and by line of business – the technical results of direct and indirect business, net of related outward reinsurance, equalisation (i.e. smoothing) reserves – compared with the same data for the previous FY. The result shown does not take into account the allocation of investment income earned during the FY.

Non Life Business - 2020 Results		(€'000)		
Line of business		2020 Technical result	2019 Technical result	YoY Change %
Code	Description			
01	Accident	31,868	34,207	(6.8)
02	Health	2,668	854	n.s.
03	Land motor vehicle hulls	22,440	16,878	33.0
04	Railway rolling stock	(7)	2	n.s.
05	Aircraft hulls	1	1	0
06	Marine hulls	(747)	(667)	12
07	Cargo insurance	111	481	(76.9)
08	Fire and natural events	(5,364)	(3,738)	43.5
09	Miscellaneous damage	(6,631)	(2,808)	136.1
10	Motor TPL	98,891	19,519	n.s.
11	Aviation TPL	(5)	(4)	25.0
12	Marine TPL	351	(293)	n.s.
13	General TPL	21,743	19,288	12.7
14	Credit insurance	1,508	4,093	(63.2)
15	Bond insurance	499	4,488	(88.9)
16	Pecuniary losses	11,556	16,991	(32.0)
17	Legal protection	2,718	2,912	(6.7)
18	Support and assistance	7,529	7,330	2.7
Total Non-Life businesses		189,129	119,534	58.2

Technical performance

Technical management trend shows a result in improvement compared to the previous year, thanks to the positive contribution of motor lines.

The following sets out the considerations for the different lines of business:

NON-MARINE BUSINESSES

Premiums of non-marine line of business increased by 1.7%. It should be noted that in the 2020 FY, it was decided not to develop any production in the Hail business, given the forecasts of a negative trend, in contrast to the 2019 FY in which there were premiums collected of approximately 16 million euro. On a like-for-like basis the increase in premiums would have been 6.8%.

The number of policies in the portfolio of the Lob increased by 3.1% compared to the previous year.

The technical result is positive, down compared to the previous year due to a higher incidence of claims linked to atmospheric phenomena affecting Italy.

More specifically, each line of business featured the following technical results:

Accident: premiums recorded an increase of 3.6%.

The technical result is positive, but decreasing compared to the previous year, also due to a higher incidence of serious claims.

Disease: premiums shows an increase of 6.3%, with a positive technical result that improved compared to the previous year, partly due to a lower incidence of serious claims.

Fire and natural events: this line of business shows an increase in premiums of 14.9%.

The negative technical result is due to a greater incidence of claims from atmospheric phenomena and claims of significant amount that affected entities that had been insured for a long time and had not recorded previous claims.

Miscellaneous damages: premiums, including the risk of theft, hail and damage to electronic and technological equipment, recorded a decrease of 21.6% compared to previous year also due to the lack of premium income from the Hail business in the current year. The negative technical result was affected by the updating of the assessment of damages from previous years, partly related to the exceptional weather events of the previous year.

General Third-Party Liability: premiums increased by 4.9%, with a positive technical result that improved compared to the previous year thanks to the effects of the constant portfolio reform actions and the lower incidence of serious claims.

Miscellaneous financial losses (various pecuniary losses): premiums written showed an increase of 3.9%. The line maintains a positive technical result.

Legal protection: premiums grew by 8.1%, with a positive technical result.

SPECIALTY BUSINESSES

Premiums increased by 13.2% thanks to the positive contribution of Cargo Insurance and Marine Hulls lines. The technical result is positive.

In particular:

Watercraft (sea, lake, and river) hulls and railway rolling stock: premiums increased by 39.9% thanks also to the development of the channel through brokers specialised in the sector. The technical result is negative, mainly due to a higher incidence of serious claims.

Cargo (goods in transit): premiums written increased by 28.0% thanks to the development of actions on transport companies that were already customers for the Motor Lob. The technical result is positive.

Credit: this Line of business includes exclusively the risks relating to the Salary-Backed Loans which continues the management of the ongoing portfolio, with no activity of developing the Lob.

The premium volume suffered the strict repayment rules in case of early repayment of the financing underlying the insurance coverage.

The technical result maintained positive.

Surety: premiums written showed a decrease of 8.2% compared to the previous year, due to the continuation of the rigorous underwriting policy and market uncertainties in the world of procurement. The technical result maintained positive.

MOTOR BUSINESSES

The ongoing Covid-19 pandemic strongly influenced the dynamics of the Motor business. The positive technical result, a significant improvement over the previous year, is largely due to the reduction in claims frequencies resulting from the almost total stop in circulation during the period of total lock-down (March and April), which was followed by a recovery in circulation to a lesser extent than in the previous year. Finally, the subsequent partial lock-downs in the last three months of the financial year contributed to this.

Premiums fell by 0.7%, partly as a result of the significant reduction in new registrations throughout the year and partly due to the increase in requests from customers to suspend contracts during periods of total or partial road block, as well as the postponement of policy renewal premium collections caused by legislation concerning the extension of the period of arrears for the payment of insurance premiums.

In particular:

Land motor vehicle hulls: premiums reported a growth on the previous year (4.3%), linked to the dynamics of the Motor TPL Lob, with a clearly improved technical result strongly influenced by the reductions in traffic during the various lock-down periods.

Third-party liability for land motor vehicles and for watercraft (sea, lake, and river): premiums decreased by 1.8% and the technical result improved significantly for the reasons explained above.

Assistance: premiums increased by 3.9% and the technical result is positive moderately improving.

Claims

Reported claims

The following chart, concerning the number of reported claims, has been prepared using data from positions opened during the year; data are compared with those for 2019:

	Numer of Reported claims		YoY Change %	Numer of Reported claims without consequences		YoY Change %	Numer of Reported claims closed		YoY Change %
	31/12/2020	31/12/2019		31/12/2020	31/12/2019		31/12/2020	31/12/2019	
Accident	9,016	11,101	-18.78%	1,948	2,499	-22.03%	4,259	5,287	-19.45%
Health	3,763	4,510	-16.56%	424	688	-38.44%	2,737	3,221	-15.04%
Fire and natural events	10,318	10,566	-2.35%	2,122	2,030	4.54%	6,780	6,756	0.36%
Miscellaneous damage	23,262	22,157	4.99%	3,689	3,778	-2.36%	17,404	16,473	5.66%
General TPL (third-party liability)	8,664	9,025	-3.99%	2,241	2,443	-8.25%	4,550	4,714	-3.49%
Pecuniary losses	284	291	-2.24%	75	88	-14.77%	171	129	32.56%
Legal protection	582	464	25.43%	71	68	4.41%	130	82	58.54%
Total non-marine lines	55,890	58,113	-3.83%	10,570	11,593	-8.83%	36,031	36,662	-1.72%
Railway vehicles	1	-	0.00%	-	-	0.00%	-	-	0.00%
Marine hulls	150	145	3.45%	15	5	200.00%	57	55	3.64%
Cargo insurance	310	270	14.70%	34	23	48.46%	138	128	7.33%
Credit insurance	147	248	-40.73%	46	76	-39.47%	18	29	-37.93%
Bond insurance	42	86	-50.85%	9	39	-76.92%	2	20	-90.00%
Total specialty lines	650	749	-13.28%	104	143	-27.28%	215	232	-7.58%
Third-party motor liability	112,452	155,266	-27.57%	16,020	21,363	-25.01%	75,191	103,979	-27.69%
Third-party marine liability	100	101	-0.99%	21	15	40.00%	46	39	17.95%
Motor vehicle hulls	49,541	61,013	-18.80%	1,989	2,305	-13.71%	40,377	47,313	-14.66%
Support and assistance	60,830	70,536	-13.76%	252	500	-49.60%	52,802	59,636	-11.46%
Total motor lines	222,923	286,916	-22.30%	18,282	24,183	-24.40%	168,416	210,967	-20.17%
Total Non-Life businesses	279,463	345,778	-19.18%	28,956	35,919	-19.39%	204,662	247,861	-17.43%

Motor TPL received no. 78,613 reports of claim events to be managed as originator (-29.45% compared to 31 December 2019) and the total cost, net of the recovery of the lump-sum paid by the debtor companies, amounted to 54,791 thousand euro (-12.32% compared to 31 December 2019).

Claims paid

The gross cost of all generations of claims, which comprises the cost of the claims handling organisation, is shown in Appendix 19 to the Explanatory Notes. The following table shows the amount of claims paid for direct business, net of recoveries, and the amount charged to reinsurers, with the data broken down by Lob and the period to which claims refer:

	(€'000)									
	Claims paid 31/12/2020			Claims recovered from reinsurers	Claims paid 31/12/2019			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reinsurers %
	Current year	Previous years	Total		Current year	Previous years	Total			
Accident insurance	8,620	18,369	26,989	28	9,347	17,431	26,778	23	0.8	21.7
Health insurance	4,234	2,633	6,867	68	5,230	3,897	9,127	74	(24.8)	(8.1)
Fire and natural events	20,178	24,094	44,272	10,327	21,942	10,797	32,739	6,729	35.2	53.5
Miscellaneous damages	26,226	8,224	34,450	588	43,205	8,078	51,283	18,481	(32.8)	(96.8)
Third-party general liability	5,610	13,275	18,885	227	5,896	12,924	18,820	671	0.4	(66.2)
Pecuniary losses	242	(855)	(613)	31	171	(1,645)	(1,474)	37	n.v.	(16.2)
Legal protection	37	471	508	438	43	287	330	286	53.9	53.2
Total non-marine businesses	65,147	66,211	131,358	11,707	85,834	51,769	137,603	26,301	(4.5)	(55.5)
Third-party marine liability	618	836	1,454	26	295	705	1,000	(340)	45.4	n.v.
Cargo insurance	240	579	819	(1)	208	578	786	11	4.2	n.s.
Third-party aviation liability	0	33	33	30	0	0	0	0	n.s.	n.s.
Credit insurance	39	(78)	(39)	0	156	215	371	0	n.s.	n.s.
Bond insurance	285	1,009	1,294	905	174	1,192	1,366	768	(5.3)	17.8
Total Special businesses	1,182	2,379	3,561	960	833	2,690	3,523	439	1.1	118.7
Third-party motor liability	184,049	284,184	468,233	188	230,513	307,149	537,662	8	(12.9)	2250.0
Third-party marine liability	316	489	805	0	229	405	634	0	27.0	n.s.
Motor vehicle hulls	50,136	26,608	76,744	10,177	60,479	16,990	77,469	8,982	(0.9)	n.s.
Support and assistance	8,685	3,202	11,887	10,340	9,970	3,110	13,080	11,407	(9.1)	(9.4)
Total motor businesses	243,186	314,483	557,669	20,705	301,191	327,654	628,845	20,397	(11.3)	1.5
Total Non-Life businesses	309,515	383,073	692,588	33,373	387,858	382,113	769,971	47,138	(10.1)	(29.2)

The additional cost born in the current year for the road-accident victim guarantee fund was 16,702 thousand euro compared to 17,070 thousand euro of the previous year.

Claims settlement speed

The following table illustrates how quickly reported claims (by number) were paid net of claims eliminated without consequences, broken down by current generation and previous generation in reference to the main lines of business:

	(percentages)			
	current generation		previous generations	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Accident insurance	60.26	61.46	63.55	66.52
Health insurance	81.95	84.28	60.09	79.30
Motor vehicle hulls	84.91	80.59	84.94	76.03
Fire and natural events	82.73	79.14	80.74	80.26
Miscellaneous damages - theft	88.92	89.63	87.98	88.82
Third-party motor liability	77.96	77.63	68.71	69.15
Third-party general liability	70.83	71.62	35.79	39.41

Anti-fraud activities

Claims which are presumed to be possible cases of fraud are handled with anti-fraud criteria established by the company's guidelines.

Savings for the year in relation to the Motor TPL business, quantified in accordance with Law 27/2012 implemented by Regulation ISVAP no. 44, amounted to 6.8 million euro (6.4 million as at 31 December 2019). As a result of the deepening in relation to fraud risk, savings of 5.9 million euro were achieved for claims that have been defined without result (5.8 million as at 31 December 2019) and 0.8 million euro for claims definitively settled (0.6 million as at 31 December 2019), compared to the assessed value posted to technical provisions.

Claims reserve run-off – Retained risks

The claims reserve existing at the beginning of FY2020, compared with costs borne in the year for previous years' claim events - consisting of payments made and year-end reserving for claims yet to be paid – showed, for the only direct business, a surplus of 6.217 thousand euro, i.e. 0.5% of opening reserves, as highlighted in the following table:

Retained Risks	(€/000)		
	2020	2019	YoY change %
Claims reserve brought forward	1,181,471	1,150,676	2.7
Amounts paid in the year related to claims occurred in previous years	(375,371)	(386,929)	(3.0)
Balance of claims recovered or to be recovered by policyholders	6,853	15,471	(55.7)
Claims reserve carried forward	(806,736)	(756,031)	6.7
Aggregate profit (loss) development table	6,217	23,187	(73.2)
% of incidence on claims reserve brought forward	0.5	2.0	(1.5)

Reinsurance

LIFE BUSINESS

Outward reinsurance

In the Life business, with respect to Lob "I", there is an excess of loss treaty per head and catastrophe, to protect the portfolio.

Ceded premiums in FY20 amounted to 1,590 thousand euro (1,380 as at 31 December 2019).

Inward reinsurance

The Life business inward reinsurance refers to a traditional pure-premium treaty no longer fed with new business, which records changes occurring in the related portfolio.

NON-LIFE BUSINESS

Outward reinsurance

As far as outward reinsurance is concerned, the corporate policy is based on selective underwriting of risks and on book development and entity in relation to the risks covered. It aims to balance net retention. Transactions are undertaken internationally with players in the reinsurance markets featuring high ratings.

The main treaties in place are the following:

Excess claims: Accident, Motor vehicle Hulls, Marine Hulls, Cargo (goods in transit), Fire and natural events, Motor TPL and General TPL;

Pure premium: Suretyship, Legal protection, Assistance and Miscellaneous damage in relation to Hail, Engineering risks and ten year guarantees and Fire concerning the catastrophe events Earthquake, Flood and Flash Flood. A transfer of pure quota is also active for "Cyber" risk, which concerns the line Assistance, General TPL, Pecuniary Losses and Miscellaneous damage.

Ceded premiums in FY20 amounted to 36,331 thousand euro (57,109 as at 31 December 2019).

Inward reinsurance

Acceptance of risks relating to the indirect business mainly arises from participation in syndicates and from acceptance of shares in Italian businesses, which are entered into voluntarily.

As regards credit risk, we highlight the fact that Vittoria Assicurazioni makes use of top-level reinsurers. The following table shows the balance sheet transactions in place as at 31 December 2020, by rating:

(€'000)				
Rating	Current and Deposit accounts	Reinsurers' share of technical reserves	Total net balance sheet items	% of breakdown
AA+	183	94	277	0.5
AA	-165	300	135	0.2
AA-	-9,589	40,782	31,193	55.0
A+	-290	12,020	11,730	20.7
A	1,941	3,606	5,547	9.8
A2	-1,046	3,583	2,537	4.5
A-	3	2,301	2,304	4.1
Not rated	-692	3,690	2,998	5.3
Total	-9,655	66,376	56,721	100.0

Commercial organisation

The development activity has resulted in the opening of 8 new agencies and the reorganization of other 29 and the closure of 7 agencies; as at 31 December 2020 Vittoria Assicurazioni was nationally present with 472 General Agencies (471 as at 31 December 2019) and 1,139 Sub-Agencies Professional (1,102 as at 31 December 2019).

The planned training activity continues for the primary sales network (General Agents), for “second level” sales agents (producers and sub-agents) and for agency employees in line with 2019.

In particular, in 2020, the focus of training was, in view of the profound changes in sociality following the COVID-19 pandemic, on developing skills in remote customer relationship management, including increasing digital network knowledge. The effort of Network Training also focused on transforming the classroom training, foreseen in the plan, into synchronous webinars: the result was achieved by converting 82% of the classroom training into virtual classrooms. Since March 2020, all training has applied distance learning methodologies. In 2020, the project dedicated to the professional training of future Vittoria agents, Vittoria#InVetta, was also completed, with the provision of 448 hours of distance learning.

During 2020, training was provided by external trainers, assisted by training specialists and technicians within the Directorate, selected on the basis of the requirements of Reg. 40/2018 art. 96.

The strong push towards digitalisation led, also in the training area, to an acceleration of the development of the UniV APP, in order to capillary and simply transmit all training content to the network. At the same time, the software and contents of all the online modules in the professional development pathway were updated: a total of 84 titles.

Products - Research and development

During the year, the review continued for technical interventions and adjustments to the sector regulations (IVASS, COVIP, CONSOB) of the products of the Non-life and Life business.

The Non-Marine Businesses include the marketing of the new product called "Vittoria Protezione Cani & Gatti", aimed at owners of dogs and cats, with assistance services and refund of veterinary expenses in case of injury or illness of the animal with the possibility of covering civil liability in case of damage to third parties caused by the animal.

In the Life business, the marketing of the following new products was launched:

- The product "Vittoria Tutela Futuro Classic New", which replaces temporary death case policy "Vittoria Tutela Futuro Classic". This product introduces the concept of "Preferred Profile". On the basis of a careful portfolio analysis and specific studies on the topic, those individuals were identified who, in relation to objective and subjective characteristics, can be considered preferred risks. The qualification of preferred subject gives the Policyholder the possibility to benefit from a premium discount valid for the entire duration of the contract;
- The Lob I product "Vittoria InvestiMeglio - Valore GS" with a fixed term of 10 years. This product allows you to invest a single premium, which will be revalued annually based on the performance of the segregated fund "Vittoria Obiettivo Rendimento";
- The product "Vittoria InvestiMeglio - DoppiaEvoluzione Valore" is a whole life multi-branch single-premium policy, with the possibility of additional payments. It allows you to invest simultaneously in the segregated fund "Vittoria Obiettivo Rendimento" and in the internal insurance fund "Vittoria Azionario";
- Vittoria InvestiMeglio MultiValore Open" is a whole-life multi-branch policy. The benefits provided by the contract are linked both to the performance of the segregated fund "Vittoria Obiettivo Rendimento" and to the performance of the value of assets held in Undertakings for Collective Investment (UCITS).

Overhead costs – direct business

The total amount of personnel costs, other costs, and depreciation & amortisation charges, before allocation to specific functions, i.e. claims handling, business production organisation, and asset administration, amounted to 118,121 thousand euro vs. 107,487 thousand euro in 2019, with an increase of 9.9%.

Besides current operating expenses, these costs also include amortisation of investments in IT structures and processes aimed at containing, in future, overheads burdening the HQ and the agency network, whilst also improving services for policyholders as regards insurance cover and claims settlement.

The following table shows the breakdown of these costs, with "Other costs" consisting primarily of office operating costs, IT costs, legal and legal-entity costs, mandatory contributions, and association membership fees.

	(€000)		
	31/12/2020	31/12/2019	Change %
Personnel expenses	59,641	59,042	1.0
Other costs	52,201	45,682	14.3
Amortizations/Depreciations	6,279	2,763	127.3
Gross Operating Costs	118,121	107,487	9.9
Percentage of Premiums Written	8.2%	7.3%	0.9

The increase in the item "Other costs" is mainly due to the costs incurred during the year for the implementation of the Business and Management application systems. The increase in the item "Depreciations and amortisations" compared to the previous year is due to the revision of the residual useful life of the above-mentioned application systems, which led to a €2,984 thousand increase in depreciation.

Overheads recorded an incidence on the overall insurance income of 8.2% (direct business) (7.3% as at 31 December 2019).

Operating costs – direct business

The following table shows the breakdown of operating costs for direct business, calculated gross of commissions and reinsurer profit-sharing.

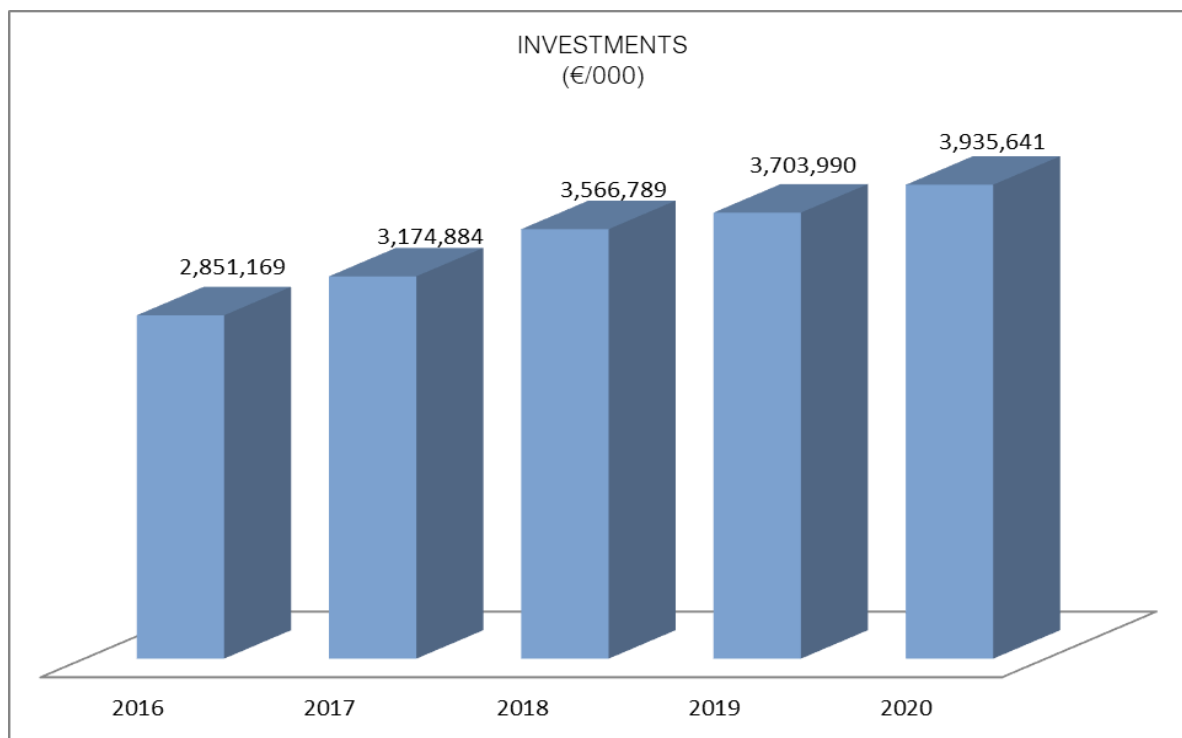
	(€000)		
	31/12/2020	31/12/2019	Change %
Operating Costs, net of expenses transferred to acquisition, claims handling and investment management expenses (A)	84,802	77,725	9.1
- Acquisition and collection costs	210,222	205,175	2.5
- Other acquisition costs	26,561	20,447	29.9
Total Acquisition Costs (B)	236,782	225,622	4.9
Total Overheads (A+B)	321,584	303,347	6.0
Percentage of Premiums Written	22.3%	20.6%	1.6

Investments

Investments reached a value of 3,935,641 thousand euro with an increase of 6.3% YoY. Their breakdown is shown in the table below:

(€/000)			
Investments	31/12/2020	31/12/2019	Change %
Land and buildings	176,348	177,445	-0.6
Investments in group and other companies			
- Equity investments	408,179	463,196	-11.9
- Loans	4,120	11,190	-63.2
Other financial investments:			
- Unit trust units	797,147	614,752	29.7
- Bonds and other fixed-interest securities	2,417,270	2,327,155	3.9
- Loans	15,781	15,886	-0.7
- Deposits with banks	3,000	3,000	0.0
Total investments where the company bears the risk	3,821,845	3,612,624	5.8
Investments benefiting life policyholders bearing the risk	113,796	91,366	24.6
Total investments	3,935,641	3,703,990	6.3
Bank accounts and cash-in-hand	2,302	6,721	-65.8

Vittoria Assicurazioni continued the action aimed at diversification by asset classes of the investment portfolio during the year. Given the market conditions and the rates of return recognized on bonds, in order to guarantee an adequate return on the portfolio and a limited volatility, the share invested in UCITS has increased.



The following table shows net income from investments by splitting them in ordinary and extraordinary part.

	(€/000)		
	31/12/2020	31/12/2019	
Ordinary and extraordinary Income on investments (net of related costs)	Amount	Amount	Change %
Income on equity investments	7,359	3,432	114.4
Income (cost) on other investments:			
- land and buildings	537	741	(27.5)
- bonds and other fixed-interest securities	35,075	34,243	2.4
- income on unit trust units	18,141	20,381	(11.0)
- interest on loans	230	350	(34.3)
- interest on deposits with ceding companies	(113)	(115)	(1.7)
- other financial investments	8	8	0.0
Total net income	61,237	59,040	3.7
Adjustments to investment values:			
- land and buildings	(4,830)	(5,385)	(10.3)
- equity investments	(11,340)	(11,152)	1.7
- unit trust units	(30)	(614)	(95.1)
- bonds and other fixed-interest securities	(1,227)	(521)	135.5
Total net adjustments to investment values:	(17,427)	(17,672)	(1.4)
Ordinary profit (loss) on sale of investments:			
- bonds and other fixed-interest securities	839	(1,139)	(173.7)
Total net profit on sale of investments	839	(1,139)	(173.7)
Total net ordinary income on investments where the company bears the risk	44,649	40,229	11.0
Extraordinary profit (loss) on sale of investments:			
- equity investments	(59)	(157)	(62.4)
- unit trust units	(175)	1,390	(112.6)
- bonds and other fixed-interest securities	11,530	4,284	169.1
Total net extraordinary profit on sale of investments	11,296	5,517	104.7
Total net ordinary and extraordinary income on investments where the company bears the risk	55,945	45,746	22.3
Net income on investments benefiting life policyholders bearing the risk	996	8,367	(88.1)
Grand Total	56,941	54,113	5.2

Net income with risk borne by the Company increased from 45,746 thousand euro to 55,945 thousand euro (+22.3% compared to 31 December 2019). The result benefited from the sale of Italian government bonds in the third quarter of the year, which produced realised gains totalling 11,530 thousand euro.

Income and expenses from shares and participations, net of value adjustments on shares and participations, amounted to -3,654 thousand euro. This result mainly includes total dividends of 7,686 thousand euro and depreciation on real estate investments of 11,250 thousand euro. For further details, please refer to the movements reported in the paragraph on the equity portfolio.

Charges related to land and buildings amounted to 4,830 thousand euro and refer to the depreciation charge on operating buildings relating to the year, of which 1,326 thousand euro related to the company headquarters in the Portello area of Milan.

The weighted average return on "bonds and other fixed-income securities" goes from 1.9% as at 31 December 2019 to 2.3% as at 31 December 2020.

Real estate

The real estate at 31 December 2020 amounted to 176,348 thousand euro (177,445 thousand euro at 31 December 2019).

The items making up the balance are as follows:

- 79,895 thousand euro relating to the company's registered office building;
- 131 thousand euro relating to own use properties;
- 73,179 thousand euro for buildings in the Portello area located in Milan leased to third parties;
- 4,089 thousand euro relating to real estate for free loan to the Agencies;
- 19,054 thousand euro used by third parties.

The change compared to 31 December 2019 is primarily due to the amortization for the period amounting 4,830 thousand euro, 1,330 thousand euro of which is related to own-use properties and 3,500 thousand euro in real estate used by third parties; as at 31 December 2020, increases in fixed assets relating to the property of the Company's registered office building for 279 thousand euro and increases in fixed assets used by third parties for 3,454 thousand euro.

For more details, please refer to the Explanatory Notes.

Fixed-income securities, investments and mutual investment funds

Bond Portfolio

As provided for by the investment policies of the Company, direct investments in bonds generated net cash flows related to reimbursements of 448,997 thousand euro with recognition of net losses of 116 thousand euro.

Purchases were made for 735,928 thousand euro, of which 215,263 thousand euro fully allocated to the non-current segment.

In view of the performance of the market rates, ECB prospects and the implementation of the investment policy, bonds accounting for 172,173 thousand euro were sold, 66,472 of which were allocated to the non-current segment.

Sales for 172,173 thousand euro were related to government and sub-sovereign issuers, 66,472 of which were allocated to the non-current segment, realizing net capital gains of 12,485 thousand euro, 11,530 of which were allocated to the non-current segment.

Write-downs were accounted for on bonds allocated to the short-term portfolio for a total of 1,227 thousand euro.

Write-downs for 30 thousand euro were also accounted for on monetary funds allocated to the short-term portfolio.

In October, the company concluded a forward sale transaction with the aim of hedging against both interest rate and credit risk, which concerned part of the Italian government bonds allocated to the life portfolio for a nominal value of 307,750 thousand euro.

It should be noted that as at 31 December 2020, the Company did not avail itself of the right to temporarily suspend the capital losses on short term securities introduced by the decree-law no. 119 of 23 October 2018, containing provisions on tax and financial matters, converted into law no. 136 on December 17, 2018.

Persons who do not adopt international accounting standards are allowed, in the current year at the date of entry into force of the decree, to evaluate securities that are not destined to remain permanently in their assets based on their book value as resulting from the last regularly approved annual balance sheet instead of the value stemming from the market trend, except for long-term losses.

As at 31 December 2020 the suspension of the capital losses of these securities would have been 1,257 thousand euro.

Mutual investment funds

The main transactions relating to mutual investment funds were as follows:

- payments of 22,521 thousand euro in equity ETFs totally allocated to the non-current segment;
- payments of 20,505 thousand euro in funds specializing in Infrastructure Equity entirely allocated to the non-current segment and repayments of 103 thousand euro;
- payments of 19,320 thousand euro in funds specialized in Private equity allocated to the non-current segment and repayments of 9,420 thousand euro recording net capital gains of 8 thousand euro;
- payments of 5,914 thousand euro in funds specializing in direct lending fully allocated to the non-current segment and repayments of 1,961 thousand euro, recording losses of 11 thousand euro;
- payments of 20,000 thousand euro in funds specialized in Residential Mortgage allocated to the non-current segment;
- payments of 9,200 thousand euro in funds specialized in Private debt e loans fully allocated to the non-current segment;
- Investments of 48,939 thousand euro in Infrastructure Equity funds totally allocated to the non-current segment, and repayments of 5,729 thousand euro, recording losses of 172 thousand euro;
- purchases for 23 thousand euro in equity funds with long/short strategy;
- acquired a 50.98% participation in Pegasus real estate fund, a vehicle containing building V in San Donato Milanese leased to the ENI S.p.A. Group, through the payment of 53,262 thousand euro. The transaction is part of a rebalancing of the Company's real estate assets.

Equity Portfolio

The following were the changes during the financial year with respect to the Equity Portfolio for long-term use, excluding controlled companies, associate Companies and Subsidiaries:

- acquired a participation for 195 thousand euro in a company in the context of a private equity management assigned to the durable segment;
- sale of the equity investment in Camfin Industrial S.p.A. allocated to the long-lived segment and written down for 2,491 thousand euro, realising capital losses of 59 thousand euro;
- acquired a further participation in Consultinvest S.p.A., now at 18.75% through the disbursement of 5,000 thousand euro allocated to the durable segment;
- Yam Invest N.V.: received a dividend of 1,125 thousand euro.

The transactions refer to the Subsidiaries, Associates and Affiliates are described as follows:

- Vittoria Hub S.r.l.: 575 thousand euro paid into the newly established start-up incubator company;
- The subsidiaries VZ Real Estate s.r.l. and VALSALARIA S.r.l. (in which the Company had renounced a shareholders' financing of 850 thousand euro during the year) were merged by incorporation into Acacia 2000 S.r.l.;
- V.R.G. DOMUS S.r.l.: 20,500 thousand euro were paid in as capital contribution and a renouncement of shareholders' financing in the amount of 4,500 thousand euro was approved. During the year, the Company received 7,000 thousand euro in capital reimbursements;
- VAIMM Sviluppo S.r.l.: the Company had renounced a shareholders' financing of 5,000 thousand euro;
- Acacia: 11,800 thousand euro paid in capital contribution;
- Immobiliare Bilancia Prima S.p.A.: sold the majority of the company, bringing the participation to 49% against cash income of 64,606 thousand euro;
- Vittoria Immobiliare S.p.A.: recognised a write-down of 3,000 thousand euro for adjustment to equity;
- Vittoria Properties S.r.l.: recognised a write-down of 1,650 thousand euro for adjustment to equity;
- Touring Digital Srl: the equity investment was written down due to adjustment to shareholders' equity, recording a charge of 90 thousand euro.

Pursuant to Article 2,428 paragraphs 3 and 4, it is certified that Vittoria Assicurazioni S.p.A. did not carry out any transaction, either directly or indirectly through trustees or nominees, involving its own shares and shares of the Parent Company.

Securities portfolio breakdown

The following table shows the book value of the securities portfolio with risk borne by the company, between Life and Non-Life, by investment type (debt securities, equity securities and mutual funds) and provides some guidance in concerning financial risks and uncertainties of flows.

NON-LIFE PORTFOLIO

	(€/000)			
Investment nature	Amount 31/12/2020	% of breakdown	Amount 31/12/2019	% of breakdown
DEBT SECURITIES	1,203,189	70.0%	1,179,830	76.0%
Listed treasury bonds:	719,342	41.8%	682,692	44.0%
Fixed-interest rate	719,342	41.8%	682,692	44.0%
Listed corporate bonds:	275,363	16.0%	306,207	19.7%
Fixed-interest rate	245,436	14.3%	279,143	18.0%
Variable interest rate	29,927	1.7%	27,065	1.7%
Unlisted corporate bonds:	703	0.0%	668	0.0%
Variable interest rate	602	0.0%	561	0.0%
Bonds of supranational issuers:	207,781	6.4%	190,262	7.0%
Fixed-interest rate	202,780	6.2%	148,145	5.4%
Variable interest rate	5,001	0.2%	42,117	1.5%
of which				
Total fixed-interest securities	1,167,659	97.0%	1,110,087	94.1%
Total variable-interest securities	35,530	3.0%	69,743	5.9%
Total debt securities	1,203,189	100.0%	1,179,830	100.0%
of which				
Total listed securities	1,202,486	99.9%	1,179,162	99.9%
Total unlisted securities	703	0.1%	668	0.1%
Total debt securities	1,203,189	100.0%	1,179,830	100.0%
EQUITY INSTRUMENTS (*)	24,927	1.4%	27,222	1.8%
listed shares	10,354	0.6%	10,354	0.7%
unlisted equity instruments	14,573	0.8%	16,868	1.1%
OEIC UNITS	491,422	28.6%	346,185	22.2%
TOTAL	1,719,538	100.0%	1,553,238	100.0%

The Non-life fixed-income securities portfolio has a duration of 1.8 years.

LIFE PORTFOLIO

(€/000)

Investment nature	Amount 31/12/2020	% of breakdown	Amount 31/12/2019	% of breakdown
DEBT SECURITIES	1,214,081	79.5%	1,147,325	80.9%
Listed treasury bonds:	824,846	54.1%	824,723	58.2%
Fixed-interest rate	824,846	54.1%	824,723	58.2%
Listed corporate bonds:	315,158	20.6%	267,102	18.8%
Fixed-interest rate	146,922	9.6%	133,485	9.4%
Variable interest rate	168,236	11.0%	133,617	9.4%
Unlisted corporate bonds:	109	0.0%	327	0.0%
Variable interest rate	109	0.0%	327	0.0%
Bonds of supranational issuers:	73,969	2.3%	55,173	1.9%
Fixed-interest rate	69,119	2.1%	50,309	1.7%
Variable interest rate	4,849	0.1%	4,864	0.2%
of which				
Total fixed-interest securities	1,040,887	85.7%	1,008,518	87.9%
Total variable-interest securities	173,195	14.3%	138,807	12.1%
Total debt securities	1,214,081	100.0%	1,147,325	100.0%
of which				
Total listed securities	1,213,972	100.0%	1,146,998	100.0%
Total debt securities	1,213,972	100.0%	1,146,998	100.0%
EQUITY INSTRUMENTS (*)	7,500	0.5%	2,500	0.2%
unlisted equity instruments	7,500	0.5%	2,500	0.2%
OEIC UNITS	305,725	20.0%	268,566	18.9%
TOTAL	1,527,306	100.0%	1,418,391	100.0%

(*) excluding investments in participating interests

The Life fixed-income securities portfolio has a duration of 6.7 years.

The following are the book values of fixed-rate securities divided by maturity and the book values of floating rate securities divided by type of rate, separately indicated in Non-life and Life business.

NON-LIFE PORTFOLIO

Fixed - interest securities			(€/000)
Maturity	Amount	% of breakdown	
< 1 year	591,919	50.7%	
1<X<5	516,951	44.3%	
5<X<10	58,788	5.0%	
Total	1,167,659	100.0%	

Variable - interest securities				(€/000)
Type of rate	Indexation	Amount	% of breakdown	
Fixed to floater	3 months Euribor	12,522	35.3%	
Fixed to floater	Euroswap 5Y	5,268	14.8%	
Variable	3 months Euribor	10,664	30.0%	
Variable	other	7,076	19.9%	
Total		35,530	100.0%	

LIFE PORTFOLIO

Fixed - interest securities			(€/000)
Maturity	Amount	% of breakdown	
< 1 year	146,550	14.1%	
1<X<5	341,766	32.8%	
5<X<10	340,385	32.7%	
more	212,187	20.4%	
Total	1,040,887	100.0%	

Variable - interest securities				(€/000)
Type of rate	Indexation	Amount	% of breakdown	
Fixed to CMS	Euroswap 1Y	2,500	1.4%	
Fixed to CMS	Euroswap 5Y	21,685	12.5%	
Fixed to CMS	Euroswap 10Y	4,422	2.6%	
Fixed to floater	3 months Euribor	104,963	60.6%	
Fixed to floater	Euroswap 5Y	28,778	16.6%	
Fixed to floater	Euroswap 10Y	3,212	1.9%	
Variable	Euribor 3 mesi	4,577	2.6%	
Variable	6 months Euribor	1,669	1.0%	
Variable	Euroswap 5Y	1,389	0.8%	
Total		173,195	100.0%	

In implementing its investment policy, the company limits its exposure to credit risk by investing in highly rated issuers.

As can be seen in the table below, as at 31 December 2020 nearly all corporate bonds held by the group were rated as investment grade.

(€/000)		
Rating	Amounts	% of breakdown
AAA	511,090	21.1%
AA+ / AA-	439,596	18.3%
A+ / A-	283,713	11.7%
BBB+ / BBB- (*)	1,149,853	47.6%
Total investment grade	<u>2,384,252</u>	<u>98.7%</u>
Non investment grade	32,315	1.3%
Not rated	703	0.0%
Total	2,417,270	100.0%

(*) of which 679,172 relating to Italian government bonds.

Investments benefiting Life policyholders who bear related risk and relating to pension fund management

As at 31 December 2020, these investments amounted to 113,796 thousand euro (91,366 thousand euro as at 31 December 2019).

Of the total 19,860 thousand euro related to unit-linked policies linked to funds outside the company, 67,002 thousand euro to unit-linked policies linked to the company's internal funds, and 26,933 thousand euro to the Vittoria Formula Lavoro open-ended pension fund. Overall net return was positive and totalled 996 thousand euro (8,367 thousand euro as at 31 December 2019).

Non-convertible fixed-rate subordinated bond loan

On 11 July 2018, the Company issued a non-convertible fixed-rate subordinated bond loan in a single tranche. The Bond is a non-convertible subordinated bond loan with a fixed rate of 5.75% per annum for a total amount of Euro 250,000,000, composed of n. 2,500 bonds with a unitary nominal value of Euro 100,000 each and destined for institutional investors.

The duration of the loan is 10 years from the issue date and the expiry is expected in July 2028, except in the case of early repayment.

The Bond Issue was issued at 100% and is listed on the regulated market of the Irish Stock Exchange.

Risk Report

The Risk Report is intended to provide all the information required by IFRS 7 regarding risks arising from financial instruments and insurance products to which the Group is exposed, as well information on the objectives, processes and capital management policies, according to the general principles of Solvency II regulations.

System of Internal Control and Risk Management

The corporate governance system of the Company is founded on the awareness of the strong bond among these elements:

- the objectives that the Company aims to achieve with related corporate strategies;
- the risk management system, i.e. events that may negatively impact the achievement of the objectives, assessed in terms of likelihood and impact;
- the internal control system, i.e. the measures to be implemented to ensure compliance with rules and regulations, the efficacy and effectiveness of corporate operations, as well as the availability and reliability of financial and non-financial information.

Therefore, the internal control and risk management system plays an essential role in the Company's corporate governance. It is founded on the shared activity of the different stakeholders involved, in particular the Board of Directors, its Committees, the Board of Statutory Auditors, the Supervisory Body, the Control Functions and the Risk Owners, and is based on the following elements:

- the code of Ethics approved by the Board of Directors;
- an extensive system of guidance policies approved by the Board of Directors;
- an organized system consistent with the company strategy and policies, which is formalized in the drawing up of the Company's organizational chart and functions chart, periodically updated, that outline tasks and responsibilities assigned to each business unit, as well as in the systems of delegations;
- the assignment of the following responsibility to all corporate Functions:
- identifying the risks connected to their activity and assessing their impact, by monitoring the performance on a continuous basis;
- ensuring a proper level of reporting to the relevant functions;
- where necessary, activating all the required corrective actions;
- the existence of second level control functions (Risk Management, Compliance, Actuarial Function) overseeing the process of identification, assessment and mitigation of risks while ensuring consistency with company targets and meeting the independence criteria;
- the existence of a third level function (Internal Audit) which provides independent assessment on the design and functioning of the internal control system and risk management system, by giving assurance to the Board of Directors and Senior Management in relation to their effectiveness;
- a system of corporate rules, consisting of a set of provisions (macro-processes, processes, procedures, organizational arrangements and circulars), aimed at ensuring the achievement of the company targets. These provisions, that are subject to constant monitoring and adjustment, are the instrument through which the corporate processes are defined, and roles, responsibilities, operating and control procedures are identified, as well as the levels of segregation of tasks and responsibilities are guaranteed, both among different organizational units and within the units themselves. Provisions are formalized and spread to all corporate departments;
- an ongoing activity of training and refresher, destined for all employees and members of corporate bodies, on issues that are technical and insurance-related but also on the principles set forth by the Code of Ethics, as well as on the evolution of the primary and secondary regulation.

Roles and responsibilities

The following are the main roles and responsibilities within the framework of Vittoria Assicurazioni risk management system.

Governing bodies

The company has adopted a traditional model of administration and control, where the Board of Directors is the central body of the system of corporate governance and the Board of Auditors performs control functions. The Board is supported by specific committees created within it.

Board of Directors

The Board of Directors has the responsibility to define strategies and guidelines on internal control and risk management and to ensure the adequacy and maintenance over time, in terms of completeness, functionality and efficiency.

To this end, it determines the system of risk targets, by defining, also on the basis of the Own Risk and Solvency Assessment, the risk appetite of the Company in line with the solvency requirements. It identifies the types of risk that intends to take, by consistently setting the related tolerance limitations, which it reviews once a year, in order to ensure their efficiency over time.

It adopts suitable guidance policies on internal control and risk management, including the environmental and social risks, generated and borne, in order to ensure the efficiency of the system and, hence, the proper functioning of the company mechanisms, the compliance with the law and the reliability of all information. These Policies include the specific elements of the internal control and risk management system, including the contingency plan, aimed at ensuring the business regularity and continuity-

Hence, the Board of Directors ensures that the corporate governance system is suitable to pursue the following objectives:

- efficiency and effectiveness of corporate processes;
- identification, current and forward-looking assessment, the management and the adequate risk control, consistent with the strategic guidelines and the risk appetite of the company even in the medium-long term;
- a timely reporting system of corporate information;
- reliable and accurate accounting and operational information;
- the safeguard of company assets in the medium-long term;
- compliance of the corporate business with existing rules and regulations, directives and corporate procedures.

Control and Risk Committee

The Control and Risk Committee supports the Board of Directors in determining the guidelines of the internal control and risk management system, in regularly checking its adequacy and effectiveness and in identifying and managing the main corporate risks. It also performs fact-finding surveys.

Finance Committee

The Finance Committee supports the Board of Directors, through fact-finding and proposal-making, in the definition of the investment policies and strategies, and in the supervision of their implementation, and the risk appetite and capital management.

Strategy Committee

The Strategy Committee supports the Board and senior management in setting goals and business strategies.

Real Estate Committee

The Real Estate Committee defines the strategies for the development of the real-estate sector, assesses the proposals of investment in the real-estate sector that are submitted by operating managers and oversees the performance of the Group's real-estate investments.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee supports the Board of Directors in the resolutions concerning the appointments of top managers and in the definition of the remuneration policies.

As for the appointments, the Committee has advisory and fact-finding functions for the establishment and functioning of the Board of Directors and for the appointments concerning top managers.

Related-Party Committee

The Committee examines beforehand the related-party transactions that are proposed by the relevant corporate structures and expresses opinions on their execution, while checking formal and substantial adequacy.

Senior Management

Pursuant to current regulation, Senior Management means the Managing Director, the General Manager, as well as the top managers in charge of the decision-making and strategy-implementing process.

In Vittoria Assicurazioni S.p.A., the roles of Managing Director, General Manager, Co-General Manager, Deputy General Manager and Central Manager for Administration, Finance, Planning and Control are included in this category.

These persons participate in the discussion of the fundamental choices of the company, that are subject to the Board of Directors and ensure implementation of the guidelines and policies through the operational functions, whilst ensuring an adequate segregation of duties both among individuals and functions, aimed at having them work closely and avoiding any conflicts of interest.

Senior Management is vested with the broadest executive powers, consistent with the model of powers and delegations adopted.

Risk Management Committee

Vittoria Assicurazioni has set up a Risk Management Committee in order to ensure the implementation and monitoring of a system of risk assumption, evaluation and management, consistent with the operations carried out by individual departments. In addition, the Committee ensures the implementation, maintenance and monitoring of the data quality management system. The members of the Committee are members of the Senior Management and Holders of the Control Functions.

Anti-money Laundering Committee

The Anti-Money Laundering Committee evaluates the operations reported as unexpected by the application system or by the operational departments (Management and distribution network functions), in order to support the Head of Anti-Money Laundering department in the decision to dismiss the report or to proceed with sending it to the Financial Intelligence Unit (FIU).

The following are the roles and responsibilities of the control functions, of the main non-Board Committees and of line functions within the company risk management system.

Line Functions

The Line Functions perform direct control activities (so-called “first-level control”), each one within their pursuit, aimed at:

- applying the guidelines approved by the Board of Directors, with respect to risks and controls management;
- identifying the risks related to its operations;
- assessing their impact;
- monitoring their progress on an ongoing basis;
- disclosing information to the relevant departments;
- implementing, where necessary, all the required corrective actions.

Anti-money Laundering Department

The Anti-Money Laundering department monitors the laundering risk and prevents and contrasts money-laundering operations and the financing of terrorism, ensuring compliance with anti-money laundering laws.

Anti-fraud department

The Anti-Fraud department prevents and acts against, directly and indirectly, insurance fraud, also in cost containment perspective. In the end, the Anti-fraud department helps to define guidelines, rules and measures to prevent fraud against the company, carrying out specific activities with the aim of identifying potential frauds.

Primary Functions

The Primary Functions perform second- and third-level control activities.

Risk Management

The Risk Management deals with the implementation and monitoring of the risk management system, based on a thorough view of all risks which the Company and its subsidiaries are or may be exposed to. Supports the top management in the identification, implementation and monitoring of a system of assumption, assessment and management of business risks in line with the strategies, policies and risk appetite defined by the Board of Directors.

Compliance

The Compliance ensures the proper management of compliance risks which the corporate organization is exposed to, by means of ex-ante and ex-post controls and coordinates the process for drafting and updating the guidance lines.

Actuary

The Actuarial department coordinates the calculation of both Non-Life and Life technical reserves according to Solvency II principles, assesses the adequacy of both Non-Life and Life technical reserves calculated for the purposes of preparation of the Statutory Financial Statements and Solvency II and certifies the correctness of the procedures followed. The Function checks also the appropriateness of the data used to support the assumptions and the adequacy of methods, models and assumptions used, and assesses the underwriting policies and reinsurance agreements, even taking into account the risk appetite, by providing specific opinions.

Internal Audit

The Internal Audit Function monitors and assesses the efficiency and effectiveness of the internal control system and further components of the corporate governance system, and monitors and assesses any adjustment needs, even by providing support and consultancy to the other corporate functions.

Classification of risks

Significant risks of the company, whose consequences can undermine the solvency of the Company or constitute a serious obstacle to the achievement of business objectives, are set periodically by the Board of Directors, even with the support of the assessments performed by the Primary Functions.

Risk cases applicable to the Company and portfolios managed are connected to the features of the insurance business, relating to both Non-Life and Life segments, to the structure of the distribution network, to the activities performed, to specific regulations which the Company is subject to, and to the complex development strategies.

Hence, they are mainly related to insurance risks, market risks, credit risks, liquidity risk, concentration risk, risks of regulatory non-compliance, reputational risks, operational risks and risks arising from belonging to the Group and environmental and social risks.

The Strategic Risk is the current or forward-looking risk of decrease in profits or capital and sustainability of the business model. It also includes the risk of not managing an adequate return on capital arising from change in the operating context or from incorrect business decisions, inadequate implementation of decisions, improper management of the risk of belonging to the group or poor responsiveness to changes in the relevant competitive sector.

In line with the Solvency II principles, this potential risk emerges mainly from the incompatibility of the following elements:

- the strategic objectives of the company;
- the business strategies developed;
- the resources used to achieve strategic objectives;
- the economic situation of the market in which the Company and its subsidiaries operate.

Major **Insurance Risks** included in the risk management process are related to the underwriting criteria, pricing models, the quantification of reserves and risk transfer techniques. The main risks to which the company is exposed are referred to:

a. Underwriting risk (underwriting and pricing): it reflects the risk that premiums are not sufficient to cover claims plus expenses and is derived from the selection of risks and the covered events (including catastrophe) as well as by results in the actual loss experience compared to that estimated.

b. Reservation Risk: derives from the quantification and runoff of technical provisions and considers the possibility that the asset will not be appropriate in respect of commitments to policyholders and injured parties.

c. Pricing risk of the Motor business: it is associated to the processes followed for the definition of the tariff to be applied to Motor policies, with particular reference to the TPL guarantee.

d. Risk of Reinsurance Retention: it derives from the definition and implementation of an inadequate reinsurance policy that may result in a less than optimal level of retention and an inefficient mitigation of exposure to risks.

The main **Market Risks** included in the risk management process are outlined below.

The **Interest Rate Risk**: arises from adverse changes and volatility of the interest rates. The Company is exposed to the interest rate risk with regard to the bond portfolio and insurance currency liabilities assessed with the Best Estimate method.

The debt securities, fixed and floating rate, exposed to interest rate risk on market value are shown separately for Non-life and Life business, with an indication of the duration, in the paragraph entitled "Investment, Cash & Cash Equivalents, and Property - Securities portfolio breakdown", previously reported, together with the layering of the portfolio by maturity.

The fair value sensitivity related to fixed rate debt securities is shown in the table below:

	(€/000)	
	+100BP	-100BP
Non – Life portfolio		
Fixed-rate debt securities	(20,162)	21,244
Life portfolio		
Fixed-rate debt securities	(73,174)	84,344

The fair value sensitivity (higher or lower interest receivable) related to floating rate debt securities is shown in the table below:

	(€/000)	
	+100BP	-100BP
Non – Life portfolio		
Floating-rate debt securities	(156)	499
Life portfolio		
Floating-rate debt securities	(3,607)	5,856

Life insurance contracts provide a guaranteed minimum interest rate and have a direct link between investment income and benefits to be paid to policyholders, governed by the aforementioned assets/liabilities integrated management model.

In particular, Vittoria Assicurazioni manages the risk of interest rate by matching the cash flows of assets and liabilities as well as keeping a balance between the duration of liabilities and that of the investment portfolio directly related to them.

Duration is an indicator of the sensitivity of the assets and liabilities market value to changes in interest rates.

The **Equity Risk**: reflects the possible adverse changes in the level and volatility of the market value of financial instruments and equities. The company is exposed to equity risk with reference to shares and interests in listed and unlisted companies and units in investment funds and mutual funds.

The **Real estate Risk**: reflects the possible adverse changes in the level and volatility of market prices of real estate. The Company is exposed to real estate risk in reference to land, buildings, rights on property and the direct or indirect investments in real estate companies. The estate properties for own use of the company are included in this type of risk.

The **Spread Risk**: is the possible adverse change in the level and volatility of credit spreads. Vittoria Assicurazioni is exposed to the spread risk in reference to bonds, to finance, to mutual debt funds, non-residential mortgages and loans. Financing to subsidiaries or associates is included in this type of risk.

This risk can be mitigated by hedging instruments, such as forward sales of securities held in October 2020.

The **Currency Risk**: derives from adverse changes in the level and volatility of currency exchange rates. The company is marginally exposed to currency risk in relation to financial instruments and bank accounts denominated in foreign currencies.

The **Maturity mismatch risk** arises from the possibility that the company is unable to generate cash inflows that have a time frame aligned with the cash outflows and its risk/return objectives.

The **Government Risk** is defined as the risk arising from the possibility that the issuers of Government securities are not able to efficiently fulfil their commitments, and the risk arising from a change in the implied spread.

The **Credit or Default Risk**: reflects potential losses generated by an unexpected default, or deterioration in the credit standing, of the counterparties and debtors of the company. Company exposure to credit risk, which is not included in the spread risk, mainly refers to: reinsurance agreements (see table above in the section on reinsurance), receivables from other companies, cash at bank or at post office, receivables from intermediaries (e.g. receivables from agents) and customers (e.g. for premiums, for deductibles) and loans (residential mortgage).

The **Liquidity Risk** reflects possible losses arising from the difficulty of honouring the cash commitments, expected or unexpected, owed to counterparties. The risk arises mainly from the "Liquidity Mismatch Risk" i.e. the mismatch between cash inflows and cash outflows or an inadequate treasury management and from the "Market Liquidity Risk", i.e. the sale of assets (such as less liquid assets) in unfair economic and timing conditions, accordingly influencing the Net Asset Value of the company.

As of 31 December 2020, as noted in the tables in the previous section "Investment, Cash & Cash Equivalents and Property - Securities portfolio breakdown", more than 90% of financial assets held was listed on a regulated market.

In addition, the Company's investment policy establishes the creation of a liquidity "buffer" that can never be less than 300,000 thousand euro and that is normally more than double, also considering the fact that the "buffer" calculation includes securities with a maturity of less than 2 years and normally listed on the market. It should be noted that the Company has invested approximately 390,000 thousand euro (market value as of 31 December 2020) in alternative funds (Infrastructure Debt, Infrastructure Equity, Private Equity and Dutch Mortgage Loans funds) with limited or no liquidity and that they represent less than 10% of the Company's total assets. In any case, the restriction is extended for a maximum period of 15 years (related, however, only to Infrastructure Equity funds) and it is usually possible, even if not guaranteed, to sell the units on the secondary unlisted market and/or by taking advantage of the "windows" offered by the management company.

The **Concentration Risk** is represented by all risk exposures with a potential loss, enough to threaten the solvency or the financial position of the company.

Above risks refer both to direct exposure of the Company and to indirect exposure through unites of investment funds and mutual funds.

The **Risk of Non-Compliance with Standards** is defined as the risk of incurring legal or administrative sanctions, significant financial losses or reputational damage as a result of violations of mandatory rules (laws, regulations), of self-regulatory standards (e.g. statutes, codes of conduct, self-regulatory codes, etc.) or the risk arising from adverse changes in the law or legal guidelines.

The **Reputational Risk** is defined as the risk of decrease in profits or capital arising from a negative perception of the Group by its main stakeholders (customers, shareholder, investors, lenders, regulatory authorities, employees, partners, distribution network, suppliers, general public, etc.). It includes the potential deterioration of perception of credibility and reliability and the increase in conflict with policyholders. The appreciation judgement is usually tied to the organization's quality, the characteristics and behaviours that derive from experience, from hearsay or from the observation of past actions of the organization.

The **Operational Risk** is the risk of losses arising from the inadequacy or dysfunction of internal procedures, human resources or systems or from exogenous events, including events which imply the breach - even potential - of rules and corporate practices on safety, such as computer frauds, cyber-attacks, malfunctions and disservices.

The **Group-related Risks** are referred to the spill-over risk, i.e. the spill-over effects that may, as a result of difficult situations arising in one entity of the Group, impact the solvency of the company itself, and to the risk of conflict of interests arising from a counterparty's interest in the infra-group operations.

The **Environmental and Social Risks** are associated to the use of the energy resources (renewable and non-renewable sources), greenhouse gas emissions, waste production and disposal, as well as the consumption of raw materials used for the business (paper and toners) and related relational aspects with customers and, more generally, with the local community towards which the Company promotes an economic and social development. Thanks to a rigorous and intact conduct driven by sustainability principles, the Company ensures an economic stability and profitability in the short and long runs.

Risk Management Process

The risk management process of Vittoria Assicurazioni allows to detect, measure, monitor and possibly mitigate risk and consists of the following stages:

- Risk identification;
- Assessment of exposure to risks;
- Risk monitoring;
- Risk treatment;
- Reporting.

Risk identification

The process of identification consists of identifying and mapping the risks to which the Company is or may be exposed, in addition to the emerging risks.

Risks are identified by the different company functions through:

- structured analyses of environment, both external (i.e. regulatory framework) and internal (i.e. strategic planning, capital allocation, launch of new products, entering new markets, investment process, etc.);
- analyses of activities underlying macro-processes and processes within relevant purview, which is defined by the corporate organizational chart.

The analyses are directly carried out or overseen by the functions of Risk Management, Actuary, Compliance, each one in relation to the specific area of competence.

Risk assessment

The assessment phase is aimed at measuring risks through quantitative methods, where it is possible, and/or qualitative methods. The quantitative measurement of risks is performed using several procedures, which are used to determine both the present situation both the medium to long-term situation.

Furthermore, in order to assess its vulnerability to extreme but plausible events, the Group makes use of specific quantitative techniques. In particular the stress tests allow to assess the effects on economic and financial conditions arising from specific events or from changes in a set of economic, financial and insurance variables in the event of adverse scenarios.

The quantitative techniques adopted determine the risk profile or the risk measure actually taken and detected at a given time instant. Any deviation from the level of risk appetite is monitored, as described in the following paragraph.

In addition, the company determines through quantitative measurement techniques the Solvency Capital, being the amount of equity that the company must hold, for regulatory and capital strength, to cover risks arising from the business.

This includes the ORSA process.

The Own Risk and Solvency Assessment is the assessment of the current and forward-looking risk profile of the Company and avails itself of methods, processes and techniques, commensurate to the nature, scope and complexity of risks associated to the business. The results achieved allow the company to take decisions in key areas such as capital management and allocation, strategic planning, product development and design and corporate risk management. The ORSA, representing the projection of the overall solvency needs over a period coinciding with that of the strategic plan of the company, reflects the risk profile, the risk appetite and business strategy.

Risk monitoring

The monitoring is based on controlling, on an ongoing basis, exposure to different types of risk and is performed by verifying:

- compliance with the principles / guidelines defined in the policies adopted by the Company;
- compliance with risk and operational limits for specific risk categories;
- trend indicators such as those of capital value and liquidity.

Limits and indicators allow to measure the level of achievement of objectives in terms of business and risk. In particular, in checking the alignment between the profile detected and the risk appetite, also any tolerance thresholds are taken into account (maximum deviation from risk appetite).

The risk monitoring process is structured into three phases:

- production of a risk measurement report: the risk owner prepares reporting defined for the risk monitoring with the frequency and the operating procedures defined in the reference policy;
- analysis of the measured risk and proposal of mitigation plan: the risk owner examines data on the risk measurement report of its competence and prepares a report aimed at sharing its findings, at explaining certain phenomena encountered and possibly at proposing a plan of action to deal with the risk. The report and the reports are submitted to the Risk Management;
- approval of a reaction and risk mitigation plan: Risk Manager analyses information set out in reports, completes the exam with additional analysis deemed appropriate and makes the resulting evaluations. During the first meeting of the Risk Management Committee or, if deemed necessary, in a special session, mitigating/reacting plans, proposed by the line manager and approved by the Risk Management, are submitted for discussion and approval.

Risk treatment

The risk treatment of is to evaluate the possible options regarding the reaction to risk and then implement the one that is considered more appropriate. The choice, which also depends on the type and severity of the risk, is made between the following options: acceptance, avoidance, or attenuation and mitigation.

The acceptance option can result in the revision of risk targets, while avoidance can lead to review of the objectives and business strategies.

Some attenuation/mitigation measures are referred to Reinsurance, to reliance on real guarantees (deposits, mortgages, etc.) and to sureties, as well as to the implementation of management action (namely measures such as recomposition of the structure of assets and/or liabilities managed or the transfer of assets and/or liabilities).

Any deviation from the risk appetite, violation of operating limits or tolerances are managed through the process of definition of recovery actions. In particular the escalation process distinguishes stages and responsibilities depending on the severity of the violation:

- In cases of violation within the tolerance thresholds, the Managing Director promptly notifies the Risk and Control Committee, and with the support of the Risk Management Function and the Senior Management, defines a recovery plan;
- In cases of violation beyond the tolerance thresholds, the Managing Director promptly notifies the Board of Directors.

Reporting

The Board of Directors shall ensure that the risk management system and internal controls reflect the risk appetite and that appropriate measures are taken to ensure that there is a constant reporting activity to the Board.

The internal reporting system of the Group, designed for the purpose of communicating the information needed to make timely and effective decisions even in critical situations, follows the aim of promoting, at the appropriate hierarchical levels, all assumable, undertaken and future risks in the various business segments highlighting, in an integrated logic, the correlations of the risks and interrelations with the external environment. The Company ensures also appropriate information to the Parent Company.

Information flows are one of the instruments to implement the coordination among the different entities on which the Company's governance system is based and ensure that the Board is fully aware of significant corporate issues.

Information flows provide for:

- Top down flows: resolutions and Policies approved by the Board of Directors and submitted to the Senior Management for their definition in the ordinary company operations and their application;
- Bottom up flows: information flows that are produced by the operating Functions, the Senior Management and the Primary Functions and submitted to the Board Committees, or directly to the Board of Directors, so that these bodies can fulfil the duties associated to assessment, approval, decision-making and control;
- Horizontal flows: flows that enable the exchange of information among the Primary Functions, the Committees and between the latter ones and the corporate bodies.

The frequency for reporting each flow depends on its content and the purposes for which the flow has been designed. This frequency can be on an ad-hoc, monthly, quarterly, half-yearly basis.

Report on corporate governance and ownership structure

pursuant to Art. 123-bis of Legislative Decree 58/1998 (TUF)

As a result of the listing of the subordinated bond loan issued by Vittoria Assicurazioni on the regulated market of the Irish Stock Exchange, below are the main features of existing risk management and internal control systems in relation to financial reporting, as required by Article 123-bis, paragraph 5 of Legislative Decree 58/1998 (TUF).

Introduction

The internal control and risk management system relating to the financial reporting process is a component of the broader internal control and risk management system adopted by the Company.

The specific purpose of the system is to ensure the reliability, accuracy and timeliness of financial reporting and addresses the issues of internal control and risk management in a global perspective, in order to identify, evaluate and control the risks relating to the financial reporting process (financial reporting risk).

The Company has implemented a set of procedures in order to guarantee the reliability of the system relating to the production of financial information.

The responsibility for the implementation of the system, in the Company and in its subsidiaries, is assigned to the various company departments as better described in the following paragraphs.

This is the context of the Head of Administration in charge of preparing the accounting and corporate documents, to whom the Company has assigned the responsibilities of ensuring the preparation and effective implementation of the procedures for the preparation of the separate and consolidated financial statements and any other financial information.

To this end, the Head of Administration is assigned the task of designing, implementing and updating the internal control system in order to guarantee:

- the adequacy of the accounting system used;
- the formalisation of the relevant procedures and processes and their maintenance;
- the constant attention of administrative staff to the provisions of procedures and processes.

Description of the main features of the existing risk management and internal control system in relation to the financial reporting process

The main features of the financial reporting process adopted, with particular reference to its structure, the operating methods that characterise its operation and the roles and functions involved, may be described by illustrating:

- a) the risk management and internal control process;
- b) the corporate functions involved (with the related roles and responsibilities).

Risk management and internal control process

The system requires that:

- The processes and procedures regarding financial reporting are updated at least annually;
 - All the administrative staff is constantly made aware of the updating and compliance with this documentation.
- As regards the financial information process of Vittoria Assicurazioni Group, the methodology and the results are similar to those of the Company.

Corporate functions involved

The responsibility for the actual implementation of the internal control system, in terms of the operation and specific implementation of devices, mechanisms, procedures, is widespread and integrated in the corporate structures.

In order to guarantee the correct functioning of the Internal Control System, in addition to the general monitoring function entrusted to the Board of Directors, the functions and roles attributed to the Control and Risk Committee, the Head of Administration and the second and third level control functions are essential. The details of the tasks/activities assigned to the functions are reported in the following paragraphs.

Control and Risk Committee

It has the following functions:

- Assessing, along with the Head of Administration, and after hearing the statutory auditor and the Board of Statutory Auditors, the proper usage of the accounting principles and, in case of groups, their homogeneity for the purposes of drawing up the consolidated financial statements;
- Examining the plans of annual activities and report of the Primary Functions, by validating the contents;
- Monitoring the effectiveness of the audit process;
- Acting as a liaison between the Board of Directors and the Supervisory Body for issues concerning the application of Legislative Decree 231/2001.

The Control and Risk Committee reports to the Board of Directors on the activities performed and on the adequacy of the Internal Control System.

Second and third level control functions

The activities of the second level control functions, Risk Management, Compliance and Actuarial Function, as well as the third level control function, Internal Audit, are also performed in the risk management and control system related to the financial reporting process.

The Risk Management Function deals with the implementation of the risk management system, which includes the strategies, processes and reporting procedures necessary to identify, measure, manage and report the risks to which the Company is or could be exposed.

The Compliance Function identifies the relevant regulations as well as the controls with reference to regulatory compliance.

The Actuarial Function coordinates the calculation of Non-Life and Life Technical Reserves, assesses their sufficiency, certifying the correctness of the procedures followed, verifying the appropriateness of the data used to support the hypotheses and the adequacy of the methods, models and hypotheses used.

As regards the responsibilities attributed to the Financial Reporting Manager, please refer to the previous paragraph.

The Internal Audit Function deals with the adequate planning of the internal control system, assessing the design aspects and monitoring its effectiveness and efficiency.

Information flows and information exchanges are also envisaged in periodic meetings involving the Risk and Control Committee, the Head of Administration, the Board of Statutory Auditors, the Heads of the Internal Audit, Compliance, Risk Management and Organisation and the Supervisory Body established pursuant to Legislative Decree 231/2001.

Human resources

As stated in the Company's Code of Ethics, Vittoria Assicurazioni is aware that the value of people, regardless of the level at which they operate, is a fundamental factor of success. Therefore, it recognizes the centrality of human resources and pursues the objective of their valorisation, encouraging the continuous development of skills and competences in the context of a work culture based on merit and on the ability to generate and maintain relationships focused on fairness, professionalism and respect for people.

The protection and enhancement of human resources that Vittoria Assicurazioni uses, guaranteeing respect for moral and professional dignity, are pursued through:

- careful evaluation of the applications, aimed at verifying the correspondence between the company needs and the professional profiles to be selected: the resources are identified primarily through internal selection processes, so as to promote their professional growth. Where it is not identifiable in the company applications consistent with the profile required, selection processes are activated aimed at the market to select particularly qualified candidates for academic career and / or professional experience gained in the sector;
- the commitment to training in line with the role played by each one, respecting the objectives and strategies of the Company: Vittoria Assicurazioni believes that resources play a fundamental role in the process of value creation and therefore pays particular attention to the planning of training and training;
- encouraging forms of flexibility in the organization of work, respecting individual / family and company needs;
- the prevention of all forms of discrimination;
- the adoption of a reward system that includes:
 - the constant professional development of resources, implemented through the performance evaluation system and the identification of growth paths;
 - the careful supervision of the remuneration system, which was implemented both through a careful remuneration policy and through an incentive system that assigns corporate, team and individual objectives, which the Company is progressively extending to the entire corporate population;
- the constant commitment to the preparation of workplaces not only compliant with the safety standards required by law, to protect the health of those who use them, but also pleasant to live.

During 2020, a year that severely tested the emotional stability of each of us, the Company gave great attention to people: due to the health emergency, all the Company's employees and collaborators were able to work from home very quickly, guaranteeing continuity and supervision of all company functions, as well as job stability.

Relations with the Supervisory Authority

During 2020, due to the marked aggravation of the financial markets and the macroeconomic situation related to the Covid-19 pandemic, IVASS asked the Italian Companies and Groups (including the Parent Company Yafa S.p.A.) for an extraordinary update, first weekly (from March to June) and then monthly (until the end of the year, and still ongoing) of the solvency position.

For companies only, monthly monitoring of the liquidity situation has also been introduced, with a request for an illustration of stocks and expected flows in the following month and quarter.

In addition, due to the worsening of the markets and the macroeconomic context linked to the pandemic, IVASS asked the Company for clarification on variable remuneration and dividends to be paid during the year, to which Vittoria responded promptly.

Solvency Capital Requirements

pursuant to paragraph 7 of Article. 4 of ISVAP Regulation no. 22 of 4 April 2008, amended and supplemented by IVASS Regulatory order no.53 / 2016

As required by the Supervisory regulations, below is our assessment with regard to the Solvency II Capital Requirements:

Volatility Adjustment Evaluations	amounts in millions of euro
Solvency Capital Requirement	523
Minimum Capital Requirement	236
Solvency II Own Funds (net of dividend to be distributed in 2021)	1,010

Company's own funds belong to Tier 1 for 749 million euro and to Tier 2 for 261 million euro.

Own funds covering MCR belong to Tier 1 for 749 million euro and to Tier 2 for 47 million euro for a total of 796 million euro.

The Solvency Ratio (ratio between Own Funds and SCR) is 193.0%.
The Minimum Capital Ratio (ration between Own Funds and MCR) is 337.8%.

The data shown have been calculated using the Standard Formula with USPs. The Undertaking Specific Parameters (USP) are a subset of parameters of the Standard Formula represented by Company-specific values that replace, subject to authorisation by the Supervisory Authority, the values determined by EIOPA at European level. These parameters refer to the assessment of the Solvency Capital Requirement.

Consolidated Non-Financial Statement for 2020 FY

Pursuant to Articles 3 and 4 of Legislative Decree no. 254/2016

Consolidated Non-Financial Statement, envisaged by Legislative Decree No. 254/2016, is published in the Investor Relations \ Sustainability Report section of the Company's website www.vittoriaassicurazioni.com.

Management and coordination

Vittoria Assicurazioni is part of the Vittoria Assicurazioni Group under no. 008 of the Register established pursuant to Article 210-ter of Legislative Decree no. 209 of 7 September 2005 (Code of Private Insurance) and is subject to the management and coordination of the parent company Yafa S.p.A.

The areas under management and coordination of the Parent Company Yafa S.p.A. are set out in the Group Regulations, which governs the obligations of subsidiaries with reference to the activities required by the Parent Company to carry out the tasks provided by the current group solvency rules, control of intragroup transactions and risk concentration management.

The Regulation also aims to leave the Vittoria Assicurazioni's Board of Directors' duties and responsibilities unmistakable with regard to the strategic guidelines of their competence, particularly for business strategy decisions, in accordance with the subjects provided by the Parent Company. The Regulation provides a differentiated management of the scope of application of intergroup co-ordination by delegating to Vittoria Assicurazioni the management and coordination of its subsidiaries and of all its supervisory and risk management bodies currently implemented according to what is defined by the IVASS regulation, while to Yafa S.p.A., the direct direction and direct coordination of the other subsidiaries.

As at 31 December 2020, within the scope of aforementioned Regulation, Vittoria Assicurazioni S.p.A. exercises management and coordination activities on the following companies:

Real estate companies

Vittoria Immobiliare S.p.A. – Milan
Acacia 2000 S.r.l. – Milan
Immobiliare Bilancia S.r.l. – Milan
V.R.G. Domus S.r.l. – Milan
Vittoria Properties S.r.l. – Milan
Vaimm Sviluppo 2015 S.r.l. – Milan

Service companies

Interbilancia S.r.l. – Milan
Aspevi Firenze S.r.l. – Florence
Assiorviato Servizi S.r.l. – Orvieto
Vittoria Hub S.r.l. – Milan

Intragroup and related-party transactions

The transparency and formal and substantial correctness of the transactions with related parties is guaranteed by the Intercompany Transactions Policy, which provides, among other things, safeguards aimed at formalising the roles and responsibilities of the parties involved in the management process of these operations, as well as risk management and internal control mechanisms for the constant monitoring of operations.

The table below shows the balances resulting from the transactions carried out during the quarter with Group companies, involving administrative and IT services, loans, and adjustments on equity investments.

	(€000)				
	Parents	Subsidiaries	Associated	Total as at 31/12/2020	Total as at 31/12/2019
Investments	-	342,828	32,925	375,753	433,474
Loans	-	-	4,120	4,120	11,190
Receivables and other assets	-	4,064	20,810	24,874	14,307
Total Assets	-	346,892	57,855	404,747	458,971
Liabilities					
Payables and other liabilities		1,351	246	1,597	2,400
Total Liabilities	-	1,351	246	1,597	2,400
	Parents	Subsidiaries	Associated	Total as at 31/12/2020	Total as at 31/12/2019
Dividends	10,306	6,229	257	16,792	17,343
Adjustments values	-	10,250	1,090	11,340	9,093
Revenues for service e business	69	131	184	384	593
Costs for service business	243	236	1,312	1,791	472
Commissions	-	4,426	9,898	14,324	13,661
Net income on investments	-	146	132	278	591

Loans receivable from associated companies refer to the company Aspevi Milano S.r.l. for 920 thousand euro and to the company Immobiliare Bilancia Prima S.r.l. for 3,200 thousand euro.

Receivables and other financial assets mainly refer to the remittances to be received by the subsidiaries Aspevi Firenze S.r.l. and Assiorviato Servizi S.r.l. and associates Aspevi Roma S.r.l. and Aspevi Milano S.r.l. and the receivable from the associated company Immobiliare Bilancia Prima S.r.l. for 10,636 thousand euro as a result of real estate transactions with it.

Payables and other liabilities primarily related to the IRES debt, arising from the adoption of the tax consolidation and the debts of Group VAT.

Dividends from parent companies refer to the dividend from Yafa Holding for 10,306 thousand euro. Dividends from subsidiaries refer to the dividend received from Immobiliare Bilancia Prima following the distribution of profit reserves.

Value adjustments related to subsidiaries, as previously reported, refer to the write-downs on the real-estate companies.

The commissions were paid to the Subsidiaries Aspevi Firenze S.r.l. e Assiorviato Servizi S.r.l. and to the related companies Aspevi Roma S.r.l. and Aspevi Milano S.r.l.

We certify that the transactions carried out with Group companies referred to the normal course of business with use of specific professional services at market rates and did not include any unusual transactions.

A description of the Companies and additional disclosures are shown in the Notes, part C – other information and in the Consolidated Financial Statements.

Performance in the first months of the 2021 financial year and business outlook

In 2021, the Company will continue to closely monitor developments in the ongoing health emergency.

The company's performance in the first months of the 2021 financial year is positive and in line with the approved plan objectives.

It should also be noted that, on 23 February 2021, Vittoria Assicurazioni sold to AC Milan the real estate building located in Milan known as "Casa Milan" for an amount of 41,915 thousand euro.

Allocation of earnings

Dear Shareholders,

At the end of the Directors' Report, and considering the contents of the year-end financial statements and accounts, we submit the following allocation of the year's earnings for your approval, pursuant to Article 20 of the By-Laws:

Net profit of Non-Life Business	euro	93,862,639
Net profit of Life Business	euro	14,761,221
Total (equal to 1.7863 per share)	euro	108,623,860
Allocation to Life Business Legal Reserve	euro	175,173
Total available net profit	euro	108,448,687
of which:		
Available net profit of Non-Life Business	euro	93,862,639
Available net profit of Life Business	euro	14,586,048

Dear Shareholders,

the operating plans that have been prepared lead us to make the following motion for allocation of net profit:

to each of the 64,717,464 shares making up the entire share capital, a dividend of 0.47 euro will be recognized for total 30,417,208 euro (12,943,493 as at 31 December 2019).

Remaining 78,031,479 euro, which we propose to allocate to increase the Non-Life available reserve for 63,445,431 euro and to the Life available reserve for 14,586,048 euro.

If our proposal will be shared and approved by you, the dividend will be paid as from 6 May 2021 at the depositary intermediaries, with detachment of coupon number 39 on 04 May 2021.

In concluding this report, we would like to thank the Shareholders and policyholders for the trust placed in the company, as well as employees, agents and their staff for their hard work and effort.

The Board of Directors

Milan, 24 February 2021

Financial Statements as
at and for the year ended
31 December 2020

BALANCE SHEET

ASSETS

Current year

<p>A. SHARE CAPITAL PROCEEDS TO BE RECEIVED</p> <p style="padding-left: 20px;">of which: called-up 2 0</p> <p>B. INTANGIBLE ASSETS</p> <p style="padding-left: 20px;">1. Acquisition commissions to be amortised</p> <p style="padding-left: 40px;">a) life businesses 3 7,048,872</p> <p style="padding-left: 40px;">b) non-life businesses 4 0 5 7,048,872</p> <p style="padding-left: 20px;">2. Other acquisition costs 6 0</p> <p style="padding-left: 20px;">3. Start-up and capital costs 7 0</p> <p style="padding-left: 20px;">4. Goodwill 8 0</p> <p style="padding-left: 20px;">5. Other deferred costs 9 3,124,371</p> <p>C. INVESTMENTS</p> <p style="padding-left: 20px;">I - Land and buildings</p> <p style="padding-left: 40px;">1. Operating buildings 11 80,025,801</p> <p style="padding-left: 40px;">2. Buildings used by third parties 12 93,374,529</p> <p style="padding-left: 40px;">3. Other buildings 13 0</p> <p style="padding-left: 40px;">4. Other property rights 14 0</p> <p style="padding-left: 40px;">5. Assets under construction and payments on account 15 2,947,715 16 176,348,045</p> <p style="padding-left: 20px;">II - Investments in group and other companies:</p> <p style="padding-left: 40px;">1. Equity investments in:</p> <p style="padding-left: 60px;">a) parent companies 17 0</p> <p style="padding-left: 60px;">b) subsidiaries 18 342,827,966</p> <p style="padding-left: 60px;">c) related companies 19 0</p> <p style="padding-left: 60px;">d) associated companies 20 32,924,730</p> <p style="padding-left: 60px;">e) other companies 21 32,426,751 22 408,179,446</p> <p style="padding-left: 40px;">2. Bonds issued by:</p> <p style="padding-left: 60px;">a) parent companies 23 0</p> <p style="padding-left: 60px;">b) subsidiaries 24 0</p> <p style="padding-left: 60px;">c) related companies 25 0</p> <p style="padding-left: 60px;">d) associated companies 26 0</p> <p style="padding-left: 60px;">e) other companies 27 0 28 0</p> <p style="padding-left: 40px;">3. Loans to:</p> <p style="padding-left: 60px;">a) parent companies 29 0</p> <p style="padding-left: 60px;">b) subsidiaries 30 0</p> <p style="padding-left: 60px;">c) related companies 31 0</p> <p style="padding-left: 60px;">d) associated companies 32 4,120,000</p> <p style="padding-left: 60px;">e) other companies 33 0 34 4,120,000 35 412,299,446</p> <p style="text-align: right; padding-right: 20px;">to carry forward</p>		<p>1 0</p> <p>10 10,173,243</p> <p>16 176,348,045</p> <p>22 408,179,446</p> <p>28 0</p> <p>35 412,299,446</p> <p>..... 10,173,243</p>
---	--	---

Previous year

					181	0
		182	0			
183	6,672,508					
184	0	185	6,672,508			
		186	0			
		187	0			
		188	0			
		189	7,508,790		190	14,181,297
		191	81,076,421			
		192	96,368,814			
		193	0			
		194	0			
		195	0	196	177,445,234	
197	0					
198	417,713,991					
199	0					
200	15,760,174					
201	29,722,140	202	463,196,305			
203	0					
204	0					
205	0					
206	0					
207	0	208	0			
209	0					
210	10,600,000					
211	0					
212	590,000					
213	0	214	11,190,000	215	474,386,305	
		to carry forward				14,181,297

BALANCE SHEET

ASSETS

		Current year	
brought forward			10,173,243
C. INVESTMENTS (continues)			
III - Other financial investments:			
1. Equity investments			
a) Listed shares	36	0	
b) Unlisted shares	37	0	
c) Quotas	38	0	39 0
2. Unit trust units		40	797,146,925
3. Bonds and other fixed-interest securities			
a) listed	41	2,416,459,232	
b) unlisted	42	810,699	
c) convertible bonds	43	0	44 2,417,269,931
4. Loans			
a) secured loans	45	12,785,783	
b) loans on policies	46	350,173	
c) other loans	47	2,645,068	48 15,781,024
5. Shares in investment pools		49	0
6. Deposits with banks		50	3,000,000
7. Other financial investments		51	0 52 3,233,197,880
IV - Deposits with ceding companies		53	0 54 3,821,845,371
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I - Investments relating to index-linked policies			
		55	86,862,492
II - Investments relating to pension fund management			
		56	26,933,038 57 113,795,529
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
I - NON-LIFE BUSINESSES			
1. Premium reserve	58	12,150,985	
2. Claims reserve	59	51,503,914	
3. Profit participation and reimbursement reserve	60	0	
4. Other technical reserves	61	0	62 63,654,899
II - LIFE BUSINESSES			
1. Mathematical reserves	63	3,497,200	
2. Complementary insurance premium reserve	64	0	
3. Reserve for payable amounts	65	13,384	
4. Profit participation and reimbursement reserve	66	0	
5. Other technical reserves	67	48,818	
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	0	69 3,559,402 70 67,214,300
to carry forward			4,013,028,444

Previous year

		brought forward			14,181,297
216	0				
217	0				
218	0	219	0		
		220	614,751,526		
221	2,326,160,837				
222	994,232				
223	0	224	2,327,155,069		
225	12,668,081				
226	387,957				
227	2,829,520	228	15,885,558		
		229	0		
		230	3,000,000		
		231	0	232	2,960,792,153
				233	0
				234	3,612,623,692
				235	65,581,522
				236	25,784,255
				237	91,365,777
		238	11,831,932		
		239	61,390,327		
		240	0		
		241	0	242	73,222,259
		243	2,977,226		
		244	0		
		245	1,705,471		
		246	0		
		247	42,491		
		248	0	249	4,725,187
				250	77,947,446
		to carry forward			3,796,118,213

BALANCE SHEET

ASSETS

		Current year	
brought forward			4,013,028,444
E. RECEIVABLES			
I - Receivables relating to direct insurance due from:			
1. Policyholders			
a) premiums for the year	71	67,196,131	
b) premiums for previous years	72	1,818,890	73
			69,015,021
2. Insurance brokers and agents	74	126,977,483	
3. Current account companies	75	9,487,979	
4. Amounts to be recovered from policyholders and third parties	76	26,548,855	77
			232,029,337
II - Receivables relating to reinsurance due from:			
1. Insurance and reinsurance companies			
	78	7,907,976	
2. Reinsurance brokers and agents			
	79	0	80
			7,907,976
III. - Other receivables			
		81	93,930,835
			82
			333,868,148
F. OTHER ASSETS			
I - Tangible assets and inventory:			
1. Office furniture and machines and internal transport systems			
	83	4,507,107	
2. Registered chattel property			
	84	163,686	
3. Plant and equipment			
	85	1,146,189	
4. Inventory and other assets			
	86	11,029	87
			5,828,010
II - Liquid funds			
1. Bank and postal accounts			
	88	2,298,418	
2. Cheques on hand and cash-in-hand			
	89	3,677	90
			2,302,094
III - Own shares or quotas			
		91	0
IV - Other assets			
1. Suspense reinsurance accounts			
	92	0	
2. Sundry assets			
	93	76,369,668	94
			76,369,668
			95
			84,499,773
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest			
		96	27,077,068
2. Rent instalments			
		97	0
3. Other prepayments and accrued income			
		98	10,874,426
			99
			37,951,494
TOTAL ASSETS			100
			4,469,347,859

Previous year

	brought forward		3,796,118,212
251	62,610,118		
252	1,191,509	253	63,801,627
		254	103,398,133
		255	12,850,708
		256	30,691,464
		257	210,741,933
		258	10,612,812
		259	0
		260	10,612,812
		261	68,857,163
		262	290,211,908
		263	4,719,259
		264	252,588
		265	1,021,022
		266	11,029
		267	6,003,899
		268	6,717,692
		269	3,472
		270	6,721,164
		271	0
		272	0
		273	63,942,775
		274	63,942,775
		275	76,667,837
		276	26,271,397
		277	639,159
		278	8,175,076
		279	35,085,631
		280	4,198,083,589

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
A. SHAREHOLDERS' EQUITY			
I - Subscribed share capital or equivalent fund		101	67,378,924
II - Share premium reserve		102	13,418,961
III - Revaluation reserves		103	18,192,709
IV - Legal reserve		104	13,300,612
V - Statutory reserves		105	0
VI - Reserve for own shares		106	0
VII - Other reserves		107	443,969,373
VIII - Retained earnings or losses carried forward		108	0
IX - Net profit (loss) for the year		109	108,623,860
X - Negative reserve for own shares		401	0
		110	664,884,439
B. SUBORDINATED LIABILITIES			
			111
			250,000,000
C. TECHNICAL RESERVES			
I - NON-LIFE BUSINESSES			
1. Premium reserve	112	430,843,427	
2. Claims reserve	113	1,250,951,115	
3. Profit participation and reimbursement reserve	114	0	
4. Other technical reserves	115	408,603	
5. Equalisation reserves	116	8,979,684	117
			1,691,182,829
II - LIFE BUSINESSES			
1. Mathematical reserves	118	1,509,329,692	
2. Complementary insurance premium reserve	119	50,569	
3. Reserve for payable amounts	120	21,646,999	
4. Profit participation and reimbursement reserve	121	0	
5. Other technical reserves	122	6,531,770	123
			1,537,559,030
			124
			3,228,741,859
D. TECHNICAL RESERVES WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND RESERVES ARISING FROM PENSION FUND MANAGEMENT			
I - Reserves arising from index-linked policies		125	86,862,492
II - Reserves arising from pension fund management		126	26,933,038
			127
			113,795,529
to carry forward			4,257,421,827

Previous year

	281	67,378,924	
	282	13,418,961	
	283	18,192,709	
	284	12,938,289	
	285	0	
	286	0	
	287	382,905,413	
	288	0	
	289	74,369,775	
	501	0	290 569,204,072
			291 250,000,000
292	421,743,704		
293	1,242,862,941		
294	0		
295	408,603		
296	8,244,307	297 1,673,259,555	
298	1,413,998,710		
299	56,717		
300	20,132,264		
301	0		
302	6,191,631	303 1,440,379,322	304 3,113,638,877
		305 65,581,522	
		306 25,784,255	307 91,365,777
to carry forward			4,024,208,726

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
	brought forward		4,257,421,827
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1	Pension and similar provisions	128	0
2	Provision for taxation	129	1,899,944
3	Other provisions	130	50,183,896
		131	52,083,840
F. DEPOSITS FROM REINSURERS			
		132	6,388,983
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1.	Insurance brokers and agents	133	3,435,830
2.	Current account companies	134	5,584,643
3.	Guarantee deposits and premiums paid by policyholders	135	1,782,404
4.	Guarantee funds in favour of policyholders	136	0
		137	10,802,877
II - Payables arising from reinsurance business due to:			
1.	Insurance and reinsurance companies	138	11,170,121
2.	Reinsurance brokers and agents	139	0
		140	11,170,121
III. - Bond issues			
		141	0
IV - Due to banks and other financial institutions			
		142	7,697,102
V - Secured debts			
		143	0
VI - Sundry loans and other financial payables			
		144	0
VII - Employees' leaving entitlement			
		145	2,183,915
VIII - Other sums payable			
1.	Policyholders' tax due	146	27,354,631
2.	Other sums payable to taxation authorities	147	19,268,447
3.	Social security charges payable	148	3,930,169
4.	Sundry payables	149	33,396,043
		150	83,949,290
IX - Other liabilities			
1.	Suspense reinsurance accounts	151	0
2.	Commissions on premiums under collection	152	13,932,692
3.	Other liabilities	153	16,887,592
		154	30,820,284
		155	146,623,588
	to carry forward		4,462,518,239
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1.	Interest	156	6,813,356
2.	Rent instalments	157	0
3.	Other accrued expenses and deferred income	158	16,263
		159	6,829,619
		160	4,469,347,859
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			

Previous year

brought forward		4,024,208,726
	308	0
	309	2,979,690
	310	23,825,402
	311	26,805,092
	312	6,190,419
313	6,316,612	
314	2,203,785	
315	1,539,588	
316	1,323,263	317
		11,383,249
318	11,184,990	
319	0	320
		11,184,990
		321
		0
		322
		7,118,531
		323
		0
		324
		0
		325
		2,545,956
326	25,920,751	
327	13,078,221	
328	3,720,588	
329	26,713,278	330
		69,432,838
331	0	
332	15,421,613	
333	16,965,793	334
		32,387,407
		335
		134,052,970
to carry forward		4,191,257,207
	336	6,813,356
	337	0
	338	13,025
	339	6,826,381
	340	4,198,083,589

PROFIT AND LOSS ACCOUNT

Current year

I. NON-LIFE BUSINESS TECHNICAL ACCOUNT						Current year
1	PREMIUMS, NET OF OUTWARDS REINSURANCE					
	a) gross premiums accounted for	1	1,221,404,578			
	b) (-) outwards reinsurance premiums	2	36,330,711			
	c) Change in gross premium reserve	3	9,099,723			
	d) Change in reinsurer premium reserve	4	319,053	5	1,176,293,197	
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)			6	2,025,951	
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			7	5,763,730	
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE					
	a) Amounts paid					
	aa) Gross amount paid	8	707,864,376			
	bb) (-) reinsurers' share	9	33,371,755	10	674,492,621	
	b) Change in recoveries, net of reinsurers' share					
	aa) Gross amount recovered	11	11,092,679			
	bb) (-) reinsurers' share	12	516,088	13	10,576,591	
	c) Change in claims reserve					
	aa) Gross amount	14	8,117,626			
	bb) (-) reinsurers' share	15	-9,858,433	16	17,976,059	17
5	CHANGE IN OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE					18
6	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE					19
7	OPERATING COSTS:					
	a) Acquisition commissions	20	191,112,082			
	b) Other acquisition costs	21	54,204,125			
	c) Change in commissions and other acquisition costs to be amortised	22				
	d) Premium collection commissions	23	11,200,579			
	e) Other administrative costs	24	48,526,673			
	f) (-) Profit participation and other commissions received by reinsurers	25	5,030,767	26	300,012,691	
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			27	10,287,953	
9	CHANGE IN EQUALISATION RESERVES			28	735,377	
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)			29	191,154,768	

Previous year

			111	1,220,946,268	
			112	57,108,895	
			113	10,276,374	
			114	-1,440,474	115
					1,152,120,525
					116
					117
					7,280,182
		118		785,372,618	
		119	47,136,743		120
					738,235,875
		121		20,004,956	
		122	455,377		123
					19,549,580
		124		49,534,926	
		125	18,738,197		126
					30,796,729
					127
					749,483,024
					128
					129
			130	187,053,365	
			131	48,771,405	
			132		
			133	10,673,983	
			134	41,562,377	
			135	7,429,168	136
					280,631,962
					137
					9,070,262
					138
					681,091
					139
					119,534,367

PROFIT AND LOSS ACCOUNT

Current year

II. LIFE BUSINESS TECHNICAL ACCOUNT					
1	PREMIUMS, NET OF OUTWARDS REINSURANCE:				
	a) Gross premiums accounted for	30	222,486,080		
	b) (-) outwards reinsurance premiums	31	1,590,188	32	220,895,892
2	INCOME ON INVESTMENTS:				
	a) Income on equity investments	33	75,000		
	(of which: from group companies	34	75,000)		
	b) Income on other investments:				
	aa) land and buildings	35	2,762,138		
	bb) other investments	36	53,016,571	37	55,778,709
	(of which: from group companies	38			
	c) Adjustments to investment values	39			
	d) Profit on sale of investments	40	961,263		
	(of which: from group companies	41		42	56,814,972
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT			43	6,274,212
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			44	1,499,941
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:				
	a) Amounts paid				
	aa) Gross amount paid	45	118,801,180		
	bb) (-) reinsurers' share	46	716,425	47	118,084,755
	b) Change in reserve for amounts payable				
	aa) Gross amount	48	1,514,735		
	bb) (-) reinsurers' share	49	-1,692,087	50	3,206,822
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE				
	a) Mathematical reserves:				
	aa) Gross amount	52	94,419,369		
	bb) (-) reinsurers' share	53	519,974	54	93,899,395
	b) Complementary insurance premium reserve:				
	aa) Gross amount	55	-6,149		
	bb) (-) reinsurers' share	56		57	-6,149
	c) Other technical reserves				
	aa) Gross amount	58	340,140		
	bb) (-) reinsurers' share	59	6,327	60	333,812
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management				
	aa) Gross amount	61	22,429,752		
	bb) (-) reinsurers' share	62		63	22,429,752
				64	116,656,811

Previous year

		140	249,763,824			
		141	1,379,817	142	248,384,008	
		143	75,000			
(of which: from group companies		144	75,000)			
	145	2,744,369				
	146	52,284,222	147	55,028,590		
(of which: from group companies		148)			
	149					
	150	3,220				
(of which: from group companies		151)	152	55,106,810	
				153	10,495,332	
				154	1,226,103	
	155	111,161,284				
	156	307,164	157	110,854,120		
	158	-363,984				
	159	-173,985	160	-190,000	161	110,664,121
	162	141,059,353				
	163	374,267	164	140,685,086		
	165	-3,967				
	166		167	-3,967		
	168	131,641				
	169	7,946	170	123,695		
	171	22,964,370				
	172		173	22,964,370	174	163,769,185

PROFIT AND LOSS ACCOUNT

		Current year
7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE	65
8	OPERATING COSTS:	
	a) Acquisition commissions	66 7,655,415
	b) Other acquisition costs	67 3,769,487
	c) Change in commissions and other acquisition costs to be amortised	68 376,365
	d) Premium collection commissions	69 636,001
	e) Other administrative costs	70 4,863,054
	f) (-) Profit participation and other commissions received by reinsurers	71 318,564
		72 16,229,028
9	CAPITAL AND FINANCIAL CHARGES:	
	a) Investment management charges and interest payable	73 12,303,793
	b) Adjustments to investment values	74 2,513,514
	c) Loss on sale of investments	75 68,205
		76 14,885,512
10	CAPITAL AND FINANCIAL CHARGES AND NON-REALISED CAPITAL LOSSES RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS WHO BEAR THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT	77 5,278,685
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	78 385,982
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)	79 3,066,142
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)	80 7,691,279
III. NON-TECHNICAL ACCOUNT		
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I.10)	81 191,154,768
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II.13)	82 7,691,279
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:	
	a) Income on equity investments	83 7,611,410
	(of which: from group companies	84 7,611,410)
	b) Income on other investments:	
	aa) land and buildings	85 3,464,759
	bb) other investments	86 28,350,577
	(of which: from group companies	87 31,815,336
		88 58,428)
	c) Adjustments to investment values	89
	d) Profit on sale of investments	90 67,479
	(of which: from group companies	91
		92 39,494,225

Previous year

		175	
	176	7,173,040	
	177	4,686,793	
	178	448,087	
	179	728,358	
	180	3,151,693	
	181	239,730	182 15,052,068
	183	11,405,982	
	184	2,572,252	
	185	789,134	186 14,767,368
			187 2,128,597
			188 153,676
			189 2,944,779
			190 5,732,459
			191 119,534,367
			192 5,732,459
	193	3,806,869	
(of which: from group companies	194	3,806,869)	
	195	3,382,735	
	196	30,603,075	197 33,985,811
(of which: from group companies	198	189,259)	
	199	213,060	
	200	24,599	
(of which: from group companies	201)	202 38,030,339

PROFIT AND LOSS ACCOUNT

		Current year
4	(+) INCOME ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (caption II) 12)	93 3,066,142
5	CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:	
	a) Investment management charges and interest payable	94 21,740,458
	b) Adjustments to investment values	95 14,913,290
	c) Loss on sale of investments	96 121,318
6	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)	97 36,775,066
7	OTHER INCOME	98 2,025,951
8	OTHER CHARGES	99 3,629,499
9	RESULT OF ORDINARY BUSINESS	100 54,557,821
10	EXTRAORDINARY INCOME	101 151,677,075
11	EXTRAORDINARY EXPENSE	102 11,845,107
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS	103 3,701,774
13	PROFIT (LOSS) BEFORE TAXATION	104 8,143,333
14	TAXATION ON PROFIT FOR THE YEAR	105 159,820,408
15	NET PROFIT (LOSS) FOR THE YEAR	106 51,196,548
		107 108,623,860

Previous year

		203	2,944,779
		<hr/>	
	204	22,449,648	
	205	15,312,074	
	206	378,057	
		207	38,139,781
		<hr/>	
		208	
		<hr/>	
		209	4,284,038
		<hr/>	
		210	26,303,329
		<hr/>	
		211	106,082,874
		<hr/>	
		212	7,057,024
		<hr/>	
		213	839,528
		<hr/>	
		214	6,217,496
		<hr/>	
		215	112,300,369
		<hr/>	
		216	37,930,595
		<hr/>	
		217	74,369,774
		<hr/>	

EXPLANATORY NOTES TO ACCOUNTS

Dear Shareholders,
along with the Balance Sheet and Income Statement for the financial year ending on 31 December 2020, we hereby submit for your approval these Explanatory Notes which, pursuant to Article 2423 of the Italian Civil Code, are an integral part of the year-end financial statements.

Format and content of year-end financial statements

The financial statements, drawn up in euro, are submitted in the specific format envisaged for insurance companies as required by the Italian Legislative Decree no. 209 of 7 September 2005 "Private Insurance Company Code". For items not covered by the aforementioned Decree or by its implementation orders, the provisions of the Italian Civil Code and those of Italian Legislative Decree no. 173 of 26 May 1997 apply, as amended following the transposition of Directive 2009/138/EC, Solvency II and Directive 2013/34/EU, Accounting. Specifically, in compliance with ISVAP Regulation no. 22 of 4 April 2008, the financial statements have been prepared as follows:

- The balance sheet and income statement are expressed in euro units. The arithmetical sum of rounding differences is recorded under captions F.IV.2) Sundry assets or G.IX.3) Sundry liabilities in the balance sheet and III.10) Extraordinary income or III.11) Extraordinary expense in the income statement;
- The Explanatory Notes to accounts, their appendices, and the restated balance sheet and income statement are shown in thousands of euro. Related rounding has been calculated to ensure consistency with the figures in euro units shown in the Balance Sheet, Income statement and Cash flow Statements.

As required by regulations, the Explanatory Notes consist of three parts:

Part A – Accounting policies

Part B – Information on the balance sheet and income statement

Part C – Other information and cash flow statement

The Explanatory Notes include 32 appendices that analyse the technical and financial components of insurance and financial operations.

In order to provide more complete information, it has been considered, as already done in previous years, also to present the reclassified balance sheet and income statement.

The items in the reclassified balance sheet are shown net of reinsurance effects.

Reclassified balance sheet

(€/000)

ASSETS	31/12/2020	31/12/2019
Investments		
Land and buildings	176,348	177,445
Investments in group and other companies		
- Equity investments	408,179	463,196
- Loans	4,120	11,190
Other financial investments:		
- Unit trust units	797,147	614,752
- Bonds and other fixed-interest securities	2,417,270	2,327,155
- Loans	15,781	15,886
- Other financial investments	3,000	3,000
Investments benefiting life policyholders	113,796	91,366
Total investments	3,935,641	3,703,990
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	69,015	63,802
- Insurance brokers and agents	126,977	103,398
- Current account companies	9,488	12,851
- Amounts to be recovered from policyholders and third parties	26,549	30,691
Receivables relating to reinsurance business	7,908	10,613
Other receivables	93,931	68,857
Total receivables	333,868	290,212
Intangible assets	10,173	14,181
Tangible assets and inventory	5,828	6,004
Liquid funds	2,302	6,721
Other assets	76,370	63,943
Prepayments and accrued income	37,951	35,086
TOTAL ASSETS	4,402,133	4,120,137

Reclassified balance sheet

(€/000)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2020	31/12/2019
Shareholders' equity		
- Share capital	67,379	67,379
- Share premium reserve	13,419	13,419
- Revaluation reserves	18,193	18,193
- Legal reserve	13,301	12,938
- Other reserves	443,969	382,905
- Net profit (loss) for the year	108,624	74,370
Total shareholders' equity	664,885	569,204
Subordinated liabilities	250,000	250,000
Technical reserves, net of reinsurance		
- Premium reserve	418,692	409,912
- Claims reserve	1,199,447	1,181,473
- Mathematical reserves	1,505,832	1,411,021
- Reserve for amounts payable	21,634	18,427
- Other technical reserves	15,922	14,859
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	113,796	91,366
Total technical reserves	3,275,323	3,127,058
Payables		
Deposits from reinsurers	6,389	6,190
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	3,436	6,317
- Current account companies	5,585	2,204
- Guarantee deposits and premiums paid by policyholders	1,782	1,540
- Guarantee funds in favour of policyholders	-	1,323
Payables arising from reinsurance business	11,170	11,185
Other sums payable	83,949	69,433
Total payables	120,008	105,311
Provisions for contingencies and other charges	52,084	26,805
Employees' leaving entitlement	2,184	2,546
Other liabilities	30,819	32,387
Accrued expenses and deferred income	6,830	6,826
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,402,133	4,120,137

Reclassified individual profit and loss account

(€/000)

	31/12/2020	31/12/2019
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	222,486	249,764
(-) Charges relating to claims	120,316	110,797
(-) Change in mathematical and other technical reserves	117,183	164,151
(+) Other technical captions, net	1,114	1,072
(-) Operating costs	16,548	15,292
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	38,616	37,395
(+) income on investments where policyholders bear the risk - Class D	996	8,367
Direct insurance result	9,165	6,358
Outwards reinsurance result	-1,721	-625
Retained direct insurance result	7,444	5,733
Result of life business technical account	7,444	5,733
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	1,221,310	1,220,857
(-) Change in premium reserve	9,098	10,280
(-) Charges relating to claims	704,857	814,874
(+) Other technical captions, net	-4,524	-1,790
(-) Operating costs	305,037	288,055
Direct insurance result	197,794	105,858
Outwards reinsurance result	-7,984	14,299
Retained direct insurance result	189,811	120,157
Indirect and retroceded insurance result	54	58
Total retained direct insurance result	189,865	120,215
(-) Change in equalisation reserves	735	681
(+) Income on investments transferred from the non-technical account	2,026	
Result of non-life business technical account	191,155	119,534
Result of technical account	198,599	125,267
(+) Income on non-life business investments net of the portion transferred to the technical account	940	-109
(+) Income on investments transferred from the life business technical account	3,066	2,945
(+) Other income	3,629	4,284
(-) Other charges	54,559	26,303
Result of ordinary business	151,677	106,084
(+) Extraordinary income	11,845	7,057
(-) Extraordinary expense	3,702	840
Profit (loss) before taxation	159,820	112,301
(-) Taxation on profit for the year	51,197	37,931
Net profit (loss)	108,624	74,370

Part A

Accounting policies

The accounting policies used to draw up the year-end financial statements comply with the requirements of Articles 2426 and 2427 of the Italian Civil Code, Italian Legislative Decree no. 209 of 7 September 2005, Italian Legislative Decree no. 173 of 26 May 1997 (to which the "Private Insurance Company Code" refers), ISVAP regulation no. 22 of 4 April 2008 and provisions introduced by corporate law (Italian Legislative Decree no. 6 of 17 January 2003 and the subsequent amendments and supplements), are described below. Unless otherwise specified, accounting policies relating to direct insurance captions also apply to outwards reinsurance.

Taking into account the solvency ratio, the profitability of the Company and its careful management of risks, the financial statements have been prepared on a going concern basis.

Technical insurance captions

Classification of risks by business line

For the purposes of allocating the gross premiums written and related transactions, classification of risks by business line is defined by Article 2 of Italian Legislative Decree no. 209 of 7 September 2005.

NON-LIFE

Premiums and related premium reserves are allocated to the various Non-Life Business lines analytically for each guarantee; operating costs and technical income are allocated to the various Non-Life Business lines through appropriated drivers.

Costs relating to claims are directly allocated to the individual lines if they refer to transactions relating to an individual event, since allocations are made on the basis of the type of cover involved in a claim. Costs common to several claims are allocated to the various officially defined lines according to the weight of indemnities paid during the financial year. Costs borne for claims in the current and previous financial years are allocated commensurate with the indemnities paid in the different years concerned. Only for the Motor TPL (third-party liability) line, the impact of the number of claims occurring in the year is also taken into account.

LIFE

Allocation of Life technical captions is done on a direct basis since the entire portfolio complies with the regulatory classification.

Gross premiums

LIFE

Premiums, together with their ancillary costs, gross of outward reinsurance, are recognized as revenues upon maturity, regardless of when documents are recorded and of the date on which they are actually collected.

NON-LIFE

In the Non-Life business, cancellations of individual policies caused by technical events and by cancellations due to non-renewal are directly deducted from premiums, as long as they are issued in the same year. In the case of Non-Life business, the caption comprises all cancellations except for those relating to first-year premiums written in previous financial years.

For Non-Life business, allocation to the year is made via adjustment of the premium reserve. For the Life business, instead, it is implicit in the calculation of the mathematical reserves, of the complementary insurance premium reserve, and of other technical reserves of the life business.

Ceded and retroceded reinsurance premiums are accounted for in accordance with the contractual agreements entered into with reinsurers.

NON-LIFE/
LIFE

Operating costs

Operating costs include:

Acquisition commissions

They include the commissions paid on the acquisition and renewal (also tacit) of contracts. They also include extra commissions and commission bonuses commensurate with achievement of productivity targets.

Other acquisition costs

They include personnel expenses, logistics costs, costs for services and purchase of goods of the management departments involved in the assessment, issue and management of insurance contracts. They also include costs accorded to the agency network for the issuing of contracts and for extra bonuses and commission bonuses not linked to productivity targets, plus costs incurred for medical check-ups.

Changes in commissions and other acquisition costs to be amortised

This item includes the year's portion of amortisation for acquisition commissions and other acquisition expenses.

Premium collection commissions

This item includes commissions paid for collection of premiums relating to long-term contracts.

Other administrative costs

They include personnel expenses, logistics costs, costs for services and purchase of goods of the company departments other than those relating to the other acquisition costs indicated above and those allocated to claims settlement and investment management. They also include charges incurred for the termination of agency agreements not the part not subject to compensation.

Commissions and profit participation received by reinsurers

This includes commissions and profit-participation amounts for reinsurers as established by contractual agreement for premiums ceded and retroceded.

Premium reserve

NON-LIFE

The Non-Life premium reserve is calculated on a pro-rata temporis basis, contract by contract, based on premiums written net of direct costs and of the unearned portion of premiums, i.e. pertaining to the period after 31 December in the financial year concerned.

There is an exception to this rule for the calculation of the reserve for some business lines for which risk exposure does not decrease as time elapses or for which the correlation between policy premiums and potential claim costs does not follow the usual economic and technical criteria. In these cases, an additional reserve calculation is required.

The ISVAP Regulation no. 22 of 4 April 2008, title III bis, Article 23-ter, amended and supplemented by IVASS regulatory order no. 53/2016, defines the business lines requiring the additional calculation, and related criteria of calculation:

- Bond insurance: the additional reserve follows the criteria envisaged by Annex no. 15 to ISVAP Regulation no. 22/2008;
- Hail insurance: the additional reserve follows the criteria envisaged by paragraphs 13 and 14 of Annex 15 to ISVAP Regulation no. 22/2008 that define the method of calculation and use, respectively;
- Miscellaneous asset damage - (earthquake, seaquake and volcanic eruption insurance): the additional reserve follows the criteria envisaged by paragraphs 13 and 14 of Annex no. 15 to ISVAP Regulation no. 22/2008;
- Nuclear risks: the additional reserve follows the criteria envisaged by paragraph 19 of Annex 15 to ISVAP regulation no. 22/2008.

Also, the Company assesses the need to establish the reserve for unexpired risks to cover risks incumbent upon the company after the balance sheet date, as required by the Italian Legislative Decree no. 209 of 7 September 2005. The reserve for unexpired risks has been determined by adopting the empirical calculation method, based on the forward-looking value of the ratio claims/earned premiums of the current generation, according to criteria set forth by paragraph no.7 of Annex. 15 to ISVAP Regulation no. 22/2008, possibly normalized to consider non-recurring events. This criterion provides that the provision is made if and to the extent that the total amount of the alleged cost of expected claims – with

respect to portfolio policies – is estimated to exceed the reserve for unearned premiums plus premiums outstanding, net of acquisition costs due for deferred-premium policies.

For the assessment of Unexpired risk reserve of the line of business 14 – Credit, the empirical method is not considered to be consistent with the type of Vittoria's risk portfolio which is entirely represented by the Salary-Backed Loans with the possibility of recovery. The inadequacy of the empirical method is to use the pro rata premium reserve which assumes a linear distribution of risks. The expected loss ratio is in fact linked to the outstanding principal of outstanding contracts that is decreasing with respect to their maturity. Being a portfolio developed in the past years that today is an average of half of the period of coverage and so already today do not detect a significant new production, it was considered more appropriate to use a method of estimating the expected loss ratio.

Reinsurers' premium reserve: this is calculated applying the same criteria as those used for direct business and inward reinsurance.

Other technical reserves

NON-LIFE

This caption comprises the aging reserve for health insurance as required by Article 37 of Italian Legislative Decree no. 209 of 7 September 2005.

Calculations include all the products that, in setting premiums, do not take into account changes in the policyholder's age and contain clauses that limit the Company's ability to withdraw, as indicated by paragraphs 42-43-44 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008, amended and supplemented by IVASS regulatory order no. 53/2016. The estimate is based on a comparison between estimated cash inflows (all premiums expected to be collected in future years on the contracts held in portfolio at December 2020) and estimated cash outflows (all losses expected to be paid for the contracts held in portfolio at December 2020).

For consistency and as a comparison, the reserve was calculated on a lump-sum basis by setting aside 10% of gross premiums written, as envisaged by paragraph 44 of Annex no. 15 to ISVAP Regulation 16/2008, amended and supplemented by IVASS regulatory order no. 53/2016, by accruing 10% of gross premiums underwritten on above products.

Equalisation reserves

NON-LIFE

Equalisation reserves comprise all sums provisioned in compliance with Article 37 of Italian Legislative Decree no. 209 of 7 September 2005 in order to smooth fluctuations in claims rate in future years or to cover special risks.

The item includes:

- the offsetting reserve for credit insurance envisaged by paragraph 39 of Annex. 15 to ISVAP regulation no. 22/2008, amended and supplemented by IVASS regulatory order no. 53/2016;
- the equalisation reserve for risks of natural disasters; in the absence of the issuance of the Regulation of the Ministry for the Economic Development, provided for by paragraph 37 of the Insurance Company Code, provisions of Ministerial Decree no. 705 of 19 November 1996 are applied to the calculation.

Equalisation reserving for FY2020, by business line, is shown in Appendix 25 to the Explanatory Notes.

Costs relating to claims paid

NON-LIFE

The Non-Life business costs relating to claims paid include amounts paid in the year as indemnities and direct expenses, as well as claims adjustment expenses and the cost of the contribution to the guarantee fund for road-accident victims.

Direct expenses are those incurred to avoid or minimise claim damage, including litigation costs as per Article 1917, paragraph 3, of the Italian Civil Code, rescue expenses in transport and aviation insurance, and extinguishing costs in fire insurance. Settlement costs include amounts paid to professionals appointed for the purpose, personnel expenses, logistics costs, and costs for services and goods of the company departments dedicated to claims settlement and handling.

LIFE Costs relating to the claims in the Life business include amounts recognised in the financial year against capital sums and annuities accruing, surrenders, and claims, including those relating to complementary insurance.

NON-LIFE The amount of reinsurers' share of costs is calculated according to provisions of existing contracts.

Recoverables

NON-LIFE The caption includes sums to be recovered from policyholders and third parties for claims redemptions in policies with bonus-malus clauses, for deductibles, subrogations, recoveries. The income statement recognises the difference between the amount at year-end and the amount existing on 31 December of the previous year, together with what has been recovered during the year.

Claims reserve

NON-LIFE The claims reserve reflects the prudent evaluation of estimated indemnities and adjustment costs for claims relating to direct business that have been incurred and not yet paid, either totally or in part, as at balance sheet date. This valuation is performed considering the specific features of each line, based on all components forming the requirement for coverage of the claim's ultimate cost. "Ultimate cost" means the estimate of all foreseeable costs based on a prudent assessment of factual evidence (document examination) and forecasts (expected claims settlement time frame).

Assessment of each claim is performed according to the following phases:

- preparation of inventory estimates for each open position by non-life claims settlement inspectors through session during the year;
- analysis and checking of data through sessions during the year and review of documentation concerning major claims by corporate management together with the liquidators and with the support of external trustees;
- possible integration / update of the reserve initially allocated on the basis of the principle of "reserve continuously".

Activities performed as part of claims assessment procedures are based on the general criteria:

- Accurate and complete basic year-end inventory of all claims partly or totally not settled, highlighting claims that are the subject of disputes;
- Analysis of claims featuring several positions in order to ascertain that proper evidence exists supporting each individual position;
- Separate indication of the quantification of bodily injury and property damage;
- Inclusion of estimated direct and settlement costs in the claims reserve. Settlement costs include both amounts paid to professionals taking part in claims handling and internal company costs relating to the claims handling department;
- Assessment of claims relating to credit and suretyship insurance in compliance with the criteria laid down in paragraphs n. 32-33-34 Annex n. 15 of ISVAP Regulation no. 22/2008 amended and supplemented by IVASS Regulatory order no. 53/2016.

As regards current-generation claims, case documentation is examined at least quarterly to check the claim's progress and see whether the previous assessment was correct. In addition, the "continuous reserve" operating procedure is applied, which means that, when each partial payment is made or whenever new information is gathered, the claim is reviewed. In support of the local settlement network, a technical review structure is in place, which checks the merits and the method for the correct application of the rules issued by the Management. The claims reserve includes the estimate for IBNR claims, i.e. claims pertaining to the year that have been incurred but not yet reported by year-end but pertaining to the year. Amounts are calculated considering the average cost of the current generation. For all lines of business, actuarial statistical methods are used that are widely accepted in the market to estimate the number and the amounts of late claims. For TPL line, relevant estimate is conducted separately for each type of risk. The TPL claims reserves are subject to verification by the Actuarial Function pursuant to ISVAP Regulation no. 22/2008 amended and supplemented

by the IVASS Order n. 53/2016. In any case, the managerial structures perform quarterly back testing compared to the previous financial statements.

The claims reserves thus calculated that relate to mass risks, insofar as they refer to positions settled in the medium-long term, are subjected to statistical and actuarial checks to assess their consistency with ultimate cost and, when necessary, are topped up.

The process for determining the claims reserve of the TPL Lib (including the Third-party liability for watercraft - sea, lake, and river) is based on a complex estimation activity that includes numerous variables. The main assumptions used in the control based on statistical-actuarial methodologies concern the technical variables, including the time interval for deferring payments, the elimination of claims without follow-up, the re-opening and the evolution of the cost of claims connected to seniority of payment as well as the prospective evaluation of the economic scenario, supplemented where necessary by the expert judgment which is also based on the analysis of the portfolio management events.

The claims reserve for Card and No Card of TPL line comply with the requirements by paragraphs no. 30 of Annex 15 ISVAP Regulation no. 22/2008, in the case of the company would be "managing" and paragraph 2 in the case of the company would be "indebted". The total amount of claims reserve has been calculated in compliance with paragraph no. 31 of the above regulation.

For the year ended 31 December 2020, the Company, in the process of developing the actuarial statistical methodologies for the determination of the reserves for the Motor TPL line of business, has also considered the impacts arising from the government measures aimed at containing the pandemic.

Reinsurers' claims reserve: this is calculated applying the same criteria as those used for direct business and inward reinsurance.

Mathematical reserves and other technical reserve

LIFE

Technical reserves for the Life business are calculated on the basis of the pure premiums and actuarial assumptions deemed to be appropriate as at the date when contracts were entered into, insofar as they are still valid. Calculation of technical reserves is based on the rate of return determined on the basis of related investments for relevant "revaluable" benefits and on the mortality rate used to calculate pure premiums. In accordance with current regulations, the premiums-carried-forward component of mathematical reserves is calculated on a pure-premium basis. The reserve for operating expenses is calculated by taking operating loading as the basis and the other technical bases of the tariffs applied. For policies featuring health- and/or profession-related premium surcharges, an additional reserve is calculated equal to a full annual premium surcharge.

The premium reserve for complementary accident insurance is calculated analytically, applying the premium-carry-forward criterion to related pure premiums.

In no case is the mathematical reserve lower than surrender value.

In compliance with the requirements established by paragraph no. 36 Annex no. 14 to ISVAP regulation no. 22/2008, amended and supplemented by IVASS regulatory order no. 53/2016, an additional demographic risk reserve has been set up relating to annuity contracts and to capital contracts with a contractually guaranteed annuity conversion factor, in order to adjust the demographic bases used to calculate mathematical reserves to direct portfolio experience.

Mathematical reserves are also supplemented, when necessary, to take into account the time lag between the period in which the return to be contractually recognized has been matured and the moment when this is recognized to the Policyholders (paragraph 23 of Annex no 14 to ISVAP Regulation no. 22 of 2008 amended by IVASS order no. 53 of 2016).

In compliance with provisions under paragraphs 24-32 of Annex no. 14 to ISVAP Regulation no. 22 of 2008 amended by IVASS order no. 53 of 2016, an ALM procedure (Asset & Liability Management) has been implemented to jointly analyse the asset and liability portfolios of separate internal funds that are deemed as significant and to further supplement the reserve due to lack of technical rate.

The reserves relating to unit-linked policies and pension funds have been calculated taking into account both the contractual commitments and the financial assets linked to these

policies. They are made in compliance with paragraphs 39-41 of Annex. 14 to ISVAP regulation no. 22 of 2008, amended and supplemented by IVASS regulatory order no. 53/2016 and covering the commitments deriving from the Life business whose return is determined by reference to investments for which the insured bears the risk, or by reference to an index. It has been also set up to VI line of business (open-ended pension fund), an additional reserve, in accordance with paragraph 41 of Annex.14 to ISVAP regulation no. 22/2008 amended and supplemented by IVASS regulatory order no. 53/2016, to meet the commitments the Company have made to the policyholders including all guarantees of performance provided by contracts.

Reversals and profit participation

NON-LIFE/
LIFE

Profit participation includes all amounts pertaining to the year, paid and to be paid to policyholders or other beneficiaries, including amounts used to increase technical reserves or reduce future premiums, as long as they constitute distribution of technical profits arising from non-life and life insurance activities, after deduction of amounts accrued in previous years that are no longer necessary.

Reversals consist of the amounts that are partial rebates of premiums made on the basis of each contract's performance.

Other technical costs

NON-LIFE/
LIFE

Other technical costs include:

- For the Non-Life business, premiums cancelled, due to technical events, of individual policies issued in previous financial years;
- For the Life business, cancellation of first-year premiums written in previous years;
- Uncollectable premiums of amounts receivable from both Non-Life and Life policyholders;
- Costs relating to goods and services purchased to complement Non-Life insurance covers;
- Costs arising from management of the direct reimbursement procedure.

Other technical income

NON-LIFE/
LIFE

Other technical income includes:

- Commissions relating to cancelled premiums included in other technical costs of the Non-Life and Life businesses;
- Income relating to management of the knock-for-knock system and to the subsidy accorded by the ANIA (Italian insurers' association) to encourage scrapping of damaged vehicles in the Non-Life business.

Transfer of investment income

NON-LIFE/
LIFE

The allocation of investment income to the non-life business technical account and the transfer of the life business technical account to the non-technical account was carried out in accordance with article 55 of Legislative Decree no. 173 of 26 May 1997 and articles 22 and 23 of ISVAP Regulation no. 22 of 4 April 2008.

For the non-life business, the income to be transferred was determined by multiplying the non-life business investment income, net of capital and financial charges recorded in the non-technical account, by the percentage obtained from the ratio between the sub-total of the technical reserves net of reinsurance at the end of the current year and at the end of the previous year and the same sub-total plus the sub-total of the equity at the end of the current year and at the end of the previous year.

For the Life business, the income to be transferred was determined by multiplying the Life business investment income (excluding income and unrealized capital gains as well as the financial charges and unrealized losses relating to balance sheet class D investments, which remain entirely transferred to the technical account) for the percentage obtained from the ratio between the sub-total of the technical reserves net of reinsurance at the end of the

current year and at the end of the previous year and the same sub-total plus the sub-total of the net equity at the end of the current year and at the end of the previous year.

If the income from the investments allocated to the life business technical account is lower than the technical interest recognised by contract to the policyholders during the year, the amount to be transferred to the non-technical accounting must be correspondingly reduced, until it reaches zero, by an amount equal to this lower value.

Inward reinsurance

NON-LIFE/
LIFE

La Inward life insurance is recorded on an accruals basis.

If there are no specific negative indications, the economic effects of non-life inward reinsurance are accounted for one year later than the year to which they refer, as the necessary information is not available as at the date of the financial statements. Related financial and balance sheet movements are recorded in the balance sheet under Other assets – Other liabilities in the reinsurance suspense accounts.

Treaties concerning aircraft hulls represent an exception to the above accounting treatment as the space risk business is accounted for on a strict accrual basis.

Indirect business claims reserves generally reflect those reported by the ceding insurer and Vittoria Assicurazioni supplements them when they are deemed inadequate with respect to the commitments underwritten.

Retrocession

NON-LIFE/
LIFE

Retroceded business mainly relates to Line 05 Aircraft hulls– space risks.

Items relating to retrocession are measured according to the same policies as those applied to inward reinsurance.

Allocation of costs and revenues common to both life and non-life businesses

NON-LIFE
LIFE

The Company is authorized to operate in life and non-life insurance and reinsurance.

The criteria and methods for allocating costs and revenues common to both life and non-life businesses are indicated in the report issued in accordance with Article 4 of ISVAP Regulation no. 17 of 11 March 2008. The main criteria for allocating the P&L items that are not directly attributable to either business are:

Other acquisition costs (excluding commissions)

The costs for the company's sales function are allocated between the two businesses by dividing them into two distinct categories:

- The acquisition costs not directly attributable to purchase / collection commission (development plans, incentives, levies) use the mix of premiums issued at agency level as a driver;
- The remaining acquisition costs (contributions, agency rent, agent pension fund) use the mix of premiums at agency level as a driver.

The other acquisition costs also include personnel costs and overheads both of cost centres which are directly associated with acquiring policies (sales, assumptions) and those charged back to cost centres which carry out activities common to all company areas (general areas, IT). The costs to be allocated to the two businesses can be directly (as with the RE assumption service and the life business assumption service) or indirectly (general expenses) by means of earned premiums as a driver.

Other administrative expenses (personnel costs and miscellaneous administrative expenses)

This category includes, in accordance with article no. 53 of Legislative Decree no. 173/97, all the remaining expenses not allocated to acquisition and liquidation costs.

For this category of costs, the distinction between the two businesses is also made by using direct criteria for all cost centres directly attributable to the non-life business or the life business, or by using the earned premiums (calculated using the same criteria adopted for other acquisition costs) as an allocation drive.

Investment captions

C I – Land and buildings

In compliance with Article no. 15, paragraph no. 2, of Italian Legislative Decree no. 173 of 26 May 1997, land and buildings are considered to be assets for enduring, long-term use, except in the case of buildings available for sale. They are recorded at acquisition cost and, in the case of limited use over time, subject to a systematic amortization process in relation to the residual possibility of use; this value may also be adjusted to take into account the permanent losses in value from the market value.

The value of the building is separated from the value of land on which they stand, that is not subject to depreciation.

Refurbishments, improvements, and plant upgrades – which are all designed to extend building units' life and increase their profitability – are capitalised.

Ordinary maintenance costs are established in a long-term plan and are expensed in the income statement annually.

Market value

Measurement is based on the market value of each plot of land and building, taken from independent appraisals, which are drawn up taking into account, for property leased, the contractual lease payments required while for the head office, an estimated fee has been calculated on the basis the current market conditions. The appraisals also include the estimate of financial variables, such as the discount rate. Where available, the market value comes from the offers received from market operators.

“Market value” means the price at which the plot of land or the building can be freely sold by means of an agreement between two parties (the seller and the buyer) in normal and evenly balanced conditions and, more specifically, if

- Both parties act after having gathered the necessary information on the property's officially designated urban use, marketability, and absence of any prejudicial annotations as regards title;
- The seller is free, or otherwise, to sell and there are no economic/financial circumstances forcing him to do so;
- The buyer is not being encouraged to purchase by non-market related factors.

Furthermore, the following conditions were taken into account:

- The asset has been on the market for a time reasonably long enough to permit its fair sale. The deed of sale has been signed after negotiations permitting the definition of price and terms.

Besides considering differences relating to age, position with respect to the importance of the zone where it is located, the valuation of each building also considers typical factors (building type and quality, and state of preservation, etc.), possible profitability, any town-planning constraints and/or restrictions imposed by the Heritage Ministry, and anything else that may have an impact on the asset's valuation.

Valuation of leased buildings takes into account the type of contract, its expiry date and rental, also as regards possible revisions.

For the year ended 31 December 2020, the process of estimating the market value of real estate assets, among other variables, had to consider the exceptional macroeconomic situation resulting from the Covid-19 health emergency.

C II – Investments in Group companies and other investees

Pursuant to paragraph no. 2, Article no. 15 of Italian Legislative Decree no. 173 of 26 May 1997, investments in Group companies and other investee companies are considered to be long-term assets.

They are recorded at acquisition cost including accessory charges.

Group companies

Article no. 5 of Italian Legislative Decree no. 173 of 1997 define group companies as being:

- a) Parent companies;
- b) Subsidiaries;
- c) Affiliates, i.e. companies other than those included in item b) that are controlled by the same entity controlling the parent company or subject to common management as defined by paragraph 1, Article 60, of above decree;
- d) Affiliates.

For the purposes of this classification, the concept of “control” is as defined in Article no. 2359, paragraphs no. 1 and no. 2, of the Italian Civil Code.

Other investee companies

This item comprises companies held for their strategic function or support to the insurance business.

Investments in group and other companies are measured according to the following criteria:

- Investments denominated in euro are measured at acquisition cost inclusive of ancillary costs;
- Investments denominated in foreign currency are measured at acquisition cost, inclusive of ancillary costs, converted into euro at the exchange rate in force on transaction date.

Acquisition cost is written down to allow for any permanent impairment shown in investee companies’ financial statements; for companies with real estate assets, this process takes into account the market value of the aforementioned assets, taken from independent expert appraisals, based on financial variables, such as the discount rate used, which incorporates the most recent market data, as well as the cost of capital and of a non-financial nature, such as realizable expectations and relative timing. Where available, the market value is derived from the offers received from market operators. If the reasons for such write-down no longer exist, the original value is reinstated in subsequent financial statements.

Dividends distributed by investee companies held are recognised when the right to collect them is established.

Information and changes concerning investments are provided in Annexes 6 and 7 to these Explanatory Notes.

C III – Other financial investments

Equity investments

This category includes short-term investments in shares and units. Assessment criteria are as follows:

- Listed securities are valued in year-end accounts at weighted average cost or, if lower, presumed realisable value based on market trends. This lower value is not maintained in subsequent year-end accounts if the reasons for the adjustment no longer exist;
- Unlisted securities are valued at purchase cost, net of any losses recorded in investee companies’ approved year-end accounts. Once again, this lower value is not maintained in subsequent year-end accounts if the reasons for the adjustment no longer exist.

Foreign currency investments are converted into euro as follows:

- Purchases: at the exchange rate in force on the date of transaction or subscription;
- Sales: at the exchange rate in force on transaction date;
- Fair value: at the year-end exchange rate.

Dividends distributed by these companies are recognised when the right to collect them is established.

Units in mutual investment funds

Investments belonging to this category are allocated to the durable and non-durable portfolio. The former is valued at cost, adjusted for permanent losses in value; the latter is valued on the balance sheet at the weighted average cost or, if lower, at the realizable value inferable from the market trend. This lower value is not maintained in subsequent year-end accounts if the reasons for the adjustment no longer exist.

Unlisted closed-end mutual securities investment funds and real estate investment funds are measured at acquisition cost.

The value of investments in foreign-currency mutual investment funds is converted into euro applying the following criteria:

- Purchases: at the exchange rate in force on the date of transaction or subscription;
- Sales: at the exchange rate in force on transaction date;
- Fair value: at the year-end exchange rate.

Bonds and other fixed income debt securities

In accordance with IVASS Regulation no. 24 of 6 June 2016, the Board of Directors has issued guidelines for the classification of the debt securities portfolio.

Fixed-income securities are therefore classified as shown below:

Investment securities

These securities are recorded at acquisition cost, inclusive of all ancillary costs. Cost is adjusted in the eventuality of permanent impairment of value. The higher or lower cost with respect to their repayment price is amortised on a straight-line basis over the period from acquisition to maturity.

These securities are held until they mature as the company has the financial resources to do this. Their classification depends on their importance and/or the expected normalisation of the rate of return of technical reserves in general and of segregated Life accounts in particular.

Trading securities

Securities in this category, recognised at purchase cost inclusive of all ancillary costs, are stated in year-end accounts at weighted average cost or, if lower, at presumed realisable value based on market trends. This lower value is not maintained in subsequent year-end accounts if the reasons for the adjustment no longer exist. The cost of fixed-income securities is adjusted for the quota accruing in the year of margin, i.e. the difference between issue price and repayment value.

“Market trends” means, for listed securities, the price recorded on the last trading day of the financial year.

Foreign-currency securities are converted into euro applying the following criteria:

- Purchases: at the exchange rate in force on the date of transaction or subscription.
- Sales: at the exchange rate in force on transaction date.
- Fair value: at the year-end exchange rate.

Derivative financial instruments

Derivative financial instruments are exclusively used for hedging purposes, to reduce the risk profile of hedged assets/liabilities, or to optimise the risk/return profile of them. Derivative contracts in place at the end of the period are valued in accordance with the principle of consistent valuation, which requires that valuation losses or gains be recognised in the income statement consistently with the corresponding valuation gains or losses on the hedged assets.

Item F. IV "Other assets" includes amounts relating to margins pledged as collateral in favour of counterparties, based on forward sale agreements for government securities entered into under the International Swap and Derivatives Association Agreement. Item G. IX.3 "Other liabilities" includes the corresponding amounts referred to below that constitute margin guarantees in favour of the Company.

The fair value is determined by the 'replacement cost' method, using current year-end prices and rates for the same maturity and comparing them with the contractual prices and rates.

Fair value of financial instruments

In compliance with the requirements of Article 2427/2 of the Italian Civil Code, in Part B of the Explanatory Notes we provide information on the fair value of derivative financial instruments as well as – for non-current financial assets recognised at a value higher than their fair value (excluding investments in subsidiaries, affiliates, and joint ventures) – related carrying value and fair value, together with the reasons why carrying value has not been reduced.

The fair value of assets in Classes C II and C III, traded in regulated markets, is the price recorded on the last trading day of the financial year.

As required by Article 2427/2 of the Italian Civil Code, for the definition of "financial instrument", "derivative instrument", "fair value", and "generally accepted measurement model and technique", reference is made to international accounting standards compatible with European Union rules concerning the subject.

If a market valuation is not available for the investment, fair value is determined either on the basis of another similar financial instrument's fair market value or via use of appropriate valuation techniques. The latter include use of recent transactions, discounted cash flow analysis, or models able to provide reliable estimates of presumed prices in current market transactions. If fair value cannot be reliably measured, cost is used, adjusted for any impairment loss.

Investments benefiting policyholders that bear the risk

Financial investments benefiting policyholders who bear the risk of such investments are stated at fair value, i.e. at the price and exchange rate of the last trading day of the financial year in compliance with Articles 16,17 and 19 of Italian Legislative Decree no. 173 of 26 May 1997.

The concept of "policyholders bearing the investment risk" is crucial for the application of the fair-value accounting standard to measure assets, as it immediately reveals the relationship between the trend in technical reserves and that of assets covering such reserves.

In year-end financial statements, these investments are classified as follows:

DI - unit-linked and index-linked investments

DII - investments arising from pension fund management.

Mortgages and loans

Mortgage loans granted are all expressed in euro and are shown on the basis of residual principal as they are secured by mortgages on buildings.

Loans are all expressed in euro and, if rated as collectable, are valued at the residual principal value. They are adjusted by means of appropriate bad-debt provision.

Other captions

Tangible assets

Tangible assets are recognised at purchase cost inclusive of ancillary costs. They are shown net of related cumulative depreciation. Assets are depreciated on a straight-line basis over their estimated useful lives

Intangible assets

Intangible assets are recognised at cost and amortised on a straight-line basis as follows:

- Business and/or product trademarks - over a 10-year period,
- Over a period that takes their residual possibility of use in case of assets under point 2 of Article 2426 of the Italian Civil Code,
- Start-up and expansion costs pursuant to point 5 of Article 2426 of the Italian Civil Code over a 5-year period,
- Goodwill is recognised as an asset upon approval of the board of statutory auditors, if acquired against payment, within the limit of the amount paid and is amortised and it is amortized according to the residual useful life; if exceptionally it is not possible to estimate the residual useful life, is amortized over a period not exceeding 10 years.

This caption includes deferred acquisition costs to be amortised, only refer to the Life business, as starting from the year 2015 the acquisition costs for long-term contracts of Non-Life are charged entirely to the profit and loss account in the year in which those costs are incurred.

LIFE

Acquisition costs for new contracts, for the part not outwardly reinsured, are capitalised, within the limits of their respective loading, and are amortised on a straight-line basis over the duration of the underlying contract, with the maximum limit of 10 years. The amortisation period is considered to be economically consistent. Residual commissions of policies cancelled during the amortisation period are expensed in the financial year when the policies are eliminated from the portfolio.

Receivables

Receivables are shown in year-end accounts at face value adjusted to estimated realizable value via bad-debt provision. With reference to the requirements of Article 2427 of the Italian Civil Code and Italian Legislative decree no. 173/97, if, in the section analysing the balance sheet items, receivables are not specifically indicated as having a residual duration of more than one year and five years, they are taken to have a duration of less than one year.

Accrued, prepaid and deferred items

Accrued income, prepaid expenses, accrued liabilities, and deferred income link costs and income to the financial year to which they refer, even though related cash movements may take place after or before 31 December.

These items include only costs and income relating to two or more financial years.

Subordinated liabilities

Payables belonging to this category are expressed at par value.

Payables

Payables are shown in year-end accounts at par value.

With reference to the requirements of Article 2427 of the Italian Civil Code and of Italian Legislative decree no. 173/97, if in the section analysing balance sheet items, payables are not specifically indicated as having a residual duration of more than one year and five years, they are taken to have a duration of less than one year

Reserve for employee severance indemnities

The reserve for employee severance indemnities is calculated in compliance with current regulations and, as at the balance sheet date, fully covers amounts ultimately payable to eligible staff.

Provisions for risks and charges

Provisions for risks and charges include provisions to cover liabilities of a predetermined nature, of a certain or probable existence, for which, however, at year-end either the amount or date of occurrence are indeterminate.

Income taxes

Income taxes for the period are recognized in accordance with the current rules and regulations. Deferred taxes are calculated on the basis of the tax rates applicable when the temporary differences will reverse, making the necessary adjustments in case of changes in tax rates for the previous years, provided that the law changing the tax rate has already been enacted at the balance sheet date.

Prepaid tax assets (or deferred tax assets) are recognized when there is the reasonable certainty that there is an amount of taxable profit, in the years in which the deductible temporary differences that gave rise to such deferred tax assets will reverse, at least equal to the amount of such differences.

Deferred tax liabilities, if any, are provisioned in the "Tax provision" caption of the balance sheet, while deferred tax assets are recorded under "Other assets".

Conversion into euro

Long term items expressed in foreign currency are converted at spot exchange rates. For balance sheet items still existing at year-end, the exchange rate on the last trading day of the financial year is applied.

Part B

Information on Balance Sheet and Income Statement

BALANCE SHEET

ASSETS

CLASS B – INTANGIBLE ASSETS	31/12/2020	31/12/2019	Change
	10,173	14,181	-4,008

Intangible assets are stated net of amortisation calculated as stated in "Part A - Accounting policies" of these Explanatory Notes.

The Annex 4 to these Explanatory Notes detailed changes over the year.

B.1 – Deferred Acquisition costs

	31/12/2020	31/12/2019	Change
	7,049	6,673	+376

As more fully described in "Part A - Accounting Policies" of the Explanatory Notes, the deferred acquisition commissions refer only to the Life business.

If all policies have reached their full maturity, the different duration used for amortisation vs. actual policy duration would have led to an increase in shareholders' equity, before the related tax effect, in shareholders' equity of 420 thousand euro (443 thousand euro in the previous year) for the Life business.

B.1.a – Deferred acquisition commissions – Life business

	31/12/2020	31/12/2019	Change
	7,049	6,673	+376

Life business deferred acquisition commissions changed due to:

commissions on policies acquired in the year	+1,924
commissions for policies cancelled in the year	-37
annual amortization	-1,511

B.5 – Other deferred costs

	31/12/2020	31/12/2019	Change
	3,124	7,509	-4,385

Deferred expenses, stated in year-end accounts at cost, are shown net of the amortization. The item refers to a software, which recorded -4,385 thousand euro compared to 31 December 2019, due to acquisitions for 2,287 thousand euro and amortization for 4,442 thousand euro and other changes of -2,230 thousand euro.

CLASS C - INVESTMENTS

	31/12/2020	31/12/2019	Change
	3,821,845	3,612,624	+209,221

The comparison with investments' fair value is shown by type in the Annexes 4, 5 and 6 to these Explanatory Notes.

Below are shown the main investments:

C.I Land and buildings

	31/12/2020	31/12/2019	Change
	176,348	177,445	-1,097
<i>Of which:</i>			
C.I 1. Operating buildings	80,026	81,076	-1,050
C.I 2. Buildings used by third parties	93,375	96,369	-2,994
C.I 5. Assets under construction and payments on account	2,947	0	+2,947

Changes over the year are shown in the following table, separately for the two types of properties:

	Operating buildings	Buildings used by third parties	Assets under construction and payments on account	Total
				(€/000)
Amount as at 31 December 2019	81,076	96,369	-	177,445
Acquisitions	279	506	2,947	3,732
Amortization	(1,329)	(3,500)	-	(4,829)
Amount as at 31 December 2020	80,026	93,375	2,947	176,348

The other revaluations in prior years are provided in the statement of real estate assets contained in Part C "Other information and cash flow statement" to these Explanatory Notes.

C.II Investments in group and in other companies

	31/12/2020	31/12/2019	Change
	412,299	474,386	-62,087

As required by Article 2426 of the Italian Civil Code and by Article 58 of Italian consolidated law on income tax, investments in group (subsidiaries, associated and other investee companies) shall be deemed non-current financial assets.

Any differences between acquisition value and Associated shareholder's equity are attributable to surplus values not recognised to equity, due to unrealised capital gains on properties, current and future, drafted according to the contents of Part A - Accounting policies.

During 2020, a write-down of 11,340 thousand euro, as described in the Report on Operations.

Changes in Investments in group and in other companies are shown in Annex 5 to these Explanatory Notes. Details about companies in which Vittoria holds an investment are shown in Annexes 6 and 7 to these Explanatory Notes.

C.II 1. Equity investments

	31/12/2020	31/12/2019	Change
	408,179	463,196	-55,017

Change over the year in the item "Equity investments" is fully reported, as well as in the Directors' report in the comments on the equity portfolio, also in Annex 7 to these Explanatory Notes.

C.II 1.b Subsidiaries	31/12/2020	31/12/2019	Change
	342,828	417,714	-74,886

The investments in subsidiaries totalled 342,828 thousand euro, 29,914 thousand euro of which are allocated to the Life business and 312,914 thousand euro to the Non-life business.

C.II 1.d Associated companies	31/12/2020	31/12/2019	Change
	32,925	15,760	+17,165

The investments in subsidiaries totalled 32,925 thousand euro, totally allocated to the Non-life business.

C.II 1.e Other investee companies	31/12/2020	31/12/2019	Change
	32,427	29,722	+2,705

The item includes investments other than those in subsidiaries and associates, 7,500 thousand euro of which are allocated to the Life business and 24,927 thousand euro to the Non-life business.

C.II 3. Loans to group companies	31/12/2020	31/12/2019	Change
	4,120	11,190	-7,070

Of which:

C.II 3.b Subsidiaries	31/12/2020	31/12/2019	Change
	0	10,600	-10,600

The balance as at 31 December 2019 refers to three loans, 5,000 thousand euro to Vaimm Sviluppo S.r.l., 4,500 thousand euro to V.R.G. Domus and 1,100 thousand euro to Valsalaria, extinguished during the 2020 financial year.

C.II 3.d Associated companies	31/12/2020	31/12/2019	Change
	4,120	590	+3,530

The balance at December 31, 2020 related to two interest-bearing loans outstanding with the associate Aspevi Milano S.r.l. for 920 thousand euro (the residual term of the loan is more than one year and the current rate applied is 2%) and with Immobiliare Bilancia Prima S.r.l. for 3,200 thousand euro (the residual term of the loan is more than one year and the current rate applied is 1%).

C.III Other financial investments	31/12/2020	31/12/2019	Change
	3,233,198	2,960,792	+272,406

The information on the breakdown and changes in other financial investments according to use and at current value are contained in Annexes 8 and 9 to these Explanatory Notes.

The income and charges are shown in Annexes 21 and 23 of the Explanatory Notes.

The item refers to:

C.III 2 Units in mutual investment funds

	31/12/2020	31/12/2019	Change
	797,147	614,752	+182,395

Investments in mutual funds are mainly long-term investments. These totalled 797,147 thousand euro and are allocated as follows: 305,725 thousand euro to the Life business and 491,422 thousand euro to the Non-life business.

As already described in the Directors' report, during the year, the Company continued its action aimed at diversification by asset classes of the investment portfolio. This transaction therefore led to an increase in exposure mainly in UCIs.

It should be noted that during the year, shares in the Pegasus real estate fund were purchased for 50.98%. For further details on the change in the item, please refer to the "Investments Asset" section of the Directors' report.

C.III 3 Bonds and other fixed-income securities

	31/12/2020	31/12/2019	Change
	2,417,270	2,327,155	+90,115
<i>Of which:</i>			
C.III 3.a Listed	2,416,459	2,326,161	+90,298
C.III 3.b Not listed	811	994	-183

Investments in bonds and other fixed-income securities include short-term securities of 575,295 thousand euro and long-term securities of 1,841,975 thousand euro. These totalled 2,417,270 thousand euro and are allocated as follows: 1,203,189 thousand euro to the Non-life business and 1,214,081 thousand euro to the Life business.

As at 31 December 2020, the Company holds bonds, that have subordination clauses, whose main features are summed up in the following table:

Debt securities with subordination clauses (€/000)

Beneficiary	Carrying value FY 2020	Currency	Interest rate	Expiration date	Early redemption clauses
Aareal Bank AG	1,066,408	EUR	4.25%	18/03/2026	Call 18/03/2021
ABN AMRO	3,055,860	EUR	6.38%	27/04/2021	none
Credit Agr BK	2,500,020	EUR	4.00%	23/12/2099	Call 23/12/2027
Achmea B.V.	6,651,525	EUR	6.00%	04/04/2043	Call 04/04/2023
Aegon NV	1,116,585	EUR	5.63%	perpetual	Call 15/04/2029
Aegon NV	1,014,797	EUR	5.63%	perpetual	Call 15/04/2029
Aegon NV	1,052,109	EUR	4.00%	25/04/2044	Call 25/04/2024
Aegon NV	1,568,057	EUR	4.00%	25/04/2044	Call 25/04/2024
AG INSURANCE SA	1,045,744	EUR	3.50%	30/06/2047	Call 30/06/2027
AGEAS	4,030,830	EUR	3.25%	02/07/2049	Call 02/07/2029
AGEAS	984,020	EUR	3.88%	10/06/2099	Call 10/12/2029
Allianz Finance	1,728,130	EUR	5.75%	08/07/2041	Call 08/07/2021
Allianz SE	537,699	EUR	3.10%	06/07/2047	Call 06/07/2027
Allianz SE	6,708,212	EUR	3.10%	06/07/2047	Call 06/07/2027
Allianz SE	998,270	EUR	2.63%	30/04/2099	Call 30/10/2030
ARGENTUM (ZURIC	1,562,395	EUR	2.75%	19/02/2049	Call 19/02/2029
ARGENTUM (ZURIC	2,010,898	EUR	2.75%	19/02/2049	Call 19/02/2029
ARGENTUM (ZURIC	1,657,861	EUR	3.50%	01/10/2046	Call 01/10/2026
ASR NEDERLAND N	6,952,898	EUR	3.38%	02/05/2049	Call 02/02/2029
ASR NEDERLAND N	553,875	EUR	5.13%	29/09/2045	Call 29/09/2025
ASR NEDERLAND N	2,756,953	EUR	5.13%	29/09/2045	Call 29/09/2025
Ass.ni Generali	7,016,825	EUR	4.13%	04/05/2026	none
Ass.ni Generali	1,603,806	EUR	5.00%	08/06/2048	Call 08/06/2028
Ass.ni Generali	9,041,385	EUR	5.00%	08/06/2048	Call 08/06/2028
Ass.ni Generali	574,491	EUR	5.50%	27/10/2047	Call 27/10/2027
Ass.ni Generali	6,213,398	EUR	5.50%	27/10/2047	Call 27/10/2027
Ass.ni Generali	1,031,879	EUR	3.88%	29/01/2029	none
AXA SA	1,556,837	EUR	3.25%	28/05/2049	Call 28/05/2029
AXA SA	6,074,764	EUR	3.25%	28/05/2049	Call 28/05/2029
AXA SA	5,235,762	EUR	3.38%	06/07/2047	Call 06/07/2027
Bcc Gran Sasso	100,000	EUR	6.00%	20/06/2023	none
Banco Bilbao Vi	1,560,941	EUR	3.50%	10/02/2027	none
BANCO SANTANDER	963,161	EUR	2.13%	08/02/2028	none
Barclays Plc	1,066,850	EUR	6.63%	30/03/2022	none
Barclays Plc	974,808	EUR	2.00%	07/02/2028	Call 07/02/2023
BNP PARIBAS	2,226,930	EUR	2.25%	11/01/2027	none
GRPM Ass Mut	500,935	EUR	3.38%	24/09/2028	none
GRPM Ass Mut	7,062,819	EUR	3.38%	24/09/2028	none
Caixabank SA	945,929	EUR	2.25%	17/04/2030	Call 17/04/2025
Caixabank SA	1,535,751	EUR	3.50%	15/02/2027	Call 15/02/2022
GRPM Ass Mut	504,244	EUR	2.13%	16/09/2029	none
GRPM Ass Mut	2,477,403	EUR	2.13%	16/09/2029	none

Debt securities with subordination clauses

(€000)

Beneficiary	Carrying value FY 2020	Currency	Interest rate	Expiration date	Early redemption clauses
Cnp assurances	1,038,559	EUR	2.75%	05/02/2029	none
Cnp assurances	2,474,068	EUR	2.75%	05/02/2029	none
Cnp assurances	4,354,173	EUR	4.50%	10/06/2047	Call 10/06/2027
Cnp assurances	1,991,992	EUR	2.50%	30/06/2051	Call 30/12/2030
Commerzbank	2,028,590	EUR	7.75%	16/03/2021	none
CMARKEA	2,078,331	EUR	3.38%	11/03/2031	none
CMARKEA	2,122,911	EUR	3.50%	09/02/2029	none
CREDEM/ITA SPA	2,490,510	EUR	3.50%	18/02/2031	Call 18/11/2025
CREDEM/ITA SPA	2,490,619	EUR	3.50%	18/02/2031	Call 18/11/2025
Credit Agr Ass	1,433,323	EUR	2.63%	29/01/2048	Call 29/01/2028
Credit Agr Ass	5,610,195	EUR	4.75%	27/09/2048	Call 27/09/2028
Credit Agr BK	718,660	EUR	2.63%	17/03/2027	none
Danica Pension	4,422,232	EUR	4.38%	29/09/2045	Call 29/09/2025
Deutsche Bk AG	470,000	EUR	6.00%	perpetual	Call 30/04/2022
Deutsche Bk AG	965,905	EUR	6.00%	perpetual	Call 30/04/2022
Deutsche Bk AG	6,913,091	EUR	4.50%	19/05/2026	none
Deut.Pfandbrief	1,041,321	EUR	4.60%	22/02/2027	none
ELMBV(HELVETIA	3,675,487	EUR	3.38%	29/09/2047	Call 29/09/2027
ETHIAS SA	542,028	EUR	5.00%	14/01/2026	none
ETHIAS SA	1,618,160	EUR	5.00%	14/01/2026	none
HANNOVER RE	2,475,645	EUR	1.13%	10/10/2039	Call 09/07/2029
HELVETIA EUROPE	1,189,288	EUR	2.75%	30/09/2041	Call 30/06/2031
HSBC Holding PI	504,920	EUR	5.25%	perpetual	Call 16/09/2022
HSBC Holding PI	1,469,525	EUR	5.25%	perpetual	Call 16/09/2022
HSBC Holding PI	2,887,676	EUR	3.13%	07/06/2028	none
INTESA SANPAOLO	516,070	EUR	6.25%	perpetual	Call 16/05/2024
INTESA SANPAOLO	6,011,928	EUR	6.25%	perpetual	Call 16/05/2024
La Mondiale	1,277,691	EUR	5.05%	perpetual	Call 17/12/2025
F VAN LANSCHOT	1,047,440	EUR	6.75%	perpetual	Call 01/04/2024
LB Baden-Wuertt	674,194	EUR	3.63%	16/06/2025	none
MUNCHENER RUECK	1,094,477	EUR	3.25%	26/05/2049	Call 26/05/2029
NN Group NV	1,643,778	EUR	4.63%	13/01/2048	Call 13/01/2028
NN Group NV	8,216,681	EUR	4.63%	13/01/2048	Call 13/01/2028
NN Group NV	1,618,258	EUR	4.63%	08/04/2044	Call 08/04/2024
NORDEA BANK AB	1,008,280	EUR	4.00%	29/03/2021	none
Raiffeisen Bk	3,588,025	EUR	6.63%	18/05/2021	none
SAMPO Oyj	2,017,034	EUR	3.38%	24/05/2049	Call 23/05/2029
SANTANDER INTL	923,750	EUR	4.38%	perpetual	Call 14/01/2026
SANTANDER INTL	878,533	EUR	4.38%	perpetual	Call 14/01/2026
SANTANDER INTL	493,770	EUR	6.25%	perpetual	Call 11/09/2021
SANTANDER INTL	1,914,744	EUR	6.25%	perpetual	Call 11/09/2021
SCOR SE	3,211,504	EUR	3.63%	27/05/2048	Call 27/05/2028
Skandinaviska E	2,602,235	EUR	2.50%	28/05/2026	Call 28/05/2021
SWISS RE FINANC	200,020	EUR	2.71%	04/06/2052	Call 04/06/2032

Debt securities with subordination clauses

(€000)

Beneficiary	Carrying value FY 2020	Currency	Interest rate	Expiration date	Early redemption clauses
Standard Charte	717,014	EUR	3.63%	23/11/2022	none
SWISS RE FINANC	1,518,198	EUR	2.53%	30/04/2050	Call 30/04/2030
TALANX AG	9,724,352	EUR	2.25%	05/12/2047	Call 05/12/2027
UniCredit S.p.A	6,116,819	EUR	3.88%	03/12/2099	Call 03/06/2027
Uniqa Insurance	8,703,160	EUR	6.00%	27/07/2046	Call 27/07/2026
VITTORIA ASSICU	463,296	EUR	5.75%	11/07/2028	none
VITTORIA ASSICU	555,000	EUR	5.75%	11/07/2028	none
XLIT LTD	997,672	EUR	3.25%	29/06/2047	Call 29/06/2017
ZURICH FINANCE	1,000,020	EUR	1.60%	17/12/2052	Call 17/09/2032
Total	233,563,215				

As at 31 December 2020, the Company holds no. 95 bonds, which have subordination clauses, for which in case of default or liquidation of the issuer, the redemption of bonds and payment of interest is achievable only after full satisfaction of senior creditors.

C.III 3.a Bonds and other fixed-income securities Listed

The change is due to the following transactions:

- increase depending on purchase 735,891 thousand euro and decrease depending on reimbursements and sales for 620,946 thousand euro;
- adjustment for negative trading margins for 26,376 thousand euro;
- decreasing adjustment at fair value of short-term investments for 1,227 thousand euro.

C.III 3.b Bonds and other fixed-income securities Not listed

The change is due to:

- increase depending of purchase of 49 thousand euro and decrease depending on reimbursements for 224 thousand euro;
- negative adjustment due to issue and trading discounts for 8 thousand euro.

The following table provides information relating to the fair value of financial instruments as at 31 December 2020, as required by Article 2427-bis of the Italian Civil Code.

		(€/000)	
	Account class	Carrying value FY 2020	Fair value (*)
Investments and Other investee companies		412,299	470,390
- Equity investments in other investee companies <i>of which carried at a value higher than fair value</i>	C.II.1	408,179 10,135	466,270 69,340
- Bonds issued by other investee companies	C.II.3.b)	4,120	4,120
Other financial investments		3,233,198	3,382,628
- Units in mutual investment funds <i>of which carried at a value higher than fair value</i>	C.III.2	797,147 328,661	795,295 354,115
- Bonds and other fixed-income securities <i>of which carried at a value higher than fair value</i>	C.III.3	2,417,270 1,865,841	2,568,551 2,018,063
- Loans	C.III.4	15,781	15,781
- Bank deposits	C.III.6	3,000	3,000

(*) Fair value corresponds to what is indicated in Annex 8 to the Explanatory Notes.

With regard to the "Equity investments in other investee companies" category, the increase in current value compared to the carrying amount is mainly due to the investments in Yam Invest N.V. (fair value at 31 December 2020 of 59,749 thousand euro) and Banca Passadore (fair value at 31 December 2020 amounting to 9,590 thousand euro).

Operations involving repurchase agreements

During the year, no operations involving repurchase agreements were carried out.

C.III 4 Loans

	15,781	15,886	-105
<i>Of which:</i>			
C.III 4.a Secured loans	12,786	12,668	+118
C.III 4.b Loans against insurance policies	350	388	-38
C.III 4.c Other loans	2,645	2,830	-185

Details and related changes over the year are shown in Annex 10 to these Explanatory Notes.

C.III 4.a Secured loans

	31/12/2020	31/12/2019	Change
	12,786	12,668	+118

This item exclusively includes loans granted by the Company and secured by a mortgage.

The minimum interest rate applied to mortgages is 0.65%.

The amount of mortgage with a residual duration of more than 1 year and 5 years is 2,172 thousand euro and 2,154 thousand euro, respectively.

C.III 4.b Loans against insurance policies

	31/12/2020	31/12/2019	Change
	350	388	-38

These are loans granted to company Life policyholders. By virtue of their nature, these loans can be considered to have a duration of more than 5 years.

The current interest rate applied to the loans is equal to the rate of return of segregated funds retroceded to policyholders, increased by 2 points spread.

C.III 4.c Other loans

	31/12/2020	31/12/2019	Change
	2,645	2,830	-184

The item mainly consists of loans granted to company employees and agents.

The minimum interest rate applied to loans is 1.0% and relates to loans granted to the agency network to upgrade its IT facilities.

The amount of loans with a residual duration of more than 1 year and 5 years is 1,451 thousand euro and 706 thousand euro.

C.III 6 Other financial investments

	31/12/2020	31/12/2019	Change
	3,000	3,000	+0

This item consists of two term deposits, allocated to the Non-Life business for 1,000 thousand euro and allocated to the Life business for 2,000 thousand euro.

CLASS D – INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS BEARING THE RISK AND THOSE RELATING TO PENSION FUND MANAGEMENT

	31/12/2020	31/12/2019	Change
	113,796	91,366	+22,430

D.I Investments relating to unit- and index-linked policies

	31/12/2020	31/12/2019	Change
	86,862	65,581	+21,281

The changes occurring over the year by asset category are detailed as follows:

Portafoglio Unit Linked		+21,281
- increases for purchases and subscriptions of financial instruments		+32,937
- decreases due to sales of securities, redemptions and switches		-12,727
- profit/loss from internal fund management		-23
- adjustment to current value		+1,026
- liquidity waiting to be invested		+68

Investments breakdown by asset category belonging to Class D.I relating to agreements whose performance is associated to investment funds and market indexes are shown in the Annex 11 to these Explanatory Notes.

D.II Investments relating to pension fund management

	31/12/2020	31/12/2019	Change
	26,933	25,784	+1,149

Below are the changes by asset category leading to the movement of net assets:

- balance of social security management (net collection)		+928
- gain/loss for pension fund management		+221

These investments are entirely related to the open pension fund called “Vittoria Formula Lavoro” and are shown in the Annex 12 to these Explanatory Notes. For further details, please refer to the Pension fund’s annual report, available on the Company’s website.

CLASS D bis – REINSURERS' SHARE OF TECHNICAL RESERVES

	31/12/2020	31/12/2019	Change
	67,214	77,947	-10,733

As regards their breakdown by type of reinsurance business, reference should be made to the description in Balance Sheet Liabilities - Class C - Technical Reserves.

Their breakdown is as follows:

	31/12/2020	31/12/2019	Change
			(€/000)
D Bis. I Non - Life business	63,655	73,222	- 9,567
<i>Of which:</i>			
Premium reserve	12,151	11,832	+ 319
Claims reserve	51,504	61,390	- 9,886
D Bis. II Life business	3,559	4,724	- 1,165
<i>of which:</i>			
Mathematical reserves	3,497	2,977	+ 520
Reserve for payable amounts	13	1,705	- 1,692
Other technical reserves	49	42	+ 7

The item Other financial reserves for Life business refers to operating expense reserves for Lob IV - Health insurance.

CLASS E – RECEIVABLES

	31/12/2020	31/12/2019	Change
	333,868	290,212	+43,656

The amount is payable from 2021. This item is shown net of related adjustment provisions.

The changes compared to 31 December 2019 are detailed in the following categories:

E.I Receivables relating to direct insurance transaction

	31/12/2020	31/12/2019	Change
	232,029	210,742	+21,287
Towards:			
E.I.1 Policyholders	69,015	63,802	+5,213
E.I.2 Insurance agents and brokers	126,977	103,398	+23,580
E.I.3 Insurance companies - current accounts	9,488	12,851	-3,363
E.I.4 Policyholders and third parties for recoverables	26,549	30,691	-4,142

In particular:

E.I 1. Direct insurance receivables, for premiums due from policyholders

	31/12/2020	31/12/2019	Change
	69,015	63,802	+5,213
<i>Of which:</i>			
E.I 1.a For current years' premiums	67,196	62,610	+4,586
E.I 1.b For previous years' premiums	1,819	1,192	+627

Receivables due from policyholders are shown net of related adjustment provisions, which, as at 31 December 2020, amounted 12,638 thousand euro (10,049 thousand euro as at 31 December 2019), and mainly relate to the Non-Life business, due to write-downs of estimated bad debts based on previous years' experience. The provision made in the previous year has been in line with the subsequent evidence.

E.I 2. Receivables relating to direct insurance, due from insurance agents and brokers

	31/12/2020	31/12/2019	Change
	126,977	103,398	+23,578

Amounts receivable from insurance agents and brokers are stated net of the related provision which, as at 31 December 2020 amounted to 22,652 thousand euro (18,744 thousand euro in the previous year), determined based on an analytical assessment of the recoverability and seniority and the implicit risk of the portfolio. The item was adjusted by 16,222 thousand euro for Non-life business and for 6,430 thousand euro for Life business.

The item includes 24,975 thousand euro for the recovery of the portfolio against leaving indemnities paid in the past to intermediaries who have ceased their activities and currently in reimbursement. Of the remaining receivables, amounting to 102,002 thousand euro, 2,710 thousand euro remained uncollected at 31 January 2021.

In addition, the total amount includes receivables toward subsidiary companies, in particular, Aspevi Firenze S.r.l. and Assiorviato Servizi S.r.l. for 3,412 thousand euro and toward associated companies Aspevi Roma S.r.l. and Aspevi Milano S.r.l. for 10,120 thousand euro.

The amounts of receivables with a residual duration of more than 1 year and 5 years are 20,735 thousand euro and 11,882 thousand euro, respectively.

E.I 3. Receivables relating to direct insurance, due from insurance companies – current accounts

	31/12/2020	31/12/2019	Change
	9,488	12,851	-3,363

This item primarily consists of receivables arising from current accounts reflecting the results of technical management of co-insurance transactions, net of the related provision which amounted to 548 thousand euro relating to Non-life business, unchanged compared to the previous year.

E.I 4. Receivables relating to direct insurance, due from policyholders and third parties for recoverables

	31/12/2020	31/12/2019	Change
	26,549	30,691	-4,142

The item shows receivables due from policyholders and third parties for deductibles and claim subrogation, substantially unchanged.

E.II - Receivables relating to reinsurance business

	31/12/2020	31/12/2019	Change
1. Insurance and reinsurance companies	7,908	10,613	-2,705

This item comprises receivables stemming from current accounts reflecting the results of technical management of reinsurance treaties net of related provision of 1,334 thousand euro, entirely relating to the Non-life business, (1,336 thousand euro in the previous year), commensurate with the expected losses for uncollectible accounts.

E.III – Other receivables

	31/12/2020	31/12/2019	Change
	93,931	68,857	+25,074

This item is shown net of related adjustment provisions of 4,025 thousand euro relating to Non-life business (4,219 thousand euro in the previous year).

The most significant items forming "Other receivables" are:

- Receivables from Tax Authorities for 61,820 thousand euro for tax credits on mathematical reserves in accordance with D.L. 209/2002, advance payment on Non – Life business (ex D.L. 282/2004), and receivables on local tax (IRPEG and IRES) for which reimbursement has been requested including related interests; these receivables are considered collectable essentially by next year;
- Receivables from subsidiary companies for 11,332 thousand euro.

CLASS F – OTHER ASSETS

31/12/2020	31/12/2019	Change
84,500	76,668	+7,832

Of which:

F. I Tangible assets and inventory

	31/12/2020	31/12/2019	Change
	5,828	6,004	-176
F. I.1 Office, furniture & machinery, and internal transport systems	4,507	4,719	-212
F. I.2 Registered chattels	164	253	-89
F. I.3 Plant and equipment	1,146	1,021	+125
F. I.4 Inventory and other assets	11	11	+0

Assets related to item F.I Tangible assets and inventory are stated at cost less cumulative depreciation. The change is due to the purchases during the year for 1,662 thousand euro and amortisation for 1,837 thousand euro and net dismissals for 1 thousand euro.

Below, are detailed the items forming this sub-category F. I.1 Office furniture & machinery, and internal transport systems:

	31/12/2020	31/12/2019	change
Furniture	2,839	2,994	155
Fittings	773	825	52
Ordinary office machinery	837	816	-21
Electronic office machinery	58	84	26
Total	4,507	4,719	212

Operations of financial lease

During the year no operations of financial lease were carried out.

F. II Cash & cash equivalents

31/12/2020	31/12/2019	Change
2,302	6,721	-4,419

The total amount is made up of 2,298 thousand euro by bank deposits and post office current accounts and 4 thousand euro by cheques and cash in hand.

The changes of Cash & cash equivalents are detailed in the cash flow statement enclosed to the Part C "Other information" to these Explanatory Notes.

F. IV Other assets

	31/12/2020	31/12/2019	Change
	76,370	63,943	+12,427

The main items forming this item are shown below:

- deferred tax assets relating to previous years' taxable items for 61,164 thousand euro relating to the temporary tax adjustments made in the financial year or in the previous years (63,198 thousand euro in the previous year). For details, reference should be made to the schedule shown later on in the chapter "Information on the balance sheet and income statement;
- sums unavailable on current accounts as a result of foreclosures exercised by third parties to pending cases amounted to 1,860 thousand euro;
- sums relating to margins posted as collateral on forward sales contracts for government securities signed with certain counterparties, amounting to 4,449 thousand euro.

CLASS G – ACCRUED INCOME & PREPAID EXPENSES

	31/12/2020	31/12/2019	Change
	37,951	35,086	+2,865
G.1 Interest	27,077	26,270	+807
G.2 Rent instalments	0	639	-639
G.3 Other accrued income & prepaid expenses	10,874	8,175	+2,699

G.1 Interest

This refers mainly to interest totalling on fixed-income government securities, totalling 16,914 thousand euro as at 31 December 2020 (13,520 thousand euro in the previous year) and interest on bonds amounting to 8,089 thousand euro (8,070 thousand euro in the previous year). Lastly, the item includes 1,950 thousand euro relating to the accrual of capital gains to be paid to policyholders of the Segregated Fund Rendimento Mensile, which will be realised upon maturity of the forward sale transaction on securities as described in the Report on Operations.

G.3 Other accrued income & prepaid expenses

The item mainly refers to prepaid expenses calculated on miscellaneous invoices and policies.

BALANCE SHEET

LIABILITIES

CLASS A – SHAREHOLDERS’ EQUITY

	31/12/2020	31/12/2019	Change
	664,884	569,204	+95,680

The outline of changes in shareholders’ equity as at 31 December 2020 is shown below, as required by Article 2427 Civil Code:

	(€000)						
	Share capital	Legal reserve	Share premium	Revaluation reserve	Available reserve	Net profit for the year	Total
Dividend distribution	-	-	-	-	-	-12,802	-12,802
Allocation to earnings reserve 2014	-	54	-	-	62,079	-62,133	-
2015 net profit	-	-	-	-	-	66,269	66,269
Balance as at 31/12/2015	67,379	12,619	33,355	18,193	341,408	66,269	539,223
Dividend distribution	-	-	-	-	-	-13,476	-13,476
Allocation to earnings reserve 2015	-	9	-	-	52,783	-52,793	-
2016 net profit	-	-	-	-	-	139,487	139,487
Balance as at 31/12/2016	67,379	12,628	33,355	18,193	394,192	139,486	665,234
Dividend distribution	-	-	-	-	-	14,150	-14,150
Allocation to earnings reserve 2016	-	50	-	-	125,288	-125,337	-
2017 net profit	-	-	-	-	-	78,445	78,445
Balance as at 31/12/2017	67,379	12,678	33,355	18,193	519,480	78,445	729,530
Dividend distribution	-	-	-	-	-	18,866	-18,866
Allocation to earnings reserve 2017	-	171	-	-	59,408	-59,579	-
2018 net profit	-	-	-	-	-	99,607	99,607
Balance as at 31/12/2018	67,379	12,849	33,355	18,193	578,888	99,607	810,271
Dividend distribution	-	-	-	-	-	19,415	-19,415
reverse melting effect	-	-	19,936	-	276,086	-	-296,022
Allocation to earnings reserve 2018	-	89	-	-	80,102	-80,191	-
2018 net profit	-	-	-	-	-	74,370	74,370
Balance as at 31/12/2019	67,379	12,938	13,419	18,193	382,905	74,371	569,204
Dividend distribution	-	-	-	-	-	12,944	-12,944
Allocation to earnings reserve 2019	-	362	-	-	61,064	-61,426	-
2019 net profit	-	-	-	-	-	108,624	108,624
Balance as at 31/12/2020	67,379	13,301	13,419	18,193	443,969	108,624	664,884

As at 31 December 2020, the share capital, consisting of no. 64,717,464 ordinary shares with no par value, subject to dematerialization scheme and recorded in the central securities management system.

Revaluation reserve refers to the real estate revaluation carried out in 2008, as required by Article 15, paragraph 20, of the Legislative Decree no. 185 of 29 November 2008, and in 2013 as required by Law no. 147/2013.

The following table highlights the nature and possibility of use of equity reserves as required by aforementioned Article of the Italian Civil Code:

(€/000)

Nature/Description	Amount as at 31/12/2020	Possibility of utilization (*)	Available amount	Summary of utilisation in the previous 3 financial years	
				to cover losses	for other reasons
Share capital	67,379				
Equity reserves					
Share premium reserves	13,419	A, B, C	13,419		
Revaluation reserves (2)					
Revaluation reserve - Law 147/2013	7,254	A, B, C	7,254		
Revaluation reserve - Law 185/2008	10,939	A, B, C	10,939		
Earnings reserves					
Legal reserve	13,301	B	-		
Other available reserves	443,969	A, B, C	443,969		
Net profit for the year	108,624	A, B, C	108,624		
Total shareholders' equity	664,884		584,205		
Non-distributable portion of share premium reserve (1)			175		
Residual distributable portion			584,030		

(*) A: for capital increases

B: to cover losses

C: for distribution to shareholders

(1) Under Article 2431 of the Italian Civil Code, the entire amount of this reserve can be distributed only if the legal reserve has reached the limit established by Article 2430 of the Italian Civil Code.

(2) These reserves might be decreased as established by Article 2445 of the Italian Civil Code, paragraph 2 and 3.

Disclosure of equity reserves used for capital increases, as required by circular no. 8 issued by the Italian Finance Ministry on 16/03/1984:

(€/000)

Date of Extraordinary shareholders' resolution	Year of recognition in accounts	As per Visentini Law	Amount
19/5/78	1978	576/75	258
14/5/79	1980	576/75	516
15/4/81	1982	576/75	258
28/6/88	1988	576/75	13
28/6/88	1988	72/83	1,020
28/6/90	1990	72/83	3,099
27/6/08	2008	-	6,370

CLASS B – SUBORDINATED LIABILITIES

31/12/2020	31/12/2019	Change
250,000	250,000	+0

The item refers to the subordinated loan issued by the Company in 2018. For further details, please refer to the Directors' report.

It should be noted that the subordinated loan is suitable for the coverage of Solvency II requirements.

CLASS C – TECHNICAL RESERVES

	31/12/2020	31/12/2019	Change
	3,228,742	3,113,639	+115,103

The following tables show detailed breakdown and changes compared to 31 December of previous FY of Non-life business technical reserves:

C.I – Non-Life business

	31/12/2020	31/12/2019	Change
	1,691,183	1,673,260	+17,923
C.I.1 - Premium reserve	430,843	421,744	+9,099
C.I.2 - Claims reserve	1,250,951	1,242,863	+8,089
C.I.4 - Other technical reserve	409	409	+0
C.I.5 - Equalisation reserve	8,980	8,244	+736

Information about analytical evaluation and accounting criteria of the technical reserves are enclosed in "Part A - Accounting Policies" to this financial report.

Changes over the year are shown by business line and type in Annexes 13 and 25 to these Explanatory Notes.

C.I.1 – Premium reserve

The breakdown and changes of premium reserve compared to the previous year are shown below:

	31/12/2020	31/12/2019	Change
For directly insured risks	430,811	421,713	+ 9,098
For inwardly insured risks	32	31	+ 1
Gross reserves	430,843	421,744	+ 9,099
Reinsurers' share	12,151	11,832	+ 319
Net reserves	418,692	409,912	+ 8,780

The breakdown of the direct insurance premium reserve, calculated in accordance with the *pro-rata temporis* criterion and the specific criteria set out in "Part A - Accounting policies" for each line, is as follows:

Reserve for unearned premiums and additions to reserve

(€'000)

Line of business	Direct insurance		Indirect insurance		TOTAL
	Reserve for unearned premiums	Unexpired risks reserve	Reserve for unearned premiums	Unexpired risks reserve	
01 - Accident	31,644				31,644
02 - Health	6,002				6,002
03 - Land motor vehicle hulls	51,694				51,694
04 - Railway rolling stock	7				7
05 - Aircraft hulls	0				0
06 - Marine hulls	641	174			815
07 - Cargo insurance	805				805
08 - Fire and natural events	44,987				44,987
09 - Miscellaneous damage	19,244	286			19,530
10 - Motor TPL	224,912				224,912
11 - Aviation TPL	1				1
12 - Marine TPL	495				495
13 - General TPL	27,897		25		27,922
14 - Credit insurance	324				324
15 - Bond insurance	5,326				5,326
16 - Pecuniary losses	4,648				4,648
17 - Legal protection	2,403				2,403
18 - Support and assistance	9,323		6		9,329
Total premium reserve	430,352	460	31		430,843

Unexpired risk reserve

Unexpired risk reserve as at 31 December 2019 is referred to 9 Line of business - Miscellaneous damage and to 15 line - Bond insurance has been evaluated in accordance with the ISVAP Regulation n. 22/2008, amended by IVASS Regulatory order no. 53/2016 set out in "Part A - Accounting policies" to this financial report, net of non-repeatable events.

For the assessment of Unexpired risk reserve of the 14 Line of business - Credit is not considered that the empirical method is consistent with the type of portfolio risks Vittoria which is entirely represented by the Salary-Backed Loans with the possibility of recourse. It was therefore considered more appropriate to use a method of estimating the expected losses.

C.I.2 – Claims reserve

The breakdown and changes of claims reserve in thousand euro compared to 31 December of previous FY are shown in the table below:

	31/12/2020	31/12/2019	Change
For directly insured risks	1,250,146	1,242,019	+ 8,127
For inwardly insured risks	806	844	- 38
Gross reserves	1,250,952	1,242,863	+ 8,089
Reinsurers' share	51,201	61,059	- 9,858
Retrocessionaries' share	303	331	- 28
Net reserves	1,199,448	1,181,473	+ 17,975

Non-life business:

The total claims reserve relating to the Motor Vehicle Third-party Liability class (including Marine, Lake and River Vehicle Third-party Liability) totals 908,2 million euro.

In accordance with the previous years, in order to estimate the ultimate cost that is more consistent with the operating situation, which includes multiple cases with significant differences in the parameters used to assess the extent of the claims, the Company has decided to analyse the claims managed outside the Card agreement (established since 2007) and post-Card claims, divided by type of management, separately. For this purpose, a preliminary methodological work was carried out to identify actuarial methods that would allow for an accurate assessment of reserves at ultimate cost with the appropriate level of detail.

Different deterministic valuation methods have been identified, which are of a different nature in order to have a more precise monitoring of the evolution dynamics of the claims, also considering the impacts on the variables used in the development of the reserving models resulting from the pandemic context:

- Chain Ladder Paid: this method estimates the amount of future payments, up to run off of claims generated, building with the available historical series the triangles of the cumulative paid amounts (organised by claim) and calculating the observed development coefficients based on them. These coefficients are applied to the cumulative data up to the current budget year to evaluate future payments;
- Chain Ladder Incurred: this method is similar to the previous one, with the difference that the development coefficients for each accident year are calculated on the total amounts of claims (payments already observed + reserves) in the different balance sheet years. The coefficients are applied to the cumulative data up to the current year to assess the total value of claims in the future;
- Fisher Lange: the method is based on the projection of the number of claims to be paid and on the estimated average cost. This method provides for the estimation by claim duration regarding how fast claims are settled, the rate of claims with follow-up, the average cost of claims and the trend of future inflation. These quantities are evaluated by analysing the run-off triangles of the number of claims paid, reserved, without follow-up and reopened, and the average costs recorded for each generation/duration;
- Bornhuetter Ferguson – Paid: Paid/Incurred: this method allows to arrive at an estimate based on the results obtained from the Chain Ladder methods described above and those of the method of the Expected Claims Technique. The latter provides for the estimate of the total cost of the claims starting from the identification of an a priori Loss Ratio determined on the basis of the expert judgement of Vittoria Assicurazioni.

In order to obtain a more stable estimate, or less influenced by any changes in the timing of information exchange through the Clearing House, the methods allow a joint assessment of the Ultimate Cost and the IBNR reserve being applied to data that also includes information on late claims observed (the IBNR reserve was however directly calculated using the method described below and then separated from the overall value).

For all management operations, due to the sufficient historical depth, the development coefficients of the areas have been estimated separately for each component analysed in order to represent the different outlooks.

Other risks:

For the General TPL Lob, a verification is carried out on the adequacy of claims reserve (including the IBNR), by using the deterministic actuarial methods that are similar to those described for the MV TPL Lob.

For the valuation of the serves of other Lobs, the Chain Ladder Paid and Incurred actuarial models described for the MV TPL lob were used, by analysing data with the details of the Solvency II line of business.

IBNR claims:

Calculation of the reserve for IBNR (incurred but not reported) claims requires estimation of number and average cost of late claims for each business. This estimate was made using the balance-sheet input forms for FY 2008-2020 as data source, whilst considering any gaps between prior year allocation and the final account. As regards MTPL LoB, the estimate is performed separately for each type of management.

C.I.4 - Other technical reserves

	31/12/2020	31/12/2019	Change
	409	409	+0

These reserves refer to direct business and consist of the Health insurance ageing reserve. In order to evaluate this reserve, the analytical and lump-sum criteria were used as described in the "Part A - Accounting Policies" to this financial report.

C.I.5 - Equalisation reserve

	31/12/2020	31/12/2019	Change
	8,980	8,244	+736

Below is the breakdown, by LoB, of the equalization reserve solely referred to direct business, in accordance with the provisions under Annex no.15 of the Regulations ISVAP no. 22 /2008 amended by IVASS Instruction no. 53/2016:

Line of business	31/12/2020	31/12/2019	Change
03 Land vehicle hulls	5,296	4,874	+422
05 Aircraft hulls	138	138	-0
07 Cargo (goods in transit)	141	134	+7
08 Fire and natural elements	2,497	2,274	+223
09 Other property damage	908	825	+83
Total equalisation reserve	8,980	8,244	+736

Breakdown and changes of technical reserve for the Life business over the year are shown in the following table:

C.II - Life business

	31/12/2020	31/12/2019	Change
	1,537,559	1,440,379	+97,180
C.II.1 - Mathematical reserves	1,509,330	1,414,000	+95,330
C.II.2 - Complementary insurance premium reserve	51	57	-6
C.II.3 - Reserve for payable amounts	21,647	20,133	+1,514
C.II.4 - Profit participation and reversal reserve	0	0	+0
C.II.5 - Other technical reserves	6,532	6,192	+340

Information about analytical evaluation and accounting criteria of technical reserves are enclosed in "Part A - Accounting Policies" to this financial report.

Changes over the year related to Mathematical reserves (class C.II.1) and to Profit participation and reversal reserve (class C.II.4) are detailed by line and type in Annex n.14 to these Explanatory Notes.

C.II.1 – Mathematical reserve

Breakdown and changes of technical reserve for the Life business over the year are shown in the following table:

C.II.1 - Mathematical reserves

	31/12/2020	31/12/2019	Change
For directly insured risks	1,509,330	1,413,999	95,331
For inwardly insured risks	-	-	-
Gross reserves	1,509,330	1,413,999	95,331
Reinsurers' share	3,546	3,020	526
Net reserves	1,505,784	1,410,979	94,805

The mathematical reserves comprise an additional reserve for longevity risk relating to annuity agreements and capital agreements with a contractually guaranteed coefficient of conversion to an annuity (paragraph n. 36 to the Annex n. 14 of ISVAP Regulation no. 22/2008) amounting to 1,665 thousand euro (1,681 thousand euro in the previous year). In the case of capital agreements, this is calculated by taking into account the propensity to convert to an annuity.

The mathematical reserves also include additional reserves for the guaranteed interest rate risk (paragraph no. 22 to the Annex no. 14 of ISVAP Regulation no. 22/2008) amounting to 572 thousand euro (505 thousand euro in the previous year), obtained by joint analysis of the asset and liability portfolios of the segregated internal funds "Vittoria Rendimento Mensile", "Vittoria Valore Crescente", "Vittoria Previdenza" and "Obiettivo Crescita". The average rates of return on segregated funds were used to assess the additional reserve for the portfolio of non-revaluable policies. The mathematical reserves also include the time-lag reserve (paragraph 23 of ISVAP Regulation no. 22/2008) in the amount of 1,954 thousand euro (8 thousand euro in the previous year). The higher amount compared to the previous year is due to the recognition in the returns of the Separate Account "Rendimento Mensile" of the accrual of capital gains that will be realised upon maturity of forward sales on securities. As a result, a reserve provision has been set aside to take into account the effect that this capital gain will have on the revaluation of benefits in the months between January 2021 and December 2021.

C.II.5 – Other technical reserve

The amount of this item is 6,532 thousand euro as at 31 December 2020 and solely refers to future operating expenses which are expected to be incurred, based on conservative valuation pursuant to Article 31 of ISVAP Regulation no. 21/2008.

Breakdown and changes of other technical reserves over the year are shown in the following table:

	31/12/2020	31/12/2019	Change
For directly insured risks	6,532	6,192	+ 340
Gross reserves	6,532	6,192	+ 340
Reinsurers' share	49	42	+ 7
Net reserves	6,483	6,150	+ 333

The following table shows the breakdown by line of business:

			(€/000)
	31/12/2020	31/12/2019	Change
Line of business I	6,118	5,838	280
Line of business IV	143	124	19
Line of business V	48	69	-21
Total	6,309	6,031	+ 278

CLASS D – TECHNICAL RESERVES WHEN INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND RESERVES RELATING TO PENSION FUND MANAGEMENT

	31/12/2020	31/12/2019	Change
	113,796	91,366	+22,430
D.I – Reserves for unit- and index-linked policies	86,862	65,581	+21,281
D.II - Reserves relating to pension fund management	26,933	25,784	+1,149

Reserves relating to D.I class refer totally to Unit-Linked.

Below are detailed the key actuarial assumptions concerning technical reserves for direct business as at 31 December 2020:

Risk category	Capital sums, annuities	Technical reserves	Year of issue	Technical basis	
				financial	demographic
Temporary	4,575,320	27,386	1990 - 1997	4%	SIM 81
			1998 - 2001	3% - 4%	SIM 91
			2001 - 2007	3%	SIM 91 at 70%
			2008 - 2011	3%	SI 91 at 50% and 70%
			2012 - 2014	3%	SIM 2001 at 90% - 65%
			since 2015	2%	SIM 2001 at 90% - 65%
Adjustable	1	7	1969 - 1979	3%*	SIM 51
Indexed	4	43	1980 - 1988	3%*	SIM 51
Other types	259	91			
Revaluable	1,458,381	1,482,444	1988 - 1989	3%*	SIM 71
			1990 - 1996	4%*	SIM 81
			1997 - 1999	3%*	SIM 91
			2000 - 2011	1,5% - 2%*	SIM 81-91
			2012 - 2014	2%	SIM 2001 at 80%
			2014 - 2015	1.25%	SIM 2001 at 70%
			since 2015	0.00%	SIM 2001 at 70%
L.T.C.	49,495	4,791	2001 - 2004	2.5%	(1)
			2004 - 2011	2.5%	(2)
			since 2012	2.5%	(3)
Pension fund	26,933	26,933	since 1999	---	---
Unit Linked	86,418	87,098	1998 - 2014	0%	SIM 91
			since 2015	0%	SIM 2001
Total ordinary	6,196,812	1,628,793			
AIL Rivalutabile	911	914	1986 - 1998	4%*	SIM 51
			1999 - 2004	3%*	SIM 81
Total business lines	6,197,723	1,629,708			

* Due to the effect of the contractually guaranteed revaluation, technical rates have increased to:

for indexed policies: 3.0%

for adjustable policies: 3.0%

for revaluable policies:

Vittoria Valore Crescente 3.91%; Vittoria Rendimento Mensile 2.24%; Vittoria Previdenza 1.82%; Vittoria Obiettivo Crescita 1.93%; Vittoria Obiettivo Rendimento 1.60%.

(1) SIM 91 reduced to 62%; SIF 91 reduced to 53%; mortality rates and LTC (long term care) rates taken from insurers' studies

(2) SIM 91 reduced to 60%; mortality rates and LTC rates taken from insurers' studies

(3) SIU 2001 indistinct; mortality rates and incidence rates LTC derived from reinsurers' studies

CLASS E – PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
	31/12/2020	31/12/2019	Change
	52,084	26,805	+25,279
E.2 – Tax provision	1,900	2,980	-1,080
E.3 – Other provisions	50,184	23,825	+26,359

E.2 – Tax provision

The change in the item is mainly attributable to the erosion of the provision relating to capital gains realized in the previous years and whose taxation for IRES purposes is paid in instalments pursuant to Article 86 TUIR.

Changes of this item are also shown to the Annex 15 to these Explanatory Notes.

E.3 – Other provisions

The change compared to the previous year is mainly due to provisions to cover risks related to the indirect effects of the Covid 19 pandemic, for which it was necessary to use an estimation process. This category includes the prudential provision for possible initiatives following the pandemic crisis.

This item also includes provisions relating to ongoing litigation or other commitments for commercial policies aimed at providing better customer service.

CLASS F – DEPOSITS RECEIVED FROM REINSURERS			
	31/12/2020	31/12/2019	Change
	6,389	6,190	+199

These deposits are related to the technical reserves of reinsured direct business.

CLASS G – PAYABLES AND OTHER LIABILITIES

	31/12/2020	31/12/2019	Change
	146,624	134,053	+12,571
G.I - Payables arising from direct insurance business	10,803	11,383	-580
G.II - Payables arising from reinsurance business	11,170	11,185	-15
G.IV - Payables to banks and financial institutions	7,697	7,119	+579
G.VII - Reserve for employee severance indemnities	2,184	2,546	-362
G.VIII – Other payables	83,949	69,434	+14,515
G.IX – Other liabilities	30,820	32,387	-1,567

Relating to G.I item, the following table shows the breakdown and change over the year:

G.I - Payables arising from direct insurance business

	31/12/2020	31/12/2019	Change
	10,803	11,383	-580
<i>Of which:</i>			
G.I.1 – due to insurance agents and brokers	3,436	6,317	-2,881
G.I.2 – due to current accounts with other insurers	5,585	2,203	+3,380
G.I.3 – due to policyholders for performance deposits and premiums	1,782	1,540	+242
G.I.4 – due to guarantee funds for policyholders	0	1,323	-1,323

G.I.1 Payables arising from direct insurance business, due to insurance agents and brokers

	31/12/2020	31/12/2019	Change
	3,436	6,317	-2,881

Payables due to insurance agents and brokers refer to commissions due to sales network that are not yet settled as at 31 December 2020 and indemnities payable at the end of agency mandate.

The item is allocated to Non-life business for 2,713 thousand euro and to Life business for 723 thousand euro.

G.I.2 Payables arising from direct insurance business, due to current accounts with other insurers

	31/12/2020	31/12/2019	Change
	5,585	2,203	+3,380

This item includes amounts payable arising from current accounts comprising the technical results of co-insurance transactions.

This item is allocated to Non-life business for 5,510 thousand euro and to Life business for 75 thousand euro.

G.I.3 Payables arising from direct insurance business, due to policyholders for performance deposits and premiums

	31/12/2020	31/12/2019	Change
	1,782	1,540	+242

The item refers to the performance deposits paid by policyholders for insurance coverage.

The item is allocated to Non-life business for 1,036 thousand euro and to Life business for 746 thousand euro.

G.I.4 Payables arising from direct insurance business, due to guarantee funds for policyholders

	31/12/2020	31/12/2019	Change
	0	1,323	-1,323

This item is mainly referred to the amount payable to CONSAP for the contribution to the fund for road-accident victims and to the fund for hunting victims. The item for 2020 has a balance of zero.

G.II Payables, arising from reinsurance business, due to insurers and reinsurers

	31/12/2020	31/12/2019	Change
	11,170	11,185	-15

This item includes amounts payable arising from current accounts comprising the technical results of co-insurance transactions.

The item is allocated as follows: 10,874 thousand euro to Non-life business and 296 thousand euro to Life business.

G.IV - Payables to banks and financial institution

	31/12/2020	31/12/2019	Change
	7,697	7,119	+579

This item exclusively includes bank debts arising from the use of overdraft credit lines. The balance relates to the Non-Life business (7,217 thousand euro) and the Life business (480 thousand euro).

G.VII Reserve for employee severance indemnities

	31/12/2020	31/12/2019	Change
	2,184	2,546	-362

The item expresses the retirement allowance provision towards personnel as at 31 December 2020, in compliance with current rules and regulations.

The item is allocated as follows: 2,055 thousand euro to Non-life business and 129 thousand euro to Life business.

Changes are also reported to the Annex 15 to these Explanatory Notes. The overall change over the year is due to the following movements:

- decrease due to indemnities paid out for severance and to advance pay-outs granted for 551 thousand euro;
- increase due to provisioning for the year for 2,561 thousand euro;
- transfers to Pension Fund and Social Security fund (INPS) for 2,341 thousand euro;
- recover of receivables toward Social Security fund for 30 thousand euro.

The payables in question must be taken to have a residual duration of more than 5 year.

G.VIII - Other payables

	31/12/2020	31/12/2019	Change
	83,949	69,433	+14,516
<i>Of which:</i>			
G.VIII.1 – for policyholders' taxes	27,355	25,921	+1,434
G.VIII.2 – for miscellaneous taxes	19,268	13,078	+6,190
G.VIII.3 – for social security & pension agencies	3,930	3,721	+209
G.VIII.4 – other sundry payables	33,396	26,713	+6,683

G.VIII.1 Other payables for policyholders' taxes

	31/12/2020	31/12/2019	Change
	27,355	25,921	+1,434

The item mainly includes amounts due from the tax authorities for taxes on insurance for premiums written, net of the advance instalments paid during the year, and the amounts due for the contribution to the National Health Service and for other tax charges payable by the policyholders.

The item is allocated as follows: 27,011 thousand euro to Non-life business and 344 thousand euro to Life business.

G.VIII.2 Other payables for miscellaneous taxes

	31/12/2020	31/12/2019	Change
	19,268	13,078	+6,190

The item is allocated as follows: 18,013 thousand euro to Non-life business and 1,256 thousand euro to Life business. The amount mainly consists of the following items:

- tax deduction on wages & salaries for 1,510 thousand euro (1,544 thousand euro in the previous year);
- tax deduction on fees of self-employed staff and advisors for 602 thousand euro (1,189 thousand euro in the previous year);
- payables for financial administration for 16,807 thousand euro: 12,773 thousand euro for IRES 2020 and 4,034 thousand euro for IRAP 2020;
- payables for Group VAT for 78 thousand euro (281 thousand euro in the previous year);
- tax deduction related to policies redemptions in life business for 51 thousand euro (69 thousand euro in the previous year).

G.VIII.3 Other payables for social security & pension agencies

	31/12/2020	31/12/2019	Change
	3,930	3,721	+209

This item consists mainly of amounts payable to INPS (the state pension & welfare agency) on salaries paid in December.

G.VIII.4 Other sundry payables

	31/12/2020	31/12/2019	Change
	33,396	26,713	+6,683

The item is allocated as follows: 28,482 thousand euro to Non-life business and 4,914 thousand euro to Life business. The amount mainly consists of the following items:

- amounts payable to employees for accruals for holidays not taken for 3,246 thousand euro (3,366 thousand euro in the previous year);
- payables arising from directors, statutory auditors and managers with strategic responsibilities for 2,446 thousand euro (1,767 thousand euro in the previous year);
- trade payable for 14,443 thousand euro (7,174 thousand euro in the previous year);
- fees payable to professionals for 1,151 thousand euro (3,139 thousand euro in the previous year);
- amounts payable to subsidiaries for tax consolidation for 1,274 thousand euro (1,694 thousand euro in the previous year).

G.IX – Other liabilities

	31/12/2020	31/12/2019	Change
	30,820	32,387	-1,567
<i>Of which:</i>			
G.IX.2 – commissions on premiums under collection	13,933	15,423	-1,490
G.IX.3 – other liabilities	16,887	16,966	-79

G.IX.2 Commissions on premiums under collection

This item is mainly related to agent payable commissions on premiums under collection at year-end for 12,330 thousand euro (10,954 thousand euro in the previous year).

G.IX.3 Other liabilities

This item is mainly related to the following items:

- invoices and notes to be received from suppliers for 4,226 thousand euro (5,283 thousand euro in the previous year);
- technical accounts to be settled with agencies and sundry liabilities for 749 thousand euro (570 thousand euro in the previous year);
- provision for variable compensation for employees for 11,325 thousand euro (9,367 thousand euro in the previous year).

CLASS H – ACCRUED LIABILITIES & DEFERRED INCOME

	31/12/2020	31/12/2019	Change
	6,830	6,826	
H.1 - For interests	6,814	6,813	+1
H.3 – Other accrued liabilities & deferred income	16	13	+3

This item mainly includes interest paid on subordinated loan.

INCOME STATEMENT

I.10 - RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT

	31/12/2020	31/12/2019	Change
	191,155	119,534	+71,621

Summary information concerning to Non-life business technical account are shown in Annexes 19, 25 and 26 to these Explanatory Notes.

Technical costs and revenues are classified as follows:

I. 1 – Premiums, net of outwards reinsurance

	31/12/2020	31/12/2019	Change
	1,176,293	1,152,121	+24,172
<i>Of which:</i>			
a) Gross premiums written	1,221,405	1,220,946	+458
b) (-) Ceded premiums	36,331	57,109	-20,778
c) (-) Change in gross premium reserve	9,100	10,276	-1,176
d) Change in reinsurers' share of premium reserve	319	-1,440	+1,759

The Company develops its business entirely in Italy.

The gross premiums written amounted to 1,221,404 thousand euro, 1,221,309 thousand euro of which were related to direct business and 95 thousand euro to indirect business. Premiums ceded in FY2020 are 36,331 thousand euro.

The breakdown of premiums by business has been indicated in the Directors' Report.

I. 2 – (+) Portion of investment income transferred from non-technical account

	31/12/2020	31/12/2019	Change
	2,026	0	+2,026

The amount to be transferred from the non-technical account to the technical account of the Non-Life business was determined in accordance with ISVAP Regulation no, 22/2008, as indicated in "Part A – Accounting Policies" of the Explanatory Notes.

I. 3 – Other technical income, net of outwards reinsurance

	31/12/2020	31/12/2019	Change
	5,764	7,280	-1,516

This item is mainly referred to:

- reversal of commissions for previous years' cancelled premiums for 927 thousand euro (1,070 thousand euro in the previous year);
- 343 thousand euro for technical items relating to recoveries of settlement costs related to claims subject to CARD agreements (805 thousand euro in the previous year);
- 525 thousand euro related to recoveries of receivables for premiums under litigation (665 thousand euro in the previous year);
- 3,554 thousand euro for incentives awarded to the Company within the scope of the CARD claims management (4,427 thousand euro in the previous year).

I. 4 – Charges relating to claims, net of recoveries and outwards reinsurance

	31/12/2020	31/12/2019	Change
	681,892	749,483	-67,591
<i>Of which:</i>			
aa) Amounts paid – gross amount	707,864	785,373	-77,509
bb) (-) Reinsurers' share	33,372	47,137	-13,765
aa) Change in recoveries net of reinsurers' share – gross amount	11,093	20,005	-8,912
bb) (-) Reinsurers' share	516	455	+61
aa) Change in claims reserve – gross amount	8,118	49,535	-41,417
bb) (-) Reinsurers' share	-9,858	18,738	-28,596

Amounts paid

They are related to indemnities for 632,094 thousand euro (698,812 thousand euro in the previous year), direct expenses for 10,297 thousand euro (12,739 thousand euro in the previous year), settlement costs for partial or definitive payments of claims reported during the year or reserved at the end of the previous year for 65,432 thousand euro (73,793 thousand euro in the previous year) and the amount payable to the fund for road-accident victims for 16,702 thousand euro (17,070 thousand euro in the previous year). The item includes indemnities to indirect business for 42 thousand euro (29 thousand euro in the previous year).

Changes in recoveries

This is the balance between amounts to be recovered from policyholders and third parties for deductibles, subrogation and remedying of claims at the previous year-end, the amounts recovered during the year and amounts yet to be recovered at year-end.

Change in claims reserve

The item includes estimated indemnities, direct and settlement costs to be paid in future years for claims reported during the current and previous years and not yet settled as at 31 December.

I. 7 – Operating costs

	31/12/2020	31/12/2019	Change
	300,013	280,632	+19,383
<i>Of which:</i>			
a) Acquisition commissions	191,112	187,053	+4,059
b) Other acquisition costs	54,204	48,771	+5,433
d) Premium collection commissions	11,201	10,675	+529
e) Other administrative expenses	48,527	41,562	+6,965
f) (-) Commissions received by reinsurers	5,031	7,429	-2,398

They relate to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and common costs incurred for the sales network. The item also includes overheads and depreciation of tangible assets not allocated to claims settlement and investments.

The amount related to transactions with subsidiaries and associated companies is provided in the Directors' Report.

I.8 - Other technical charges, net of outwards reinsurance

	31/12/2020	31/12/2019	Change
	10,288	9,070	+1,218

The item consists of the following:

- technical write-offs of premiums and of uncollectible premiums for 2,954 thousand euro (3,439 thousand euro in the previous year);
- charge to the provision for bad debt from policyholders for 5,909 thousand euro (4,178 thousand euro in the previous year);
- other technical charges mainly relating to services supporting insurance covers and costs for premiums under litigation for 1,408 (1,439 thousand euro in the previous year).

I.9 - Change in equalisation reserves

	31/12/2020	31/12/2019	Change
	735	681	+54

The change detailed by LoB is shown in the item C. I.5 in the Balance Sheet.

II.13 - RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT

	31/12/2020	31/12/2019	Change
	7,691	5,732	+1,959

Summary information concerning to life business technical account are shown in Annexes 20, 27 and 28 to these Explanatory Notes.

Technical costs and revenues are classified as follows:

II. 1 – Premiums, net of outwards reinsurance

	31/12/2020	31/12/2019	Change
	220,896	248,384	-27,488
<i>Of which:</i>			
a) a) Gross premiums written	222,486	249,764	-27,278
b) (-) Ceded premiums	1,590	1,380	+210

The gross premiums written amounted to 222,486 thousand euro, entirely attributable to direct business. Premiums ceded in FY2020 amounted to 1,590 thousand euro.

The breakdown of premiums by line of business is shown in the Directors' report.

II. 2 – Investments income

	31/12/2020	31/12/2019	Change
	56,815	55,107	+1,708
<i>Of which:</i>			
a) Income from equity investments	75	75	+0
b) Income from other investments	55,779	55,029	+750
d) Profits made on sale of investments	961	3	+958

b) This item mainly includes:

- Income on land and buildings rented and other income on property for 2,762 thousand euro (2,744 thousand of euro in the previous year);
- income on fixed-income securities for interest, issue and trading differentials for 43,933 thousand euro (41,228 thousand euro in the previous year);
- income on mutual fund units for 9,084 thousand euro (11,057 thousand euro in the previous year).

Investment income are detailed in Annex 21 to these Explanatory Notes, which also report non-technical account data relating to Non-Life business investment.

II. 3 - Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments relating to pension fund management

	31/12/2020	31/12/2019	Change
	6,274	10,495	-4,221

The decrease is due to the performance of the financial markets which reflect the adjustment to the market value of investments.

The item is detailed in Annex 22 to these Explanatory Notes.

II.4 - Other technical income, net of outwards reinsurance

	31/12/2020	31/12/2019	Change
	1,500	1,226	+274

The item includes commissions relating to first-year premiums cancelled and commissions retroceded by financial managers in relation to investments of unit-linked premiums and pension funds.

II.5 - Charges relating to claims, net of outwards reinsurance

	31/12/2020	31/12/2019	Change
	121,292	110,664	+10,628
<i>Of which:</i>			
aa) Amounts paid – gross amount	118,801	111,161	7,640
bb) (-) Reinsurers' share	716	306	+409
aa) Change in reserve for payable amounts – gross amount	1,515	-364	+1,879
bb) (-) Reinsurers' share	-1,692	-174	-1,518

The amounts paid in the FY2020 totalled 118,801 thousand euro mainly due to direct business. They refer to costs relating to claims for 629 thousand euro (621 thousand euro in the previous year), claims for 20,982 thousand euro (17,463 thousand euro in the previous year), expired policies for 36,782 thousand euro (38,563 thousand euro in the previous year), surrenders for 59,604 thousand euro (53,851 thousand euro in the previous year), and annuities for 790 thousand euro (690 thousand euro in the previous year).

II.6 - Change in mathematical reserves and other technical reserves, net of outwards reinsurance

	31/12/2020	31/12/2019	Change
	116,657	163,769	-47,112
<i>Of which:</i>			
aa) Mathematical reserves – gross amount	94,419	141,058	-46,639
bb) (-) Reinsurers' share	520	374	+146
aa) Complementary insurance premium reserve – gross amount	-6	-4	-2
aa) Other technical reserves – gross amount	340	132	+208
bb) (-) Reinsurers' share	6	8	-2
aa) Technical reserves when investment risk is borne by policyholders or relating to pension fund management	22,430	22,964	-534

This refers to the change in technical reserves, which are outlined in detail in "Part A - Accounting Policies" to these Explanatory Notes".

II.8 – Operating costs

	31/12/2020	31/12/2019	Change
	16,229	15,052	+1,177
<i>Of which:</i>			
a) Acquisition commissions	7,655	7,173	482
b) Other acquisition costs	3,769	4,687	-918
c) Change in commissions and other acquisition costs to be amortised	-376	-448	+72
d) Premium collection commissions	636	728	-92
e) Other administrative expenses	4,864	3,152	+1,712
f) (-) Commissions received by reinsurers	319	240	+79

They are related to purchase and collection commissions proportional to premiums written, incentives accrued by brokers and agents and common costs incurred for the sales network. The item also includes overheads and depreciation of tangible assets not allocated to investment-related costs.

II.9 - Capital and financial charges

	31/12/2020	31/12/2019	Change
	14,886	14,767	+119
Of which:			
a) Investment management costs and interest expense	12,304	11,406	+898
b) Investment write-downs	2,514	2,573	-59
c) Losses on sale of investments	68	789	-721

- a) This item mainly refers to:
- housing expenses, taxes and building management costs for 649 thousand euro (683 thousand euro in the previous year);
 - costs relating to fixed-income securities for issue and trading differentials, taxes, and operating and personnel expenses for 11,207 thousand euro (10,246 thousand euro in the previous year).
- b) The item refers to write-downs of financial instruments refers to amortization on property totalling for 1,669 thousand euro (1,958 thousand euro in the previous year), 306 thousand euro of which (301 thousand euro in the previous year) relating to the headquarters in the Portello area in Milan and value adjustments on securities amounting to 845 thousand euro (614 thousand euro in the previous year).

Annex 23 to these Explanatory Notes reports details relating to Capital and financial charges on Life investments.

II.10 – Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and to investments connected with pension fund management

	31/12/2020	31/12/2019	Change
	5,279	2,129	+3,150

Details of this item are outlined in Annex 24 to these Explanatory Notes.

II.11 - Other technical charges, net of outwards reinsurance

	31/12/2020	31/12/2019	Change
	386	154	+232

Besides including cancellation of premiums, this item refers to fees payable by the Company, relegated to sales channels, regarding internal funds and the pension fund "Vittoria Formula Lavoro" for 58 thousand euro (55 thousand euro in the previous year).

II.12 – (-) Income on investments transferred to non-technical account

	31/12/2020	31/12/2019	Change
	3,066	2,945	+121

The amount to be transferred from the non-technical account to the technical account of the non-life business was determined in accordance with ISVAP Regulation no. 22/2008, as indicated in "Part A – Valuation Criteria" of the Explanatory Notes.

RESULT OF NON-TECHNICAL ACCOUNT

31/12/2020	31/12/2019	Change
-39,027	-12,967	-26,060

Non-technical costs and revenues are classified as follows:

III. 3 – Income from Non-Life investments

	31/12/2020	31/12/2019	Change
	39,494	38,030	+1,464
<i>Of which:</i>			
a) Income from equity investments	7,611	3,807	+3,804
b) Income from other investments	31,815	33,986	-2,171
c) Adjustments to investment values	0	213	-213
d) Profits made on sale of investments	67	25	+42

a) Income from equity investments includes the dividend collected by other subsidiaries.

b) Income from other investments consist of:

- land and buildings amounting to 3,465 thousand euro (3,383 thousand euro in the previous year), relating to rental and to recovery of expenses and other income;
- other investments amounting to 28,350 thousand euro (30,484 thousand euro in the previous year), 18,828 thousand euro of which relating to income on fixed-income securities for interest issue and trading differentials and for 9,522 thousand euro relating to income on UCITs.

d) Profit on sale of investments refers to capital gains on repayment and sale of bonds and other fixed-interest securities.

Annex 21 to these Explanatory Notes reports details relating to Income from Life and Non-Life investments.

III.4 - (+) Income on investments transferred from Life business technical account

31/12/2020	31/12/2019	Change
3,066	2,945	+121

Please refer to information reported in the chapter "Life technical account".

III.5 - Capital and financial charges of Non-Life business

	31/12/2020	31/12/2019	Change
	36,775	38,140	-1,365
Of which:			
a) Investment management costs and interest expense	21,740	22,451	-710
b) Investment write-downs	14,913	15,312	-399
c) Loss on sale of investments	121	378	-257

- a) Items included in the "Investment management costs and interest expense" refer to:
- costs for fixed-income securities relating to issue and trading differentials, taxes, and operating and personnel expenses amounting to 16,352 thousand euro (17,364 thousand euro in the previous year);
 - housing expenses, taxes and building management costs for 4,144 thousand euro (3,804 thousand euro in the previous year);
 - costs relating to municipal tax on property for 448 thousand euro (422 thousand euro in the previous year).

- b) The item "Investment write-downs", as indicated in the Management Report, mainly refers to:
- impairments of bonds for 1,165 thousand euro;
 - impairments on subsidiaries in real estate companies for 10.497 thousand euro. Details are shown in the Directors' report in the paragraph on the share portfolio.

Amortization of buildings for a total of 3,161 thousand euro is included in the item, 1,020 thousand euro of which are related to the headquarters in the Portello area in Milan.

- c) Loss on sale of investments refer to losses resulting from fixed-income securities' reimbursement and alienation.

Annex 23 to these Explanatory Notes reports details relating to Capital and financial charges of Life and Non-Life investments.

III.6 - (-) Investment income transferred to the Non-Life business technical account

	31/12/2020	31/12/2019	Change
	2,026	0	+2,026

Please refer to information reported in the chapter "Non-Life technical account chapter".

III.7 - Other income

	31/12/2020	31/12/2019	Change
	3,629	4,284	-655

This item includes income other than that on investments, such as that relating to the general balance-sheet classes E - Receivables and F - Other assets.

As at 31 December 2020, the item mainly refers to:

- interest on bank current account for 619 thousand euro (837 thousand euro in the previous year),
- revenues from active billing and reimbursements for 2,099 thousand euro (1,792 thousand euro in the previous year);
- provisions relating to bad debts for 608 thousand euro (1,166 thousand euro in the previous year).

III.8 - Other charges

	31/12/2020	31/12/2019	Change
	54,558	26,303	+28,255

As at 31 December 2020, the item mainly includes:

- interest and charges on bank accounts for 1,280 thousand euro (823 thousand euro in the previous year);
- annual amortization of intangible assets for 4,444 thousand euro (818 thousand euro in the previous year);
- expenses and interest expenses related to the subordinated loan for 14,837 thousand euro;
- provision for risks and charges for 28,548 thousand euro, mainly related to provisions to cover risks connected to the indirect effects of the Covid 19 pandemic, for which it was necessary to use an estimation process. This category includes the prudential provision for possible initiatives following the pandemic crisis;
- provisions for 4,552 thousand euro relating to bad debts (1,562 thousand euro in the previous year).

III.10 - Extraordinary income

	31/12/2020	31/12/2019	Change
	11,845	7,057	+4,788

The item contains income from sale of long-term investments and other profits made on the sale of assets classified in the general balance-sheet Class F - Other assets. This is composed of an extraordinary gain of 11,530 thousand euro on bonds allocated to the Life business.

III.11 - Extraordinary charges

	31/12/2020	31/12/2019	Change
	3,702	840	+2,862

This item refers to charges due to sale of long-term investments and other losses arising from the sale of assets classified in the general balance-sheet Class F - Other assets, and mainly refers to contingent liabilities for 3,459 thousand (542 thousand euro in the previous year).

III.14 - Taxation

	31/12/2020	31/12/2019	Change
	51,197	37,931	+13,266

Current taxes set aside relate to the IRES and IRAP estimate for the current year, which was calculated in accordance with current tax rules and regulations.

Reconciliation between the tax charge recognised in the financial statements and theoretical tax charge is shown below:

Reconciliation between the tax charge recognised in the financial statements and theoretical tax charge

(in thousands of Euros)						
	Taxable base		Tax		Tax rate	
	IRES	IRAP	actual	theoretical	actual	theoretical
IRES						
Profit before taxation	159.820			38.357		24,00%
+ Temporary differences deductible in future years	60.392					
- Temporary differences taxable in future years	7.579					
- Use of temporary differences	40.784					
Permanent differences:						
+ Non-deductible interest and taxes	1.470					
+ Non-deductible accruals, costs and expenses	8.543					
+ Investment Portfolio	11.399					
- Tax-exempt income and Dividends	7.302					
+ Other deductible items	-5.664					
Taxable base	180.296					
A. Current IRES			43.271			27,07%
IRAP						
Profit before taxation		159.820		10.900		6,82%
- Profit & Loss items not taxable/deductible for IRAP purpose		39.025				
Life insurance business profit & loss + Non-life insurance business profit & loss		198.846				
+ Permanent taxable differences		66.611				
- Permanent deductible differences		58.998				
Theoretical taxable base		206.459				
+(Increase - Decrease) of temporary differences		-4.269				
Taxable base		202.190				
B. Current IRAP			13.789			8,63%
C=(A+B) Total current Tax relating to 2020			57.061			35,70% 30,82%
Deferred tax assets						
Taxable base for deferred tax assets of the previous year	229.409	19.445				
(Increase - Decrease) in deferred tax assets during the current year	18.645	4.535				
Taxable base for deferred tax assets of the current year	248.053	19.445				
Deferred IRES assets on (Increase - Decrease)				4.475		
Deferred IRAP assets on (Increase - Decrease)				309		
D. Total deferred tax assets relating to 2020				4.784		2,99%
Deferred tax liabilities						
Taxable base for provision for deferred tax liabilities of the previous year	12.415					
(Increase - Decrease) in the provision for deferred tax liabilities during the current year	-4.499					
Taxable base for provision for deferred tax liabilities of the current year	7.916					
Deferred IRES liabilities on (Increase - Decrease)				-1.080		
Deferred IRAP liabilities on (Increase - Decrease)				0		
E. Total deferred tax liabilities relating to 2020				-1.080		-0,68%
Total IRES relating to 2020				37.716		23,60%
Total IRAP relating to 2020				13.480		8,43%
F= (C-D+E) Total tax relating to 2020			51.196	49.257		32,03% 30,82%

The above schedule compares taxes related to local financial statements, apart from variances due to tax rules application in determining IRES and IRAP amounts with taxes related to tax rules compliance.

Schedules of deferred taxes pursuant to Article 2427 of the Italian Civil Code, are described in the tables below. These were calculated by applying to such temporary differences the nominal rates in force at the time when they will appear, already approved at the date of these financial statements.

Detail and movement of deferred tax assets

**SCHEDULE OF DEFERRED TAXES PURSUANT TO
ARTICLE 2427 OF THE CIVIL CODE**

(€/000)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	taxable base	tax rate	taxable base	tax rate	Tax
2019 deferred tax assets					
Depreciation of tangible assets	699		-		168
Recoveries	73				17
Charge backs non -life	1,546				371
Financial non current assets devaluation	395				95
Provision for doubtful receivables from policy holders	32,329		17,870		8,977
Provision for doubtful other receivables	16,504				3,955
Provision for risk and charges	31,266				7,504
Directors' fess	1,485				357
Goodwill (Sace - life)	1,575		1,574		486
Depreciation of intangible assets	214				52
Change in non -life claims reserves (ex dcr. 209/2002)	142,933				34,304
Dividend to be cashed	391		-		93
	229,410	24.00%	19,444	6.82%	56,380
2020 decrease in deferred tax assets					
Depreciation of tangible assets	226		-		54
Charge backs non -life	1,002				240
Provision for doubtful receivables from policy holders	5,170		2,859		1,436
Provision for doubtful other receivables	246				59
Provision for risk and charges	6,898				1,656
Directors' fess	552				132
Goodwill (Sace - life)	225		225		69
Change in non -life claims reserves (ex dcr. 209/2002)	32,598				7,824
Reinstatement premiums 2019 reinsurance	5,945		5,945		1,832
Dividend to be cashed					
	52,862	24.00%	9,029	6.82%	13,303

Detail and movement of deferred tax assets (continued)

**SCHEDULE OF DEFERRED TAXES PURSUANT TO
ARTICLE 2427 OF THE CIVIL CODE**

(€/000)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	taxable base	tax rate	taxable base	tax rate	Tax
2020 increase in deferred tax assets					
Depreciation of tangible assets	286				69
Charge backs non -life	782				188
Provision for doubtful receivables from policy holders	5,170		2,859		1,436
Provision for doubtful other receivables	4,552				1,092
Provision for risk and charges	30,747				7,379
Directors' fess	991				238
Depreciation of intangible assets	7,225				1,734
Change in non -life claims reserves (ex dcr. 209/2002)	10,786				2,589
Dividend to be cashed	263				63
Reinstatement premiums 2019/2020 reinsurance	10,705		10,705		3,299
	71,507	24.00%	13,564	6.82%	18,087
2019 deferred tax assets					
Depreciation of tangible assets	759				182
Recoveries	73				17
Charge backs non -life	1,326				318
Financial non current assets devaluation	395				95
Provision for doubtful receivables from policy holders	32,329		17,870		8,977
Provision for doubtful other receivables	20,810				4,989
Provision for risk and charges	55,115				13,228
Directors' fess	1,924				462
Goodwill (Sace - life)	1,350		1,349		417
Depreciation of intangible assets	7,439				1,786
Change in non -life claims reserves (ex dcr. 209/2002)	121,121				29,069
Dividend to be cashed	654				156
Reinstatement premiums 2019/2020 reinsurance	4,760		4,760		1,467
	248,055	24.00%	23,979	6.82%	61,164

Detail and movement of deferred tax liabilities.

**SCHEDULE OF DEFERRED TAXES PURSUANT TO
ARTICLE 2427 OF THE CIVIL CODE**

(€/000)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	taxable base	tax rate	taxable base	tax rate	tax
2019 deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	12,415		-		2,980
	12,415	24.00%	-	6.82%	2,980
2020 decrease in deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	12,077		-		2,899
	12,077	24.00%	-	6.82%	2,899
2020 increase in deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	7,579		-		1,819
	7,579	24.00%	-	6.82%	1,819
2020 deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	7,917		-		1,900
	7,917	24.00%	-	6.82%	1,900

Part C

Other information

Assets allocated to coverage of technical reserves

Non-Life Business

	(€ million)
	31/12/2020
Technical Reserves (A)	1,525.9
Securities issued or secured by Governments	766.5
Bonds or other similar securities	284.4
Shares traded in a regulated market	9.2
Shares not traded in a regulated market	49.0
Real Estate	250.1
Alternative investment funds (AIFMs)	104.8
Receivables	50.0
Total Assets Allocated (B)	1,526.2
% of coverage (B/A)	100.0%

Life Business

	(€ million)
	31/12/2020
Technical Reserves (A)	1,717.6
Securities issued or secured by Governments	990.6
Bonds or other similar securities	355.0
Units of undertaking for collective investment	84.8
Real Estate	75.0
Alternative investment funds (AIFMs)	207.5
Receivables	5.0
Total Assets Allocated (B)	1,717.9
% of coverage (B/A)	100.0%

	(€ million)
	31/12/2020
Technical Reserves when investment risk is borne by policyholders	113.8
Total Assets Allocated	113.8

Operations in derivative financial instruments

In accordance with ISVAP Regulation No. 22 of 4 April 2008, as amended by IVASS Order No. 53 of 6 December 2016, the data on investment activity in class C derivative financial products are set out below. As already mentioned in the Directors' report, to which reference should be made, in October 2020, the Company concluded a forward sale transaction on a portion of Italian government bonds with the aim of hedging itself against both interest rate risk and credit risk.

				(€000)	
	number of contracts	underlyin type	underlying nominal value	Value at 31.12.20	Market value at 31.12.20*
Class C derivatives:					
Forward	18	Bond	307,750	-	(2,863)

*the fair value corresponds to what is indicated in the relevant Annex 18 to the Notes to the Financial Statements

Derivative contracts in force at the balance sheet date are valued in accordance with the principle of consistency of valuation, which requires that valuation losses or gains be recognised in the income statement consistently with the corresponding valuation gains or losses on the hedged assets. Therefore, at 31 December 2020, there were no valuation gains or losses, as the underlying assets covered are fixed government securities classified in the segregated fund "Rendimento Mensile".

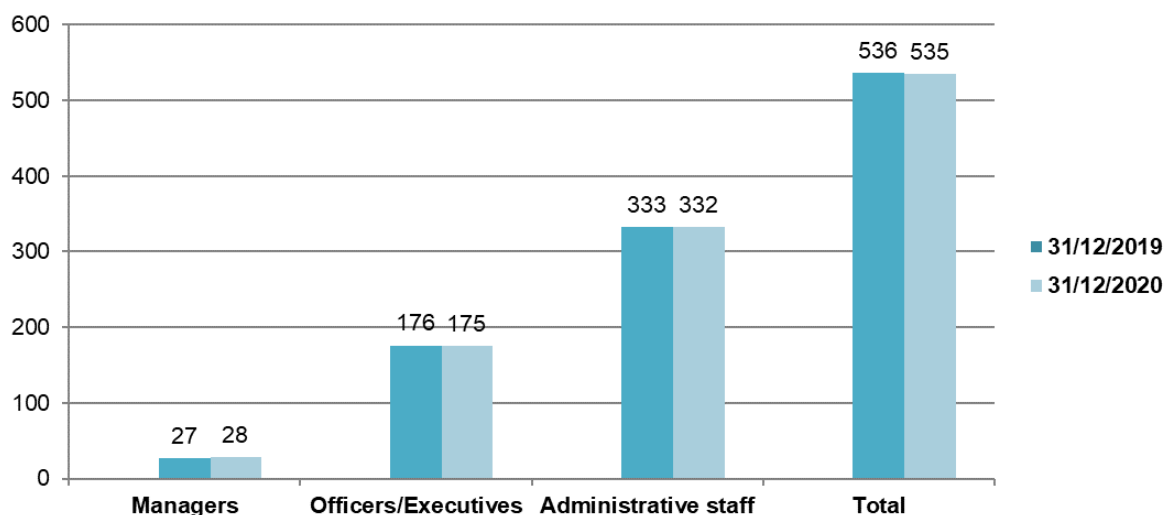
Finance expense allocated to balance sheet assets

Pursuant to the first paragraph, point 8, of Article 2427 of the Italian Civil Code, we declare that no finance expense was capitalised in the year in amounts posted in balance sheet assets.

Employees

The costs of remuneration, related social security charges, severance indemnity provisioning and miscellaneous personnel-related expenses are shown in Annex 32.

Employees on the payroll as at 31 December 2020 numbered 541 resources compared to 543 on the payroll as at 31 December 2019. The average number of employees on the payroll during the year, by category and calculated according to in-force presence, was as follows:



Disclosure of auditing fees

As required by Article 2427 of Civil Code, below we report the fees relating to FY 2020, for services rendered to the Company by the auditing company Deloitte & Touche S.p.A. – and by entities forming part of its network. Fees are net of VAT, expenses and any supervision contributions.

Type of services rendered	(€/000)	
	Auditing company	Entities forming part of its network
Independent audit services	279	-
Independent audit services subsidiaries	203	-
Verifications for issue of attestations*	76	-
Other services**	82	-

* related to segregated funds, unit linked and pension fund.

** related to balance sheet SII audit, agreed procedures on capital requirement and to activities relating to Non-Financial Statement.

Information on the various economic advantages received by Public Administrations and similar bodies

Pursuant to Article 1, paragraphs 125 to 129, Law 124/2017, it should be noted that the contributions received from the Public Administration for the 2020 financial year amounted to 206 thousand euro related to the Company's staff training.

Breakdown of direct insurance premiums by business category and geographical area

The breakdown of the company's premiums – all referring to the Italian portfolio - by official Ministerial business line is shown in Annexes 19 and 20.

The following table shows the geographical breakdown of premiums, calculated on the basis of agency locations.

Regions	Agencies	Non-Life Business		Life Business	
		Premiums	%	Premiums	%
(€/000)					
NORTH					
Emilia Romagna	36	104,019		45,586	
Friuli Venezia Giulia	9	12,179		1,010	
Liguria	17	47,429		3,220	
Lombardy	113	230,567		74,733	
Piedmont	60	104,311		10,309	
Trentino Alto Adige	10	17,901		2,307	
Valle d'Aosta	1	5,207		471	
Veneto	42	73,399		14,438	
Total	288	595,012	48.7	152,074	68.4
CENTRE					
Abruzzo	14	59,984		7,923	
Lazio	29	106,307		11,485	
Marche	19	41,219		6,231	
Tuscany	53	132,196		14,359	
Umbria	15	64,017		10,812	
Total	130	403,723	33.1	50,810	22.8
SOUTH AND ISLANDS					
Basilicata	4	12,454		1,860	
Calabria	2	2,809		11	
Campania	13	52,302		3,487	
Molise	2	8,174		1,293	
Puglia	7	28,791		8,064	
Sardinia	13	46,742		1,626	
Sicily	13	71,176		3,261	
Total	54	222,448	18.2	19,602	8.8
Total ITALY	472	1,221,183	100.0	222,486	100.0
France	0	127	0.0	0	0.0
OVERALL TOTAL	472	1,221,310		222,486	

Real estate assets

Real estate assets are listed in the following table:

(€/000)									
AS AT 31 DECEMBER 2020									
	Historical valur	Monetary revaluations	Fiscally-driven and voluntary revaluations	Law2-28/1/09 revaluations	Law 147-2014 revaluations	Accumulated depreciation and impairment losses at 31/12/2019	Accumulated depreciation and impairment losses at 31/12/2020	current year depreciation	Total
BUILDING HELD FOR INVESTMENT									
Operating buildings									
Milano - Via I. Gardella 2	99,371	0	0	0	8,301	(26,452)	(27,778)	(1,326)	79,894
Perugia - Via Pellas 44	151	11	0	189	0	(215)	(219)	(4)	132
Total Operating buildings	99,522	11	0	189	8,301	-25,689	-27,997	-1,330	80,026
Buildings used by third parties									
Acqui - Piazza Matteotti 25	53	10	77	63	0	(44)	(49)	(5)	154
Alessandria - P.za Carducci 1	79	79	0	102	0	(84)	(89)	(5)	171
Asti - C.So Alfieri 130	50	57	0	264	0	(165)	(171)	(6)	200
Biella - Piazza V. Veneto 16	17	43	34	274	0	(210)	(215)	(4)	153
Brescia - Via Saffi 1	121	67	0	395	0	(242)	(252)	(10)	331
Busto Arsizio - Via C. Tosi 8	80	31	0	197	0	(143)	(148)	(5)	160
Como - V. Le Rosselli 13	116	22	77	549	0	(479)	(487)	(8)	277
Cremona - P.Za Roma 7	137	24	23	271	0	(225)	(232)	(7)	224
Cuneo - Piazza Europa 26	62	75	0	420	0	(281)	(289)	(8)	268
Ferrara - Via Don Minzoni 17	98	10	93	287	0	(163)	(172)	(9)	315
Gallarate - P.Za Risorgimento 10	34	7	44	98	0	(41)	(45)	(4)	139
Livorno - Via Grande 225	128	5	0	187	0	(179)	(183)	(4)	137
Lodi - C.So V. Emanuele II° 12	13	10	41	209	0	(134)	(138)	(4)	134
Milano - Via Ariosto 21	2,553	0	0	609	212	(654)	(731)	(78)	2,642
Milano - Via B. D'Alviano 2	22	46	62	532	0	(223)	(235)	(12)	427
Milano - Via V. Colonna 2	228	0	0	-193	21	(56)	(56)	0	0
Milano - Via Correggio 3	223	0	0	30	86	(77)	(85)	(8)	253
Milano - Palazzo A	49,143	0	0	0	0	(10,919)	(12,493)	(1,574)	36,650
Milano - Palazzo C	38,328	0	0	0	0	(9,275)	(10,388)	(1,113)	27,939
Milano - Area Commerciale	6,654	0	0	0	0	(842)	(1,011)	(170)	5,642
MILANO - VIA TERRAGGIO 21	772	0	0	0	0	(29)	(47)	(19)	725
Modena - Via Ganaceto 39	33	13	46	553	0	(337)	(346)	(8)	299
Parma - Via Longhi 1	87	42	62	439	0	(211)	(223)	(12)	407
Perugia - Via Pellas 44 - AG	122	7	0	126	0	(99)	(104)	(4)	151
Pistoia - Via S. Fedi 67	75	39	0	176	0	(139)	(143)	(4)	147
Pontedera - C.So Matteotti 108	61	41	0	205	0	(96)	(102)	(6)	205
Rovigo - C.So Del Popolo 4	63	24	0	121	0	(105)	(108)	(3)	100
Roma - Via Lima 4	7,276	0	0	0	0	(534)	(713)	(179)	6,563
Sondrio - Via C. Alessi 16	54	15	0	97	0	(76)	(78)	(3)	88
Terni - Via Beccaria 22	17	28	0	195	0	(111)	(114)	(3)	126
Trieste - Via Torrebianca 18	15	36	21	136	0	(41)	(46)	(5)	162
TORINO-CORSO FRANCIA 430	5,140	0	0	0	0	(359)	(484)	(125)	4,657
TORINO- VIA PASTEUR 6	2,933	0	0	0	0	(205)	(276)	(71)	2,657
Udine - Via Carducci 4	39	72	0	247	0	(175)	(180)	(5)	178
Varese - Via Mazzini 1	158	71	41	289	0	(221)	(230)	(9)	329
Vicenza - C.So Palladio 155	84	76	36	280	0	(101)	(112)	(11)	364
Total Buildings used by third parties	115,067	950	657	7,158	319	-27,276	-30,776	-3,500	93,375
Properties under construction									
Milan - Commercial Area (Construction in progress and advances)	2,948	0	0	0	0	0	0	0	2,948
Total buildings under construction	2,948	0	0	0	0	0	0	0	2,948
TOTAL LONG-LIVED PROPERTIES	217,536	961	657	7,347	8,620	(52,965)	(58,773)	(4,830)	176,348
TOTAL REAL ESTATE OWNED	217,536	961	657	7,347	8,620	(52,965)	(58,773)	(4,830)	176,348

Statement of source and application of funds

(€'000)

	31/12/2020	31/12/2019
Net profit for the year	108,624	74,370
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	19,489	30,434
premium reserve	9,515	12,398
life business technical reserves	119,261	165,290
Increase (-) Decrease (+) in receivables from policyholders	-5,213	-2,464
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-16,827	-20,225
Net increase (-) decrease (+) in intangible assets	4,008	-6,711
Increase in specific provisions	25,279	728
Employees' leaving entitlement:		
accruals	2,561	2,602
utilisation	-2,923	-2,886
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-36,048	-4,776
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	12,450	16,505
Adjustments to securities	17,427	17,672
Adjustments to class D securities	-1,026	-1,622
Cash flow from operating activities	256,577	281,314
Sale of bonds and other fixed-interest securities	884,513	315,045
Sale of investments	118,047	174,511
Sale of unit trusts	17,236	25,411
Sale of class D	13,751	7,702
Repayment of loans and borrowings	15,503	310,680
Cash flow arising from disinvesting activities	1,049,050	833,349
Cash flow generated	1,305,627	1,114,663

Statement of source and application of funds

(€/000)

	31/12/2020	31/12/2019
Buildings	3,733	1,252
Fixed-interest securities	975,855	665,889
Investments	74,370	139,129
Unit trusts	199,661	130,386
Class D investments	35,155	29,045
Loans to third parties	8,329	20,898
Previous year's dividend distributed	12,943	19,415
Total application of funds	1,310,046	1,006,014
Increase/decrease in liquid funds	-4,419	108,649
Reverse merger effect of Vittoria Capital into Vittoria Assicurazioni	-	-296,021
TOTAL	1,305,627	818,642
Liquid funds at the beginning of the year	6,721	194,093
Liquid funds at the end of the year	2,302	6,721

Remuneration of administrative and control bodies

According to the Article 2427 of the Italian Civil Code, the following table summarizes the most significant relations with the administrative and control bodies:

Position held	Period for which the	Remuneration	
		Period cost	Debt to the period
Directors	01.01 - 31.12.20	3,697	81
Statutory auditors	01.01 - 31.12.20	266	114
Total		3,963	195

(€000)

Key figures of the Parent Company

Pursuant to Article 2497-bis of the Italian Civil Code, as amended by the corporate law reform, the key figures of the latest approved financial statements of Yafa SpA - the parent company that exercises management and coordination activities on Vittoria Assicurazioni – are summarized below:

Key figures for the last financial report approved as of 31 December 2019											
Denomination	Registered office	Share Capital	Sector	Total Assets	Fixed assets	Current assets	Liabilities	Equity	Profit (loss) for the year	Costs	Revenues
Yafa S.p.A.	Turin - Corso vittorio Emanuele II n. 72	15,000	Insurance	93,487	87,816	5,666	28,421	65,059	683	3,529	4,212

(€000)

Equity Investments in Subsidiaries

Vittoria Immobiliare S.p.A.

Registered offices in Milan – Via Aldo Rossi 4; Share Capital Euro 42,418,835

Equity interest: 100%

Company operating in the real estate promotion and trading sector, as well as holding company with investments in companies operating in the real estate management, brokerage, trading and promotion sectors.

The draft financial statements reviewed by the Board of Directors on 18 February 2021 show shareholders' equity of 42,183 thousand euro, including 271 thousand euro of net loss for the year.

Immobiliare Bilancia S.r.l.

Registered offices in Milan - Via Aldo Rossi 4@X005002End; Share Capital Euro 6,650,000

Equity interest: 100%

Company operating in the real-estate trading business.

The draft financial statements reviewed by the Board of Directors on 18 February 2021 show shareholders' equity of 25,498 thousand euro, including the year's net loss of 409 thousand euro.

Acacia 2000 S.r.l.

Registered offices in Milan - Via Gardella 2; Share Capital Euro 369,718

Equity interest: 100%

Company operating in the real-estate development and trading business.

The draft financial statements reviewed by the Board of Directors on 18 February 2021 show shareholders' equity of 155,497 thousand euro, including the year's net profit of 1,764 thousand euro.

VAIMM Sviluppo S.r.l.

Registered offices in Milan - Via Aldo Rossi 4; Share Capital Euro 3,000,000

Equity interest: 100%

Company operating in the real-estate development and trading business.

The draft financial statements reviewed by the Board of Directors on 18 February 2021 show shareholders' equity of 54,721 thousand euro, including the year's net loss 91 thousand euro.

Vittoria Properties S.r.l.

Registered offices Milan - Via Aldo Rossi 4; Share Capital Euro 8,000,000

Equity interest: 100%

Company operating in the management and leasing of its property assets.

The draft financial statements reviewed by the Board of Directors on 18 February 2021 show shareholders' equity of 18,050 thousand euro, including the year's net loss of 590 thousand euro.

V.R.G. Domus S.r.l.

Registered offices in Milan - Via Gardella 2; Share Capital Euro 800,000

Equity interest: 100%

Company operating in the real-estate development and trading business.

The draft financial statements reviewed by the Board of Directors on 18 February 2021 show shareholders' equity of 31,657 thousand euro, including the year's net profit of 324 thousand euro.

Vittoria HUB S.r.l.

Registered offices in Milan - Via Gardella 2; Share Capital Euro 10,000

Equity interest: 100%

Insurtech Incubator, with the aim of promoting the circulation of ideas, collaboration between start-ups and recognised companies in the services market and the growth of new insurance business models.

The draft financial statements reviewed by the Board of Directors on 18 February 2021 show shareholders' equity of 296 thousand euro, including the year's net loss of 289 thousand euro.

Interbilancia S.r.l.

Registered office in Milan - Via Gardella 2; Share Capital Euro 80,000

Equity interest: 100%

Holding company with investments in companies operating in the service sector.

The draft financial statements reviewed by the Board of Directors on 23 February 2021 show shareholders' equity of 865 thousand euro, including the year's net loss of 106 thousand euro.

The following table provides the essential data of the last annual report of the subsidiaries and associated companies as required by Article 2429 of the Italian Civil Code:

Subsidiaries Companies							(€/000)
Denomination	Registered Office	Share Capital	Equity	Profit (loss) for the year	Ownership %	balance sheet	
							value
Vittoria Immobiliare S.p.A.	Milano	42,419	42,183 -	271	100		42,758
Immobiliare Bilancia S.r.l.	Milano	6,650	25,498 -	409	100		27,562
Vittoria Properties S.r.l.	Milano	8,000	18,050 -	590	100		18,016
Interbilancia S.r.l.	Milano	80	865 -	106	100		138
Vaimm Sviluppo S.r.l.	Milano	3,000	54,721 -	91	100		54,812
Vittoria Hub S.r.l.	Milano	10	296 -	289	100		585
Acacia 2000 S.r.l.	Milano	370	155,497	1,764	100		165,022
V.R.G. Domus S.r.l.	Milano	800	31,657	324	100		33,935

Associated Companies							(€/000)
Denomination	Registered Office	Share Capital	Equity	Profit (loss) for the year	Ownership %	balance sheet	
							value
Yarpa S.p.A.	Genova	30,000	52,094	1,105	29		8,856
Touring Vacanze S.r.l.	Milano	12,900	15,466	111	46		6,814
Touring Digital S.r.l.	Milano	300 -	247 -	448	45		1
Immobiliare Bilancia Prima S.r.l.	Milano	31,046	35,248 -	2,014	49.00		17,255

Litigation

End-year existing litigation is related to the normal operations linked to the claims management.

Tax situation

- The Company confirmed the option for the National Tax Consolidation regime (Article 117 et seq. of the Presidential Decree no. 917 of 22 December 1986) with the subsidiaries Immobiliare Bilancia S.r.l., Acacia 2000 S.r.l., VAIMM Sviluppo S.r.l., Vittoria Properties S.r.l., Vittoria Immobiliare S.p.A., Interbilancia S.r.l., VRG Domus S.r.l., Valsalaria S.r.l. and VZ RE S.r.l. (the latest two incorporated during the year - with accounting and fiscal effects from 01.01.2020 - in Acacia 2000 S.r.l.);
- The Company terminated (due to the loss of control requirement) the option for said regime with subsidiaries Immobiliare Bilancia Prima S.r.l.;
- The Company opted for said regime with the subsidiary Vittoria Hub S.r.l.

With reference to the year 2020, the Company confirmed the option for VAT payment at Group level pursuant to Ministerial Decree of 13.12.1979, along with the subsidiaries Vittoria Immobiliare, Acacia 2000 S.r.l., VRG Domus S.r.l., Vittoria Properties S.r.l., Immobiliare Bilancia Prima S.r.l. (until the month of loss of control), Immobiliare Bilancia S.r.l., Vaimm Sviluppo S.r.l. VP Sviluppo 2015 S.r.l. and Valsalaria S.r.l. With the exception of the latest two subsidiaries (merged in 2020 into Acacia 2000 S.r.l.), the option is confirmed with the same structure also for the year 2021.

During 2019, the Company was subject to a tax inspection by the Italian Tax Authorities for the fiscal years 2014 and 2015, which resulted in VAT disputes. As of this report, the Italian Tax Authorities notified the tax assessment notice and formal penalty notices for the year 2014, and the Company challenged both measures before the Milan CTP (the expert appointed by the parties). Subsequently, the Company closed the notice of assessment through judicial conciliation, while the dispute on the notice of contestation of penalties is still pending. The Company has allocated a specific provision for risks and charges to fully cover the risks arising from this assessment and litigation procedure.

Milan, 24 February 2021

The Board of Directors

Annexes to the notes to the financial statements

page

146	Annex 1	Balance sheet - Non-life business
156	Annex 2	Balance sheet - Life business
167	Annex 3	Allocation of the net profit (loss) for the year between non-life and life businesses
168	Annex 4	Assets - Changes in intangible assets (caption B) and land and buildings (caption C.I)
169	Annex 5	Assets - Changes in investments in group and other companies: equity investments (caption C.II.1), bonds (caption C.II.2) and loans (caption C.II.3)
171	Annex 6	Assets - Information on companies in which Vittoria holds an investment
173	Annex 7	Assets - Changes in investments in group and other companies: equity investments
176	Annex 8	Assets - Allocation based on the use of other financial investments: equity investments, unit trust units, bonds and other fixed-interest securities, shares in investment pools and other financial investments (captions C.III.1,2,3,5,7)
177	Annex 9	Assets - Changes in other financial investments: investment portfolio: equity investments, unit trust units, bonds and other fixed-interest securities, shares in investment pools and other financial investments (captions C.III.1,2,3,5,7)
178	Annex 10	Assets - Changes in loans and deposits with banks (captions C.III.4,6)
179	Annex 11	Assets - List of assets relating to unit-linked and index-linked policies (caption D.I)
180	Annex 12	Assets - List of assets arising from pension fund management (caption D.II)
181	Annex 13	Liabilities - Changes in premium reserve (caption C.I.1) and claims reserve (caption C.I.2) of non-life business
182	Annex 14	Liabilities - Changes in mathematical reserves (caption C.II.1) and profit participation and reimbursement reserve (caption C.II.4)
183	Annex 15	Liabilities - Changes in provisions for contingencies and other charges (caption E) and employees' leaving entitlement (caption G.VII)
184	Annex 16	List of assets and liabilities relating to group and other companies
186	Annex 17	List of classes I, II, III and IV of "guarantees, commitments and other memorandum and contingency accounts"
187	Annex 18	Commitments for derivative transactions
188	Annex 19	Summarised non-life business technical account
189	Annex 20	Summarised life business premiums and reinsurance balance
190	Annex 21	Income on investments (captions II.2 and III.3)
191	Annex 22	Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management (caption II.3)
192	Annex 23	Capital and financial charges (captions II.9 and III.5)
193	Annex 24	Capital and financial charges and unrealised capital losses relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management (caption II.10)
195	Annex 25	Non-life business - Summarised technical account by line of business - Domestic portfolio
196	Annex 26	Non-life business - Summarised technical account
197	Annex 27	Life business - Summarised technical account by line of business - Domestic portfolio
198	Annex 28	Life business - Summarised technical account
199	Annex 29	Life and non-life business - Summarised technical account - Foreign portfolio
200	Annex 30	Intercompany relationships
202	Annex 31	Summarised direct insurance premiums accounted for
203	Annex 32	Personnel expenses and directors' and statutory auditors' fees

Previous year

			181
182			
184			
186			
187			
188			
189	6,771		190 6,771
191	62,379		
192	62,135		
193			
194			
195		196 124,514	
197			
198	387,622		
199			
200	15,760		
201	27,222	202 430,604	
203			
204			
205			
206			
207		208	
209			
210	10,600		
211			
212	590		
213		214 11,190 215 441,794	
	to carry forward		6,771

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current year		
		brought forward			2,823	
C.	INVESTMENTS (continues)					
III	- Other financial investments:					
	1. Equity investments					
	a) Listed shares	36				
	b) Unlisted shares	37				
	c) Quotas	38	39			
	2. Unit trust units		40	491,422		
	3. Bonds and other fixed-interest securities					
	a) listed	41	1,202,487			
	b) unlisted	42	702			
	c) convertible bonds	43	44	1,203,189		
	4. Loans					
	a) secured loans	45	12,786			
	b) loans on policies	46				
	c) other loans	47	2,645	48	15,431	
	5. Shares in investment pools			49		
	6. Deposits with banks			50	1,000	
	7. Other financial investments			51		
				52	1,711,042	
IV	- Deposits with ceding companies			53	54	2,210,562
D bis.	REINSURERS' SHARE OF TECHNICAL RESERVES					
	I - NON-LIFE BUSINESSES					
	1. Premium reserve		58	12,151		
	2. Claims reserve		59	51,504		
	3. Profit participation and reimbursement reserve		60			
	4. Other technical reserves		61		62	63,655
						2,277,040
						to carry forward

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current year			
		brought forward				2,277,040	
E. RECEIVABLES							
I - Receivables relating to direct insurance due from:							
1. Policyholders							
a) premiums for the year	71	64,141					
b) premiums for previous years	72	1,819	73	65,960			
2. Insurance brokers and agents			74	109,481			
3. Current account companies			75	9,488			
4. Amounts to be recovered from policyholders and third parties	76	26,549	77	211,478			
II - Receivables relating to reinsurance due from:							
1. Insurance and reinsurance companies							
	78	7,802					
2. Reinsurance brokers and agents							
	79		80	7,802			
III - Other receivables							
			81	78,000	82	297,280	
F. OTHER ASSETS							
I - Tangible assets and inventory:							
1. Office furniture and machines and internal transport systems							
	83	4,414					
2. Registered chattel property							
	84	164					
3. Plant and machinery							
	85	1,133					
4. Inventory and other assets							
	86	11	87	5,722			
II - Liquid funds							
1. Bank and postal accounts							
	88	837					
2. Cheques on hand and cash-in-hand							
	89	4	90	841			
III - Own shares or quotas							
			91				
IV - Other assets							
1. Suspense reinsurance accounts							
	92	69,637					
2. Sundry assets							
	93		94	69,637	95	76,200	
of which: giro account with life business							
	901						
G. PREPAYMENTS AND ACCRUED INCOME							
1. Interest							
			96	11,396			
2. Rent instalments							
			97				
3. Other prepayments and accrued income							
			98	10,402	99	21,798	
TOTAL ASSETS						100	2,672,318

Previous year

		brought forward		2,188,814	
251	57,478				
252	1,141	253	58,619		
		254	91,989		
		255	12,851		
		256	30,691	257	194,150
		258	10,606		
		259		260	10,606
				261	53,438
				262	258,194
		263	4,597		
		264	253		
		265	1,004		
		266	11	267	5,865
		268	2,952		
		269	3	270	2,955
				271	
		272	61,510		
		273		274	61,510
		903		275	70,330
				276	12,426
				277	639
				278	7,934
				279	20,999
				280	2,538,337

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

Current year

A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	39,427
II	- Share premium reserve	102	
III	- Revaluation reserves	103	16,582
IV	- Legal reserve	104	7,885
V	- Statutory reserves	105	
VI	- Reserve for own shares	106	
VII	- Other reserves	107	381,724
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit/(loss) for the year	109	93,864
X	- Negative reserve for own shares	401	
B. SUBORDINATED LIABILITIES			110 539,482
C. TECHNICAL RESERVES			111 250,000
I	- NON-LIFE BUSINESSES		
	1. Premium reserve	112 430,843	
	2. Claims reserve	113 1,250,951	
	3. Profit participation and reimbursement reserve	114	
	4. Other technical reserves	115 409	
	5. Equalisation reserves	116 8,980	117 1,691,183
	to carry forward		2,480,665

Previous year

	281	39,427	
	282		
	283	16,582	
	284	7,885	
	285		
	286		
	287	327,544	
	288		
	289	67,125	
	501		290 458,563
			291 250,000
292	421,744		
293	1,242,863		
294			
295	409		
296	8,244		297 1,673,260
to carry forward			2,381,823

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
		brought forward	2,480,665
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	
3.	Other provisions	130	46,349
			131
			46,349
F. DEPOSITS FROM REINSURERS			
			132
			2,843
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1.	Insurance brokers and agents	133	2,713
2.	Current account companies	134	5,510
3.	Guarantee deposits and premiums paid by policyholders	135	1,036
4.	Guarantee funds in favour of policyholders	136	137
			9,259
II - Payables arising from reinsurance business due to:			
1.	Insurance and reinsurance companies	138	10,854
2.	Reinsurance brokers and agents	139	140
			10,854
III - Bond issues			
			141
IV - Due to banks and other financial institutions			
			142
			7,217
V - Secured debts			
			143
VI - Sundry loans and other financial payables			
			144
VII - Employees' leaving entitlement			
			145
			2,055
VIII - Other sums payable			
1.	Policyholders' tax due	146	27,011
2.	Other sums payable to taxation authorities	147	18,013
3.	Social security charges payable	148	3,649
4.	Sundry payables	149	28,482
			150
			77,155
IX - Other liabilities			
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152	13,886
3.	Other liabilities	153	15,208
			154
			29,094
of which: giro account with life business		902	
			155
			135,634
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1.	Interest	156	6,813
2.	Rent instalments	157	
3.	Other accrued expenses and deferred income	158	16
			159
			6,829
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			2,672,318

Previous year

brought forward			2,381,823
		308	
		309	2,818
		310	20,991
		311	23,809
			312
			3,171
313	5,586		
314	2,129		
315	878		
316	1,323	317	9,916
318	11,080		
319		320	11,080
		321	
		322	7,119
		323	
		324	
		325	2,397
326	25,473		
327	8,206		
328	3,559		
329	25,125	330	62,363
331			
332	14,884		
333	14,953	334	29,837
904		335	122,712
		336	6,813
		337	
		338	11
		339	6,824
		340	2,538,337

Previous year			
			181
	182		
	183	6,673	
	186		
	187		
	188		
	189	737	190 7,410
	191	18,697	
	192	34,234	
	193		
	194		
	195		196 52,931
197			
198	30,092		
199			
200			
201	2,500	202 32,592	
203			
204			
205			
206			
207		208	
209			
210			
211			
212			
213		214 32,592	215 32,592
	to carry forward		7,410

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year	
		brought forward	7,351
C. INVESTMENTS (continues)			
III	- Other financial investments		
	1. Equity investments		
	a) Listed shares	36	
	b) Unlisted shares	37	
	c) Quotas	38	39
	2. Unit trust units	40	305,725
	3. Bonds and other fixed-interest securities:		
	a) listed	41	1,213,972
	b) unlisted	42	109
	c) convertible bonds	43	44
	4. Loans		
	a) secured loans	45	
	b) loans on policies	46	350
	c) other loans	47	48
	5. Shares in investment pools		49
	6. Deposits with banks		50
	7. Other financial investments	51	52
IV	- Deposits with ceding companies		53
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I	- Investments relating to index-linked policies		55
II	- Investments relating to pension fund management		56
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	63	3,497
	2. Complementary insurance premium reserve	64	
	3. Reserve for amounts payable	65	13
	4. Profit participation and reimbursement reserve	66	
	5. Other technical reserves	67	49
	6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	69
		to carry forward	1,735,990

Valori dell'esercizio precedente

brought forward			7,410
216			
217			
218	219		
	220	268,566	
221		1,146,998	
222		327	
223	224	1,147,325	
225			
226		388	
227	228	388	
	229		
	230	2,000	
	231		
	232	1,418,279	
	233		
	234	1,503,802	
	235	65,582	
	236	25,784	
	237	91,366	
	243	2,977	
	244		
	245	1,705	
	246		
	247	42	
	248		
	249	4,724	
to carry forward			1,607,302

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year		
		brought forward		1,735,990
E. RECEIVABLES				
I	- Receivables relating to direct insurance due from:			
	1. Policyholders			
	a) premiums for the year	71	3,055	
	b) premiums for previous years	72	3,055	
	2. Insurance brokers and agents	74	17,496	
	3. Current account companies	75		
	4. Amounts to be recovered from policyholders and third parties	76	20,551	
II	- Receivables relating to reinsurance due from:			
	- 1. Insurance and reinsurance companies	78	106	
	- 2. Reinsurance brokers and agents	79	106	
III	- Other receivables		15,931	36,588
F. OTHER ASSETS				
I	- Tangible assets and inventory:			
	1. Office furniture and machines and internal transport systems	83	93	
	2. Registered chattel property	84		
	3. Plant and machinery	85	13	
	4. Inventory and other assets	86	106	
II	- Liquid funds			
	1. Bank and postal accounts	88	1,461	
	2. Cheques on hand and cash-in-hand	89	1,461	
III	- Own shares or quotas			
IV	- OTHER ASSETS			
	1. Suspense reinsurance accounts	92	6,733	
	2. Sundry assets	93	6,733	8,300
	of which: giro account with non-life business	901		
G. PREPAYMENTS AND ACCRUED INCOME				
	1. Interest		15,681	
	2. Rent instalments			
	3. Other prepayments and accrued income		472	16,153
TOTAL ASSETS				1,797,030

Previous year		brought forward		
				1,607,302
251	5,132			
252	51	253	5,183	
		254	11,409	
		255		
		256		257 16,592
		258	7	
		259		260 7
				261 15,419
				262 32,018
		263	123	
		264		
		265	17	
		266		267 140
		268	3,766	
		269		270 3,766
				271
		272	2,432	
		273		274 2,430
		903		275 6,338
				276 13,846
				277
				278 242
				279 14,088
				280 1,659,747

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	27,952
II	- Share premium reserve	102	13,419
III	- Revaluation reserves	103	1,611
IV	- Legal reserve	104	5,415
V	- Statutory reserves	105	
VI	- Reserve for own shares	106	
VII	- Other reserves	107	62,245
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit (loss) for the year	109	14,761
X	- Negative reserve for own shares	401	
			110 125,403
B. SUBORDINATED LIABILITIES			
C. TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	118 1,509,330	
	2. Complementary insurance premium reserve	119 51	
	3. Reserve for amounts payable	120 21,647	
	4. Profit participation and reimbursement reserve	121	
	5. Other technical reserves	122 6,532	
			123 1,537,560
D. TECHNICAL RESERVES WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND RESERVES ARISING FROM PENSION FUND MANAGEMENT			
I	- Reserves arising from index- linked policies	125 86,862	
II	- Reserves arising from pension fund management	126 26,933	127 113,795
to carry forward			1,776,758

Previous year

		281	27,952	
		282	13,419	
		283	1,611	
		284	5,053	
		285		
		286		
		287	55,361	
		288		
		289	7,245	
		501		290 110,641
				291
298	1,413,999			
299	57			
300	20,132			
301				
302	6,192			303 1,440,380
		305	65,582	
		306	25,784	307 91,366
	to carry forward			1,642,387

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
brought forward			1,776,758
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	1,900
3.	Other provisions	130	3,835
		131	5,735
F. DEPOSITS FROM REINSURERS			
			132
			3,546
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133	723
2.	Current account companies	134	75
3.	Guarantee deposits and premiums paid by policyholders	135	747
4.	Guarantee funds in favour of policyholders	136	1,545
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138	316
2.	Reinsurance brokers and agents	139	140
			316
III	- Bond issues	141	
IV	- Due to banks and other financial institutions	142	480
V	- Secured debts	143	
VI	- Sundry loans and other financial payables	144	
VII	- Employees' leaving entitlement	145	129
VIII	- Other sums payable		
1.	Policyholders' tax due	146	344
2.	Other sums payable to taxation authorities	147	1,256
3.	Social security charges payable	148	281
4.	Sundry payables	149	4,914
		150	6,795
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152	47
3.	Other liabilities	153	1,680
	of which: giro account with non-life business	902	
		154	1,727
		155	10,992
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1.	Interest	156	
2.	Rent instalments	157	
3.	Other accrued expenses and deferred income	158	159
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			1,797,030

Previous year

brought forward			1,642,387
		308	
		309	162
		310	2,835
		311	2,997
		312	3,020
313	730		
314	75		
315	662		
316		317	1,467
318	105		
319		320	105
		321	
		322	
		323	
		324	
		325	149
326	448		
327	4,873		
328	161		
329	1,588	330	7,070
331			
332	538		
333	2,012	334	2,550
904		335	11,341
		336	
		337	
		338	
		339	
		340	1,659,747

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Allocation of the net profit (loss) for the year between non-life and life businesses

	Non-life businesses	Life businesses	Total
Result of technical account	1 191,156	21 7,691	41 198,847
Income on investments	+ 2 39,494		42 39,494
Capital and financial charges	- 3 36,774		43 36,774
Income on investments transferred from the life business technical account	+ 24	3,066	44 3,066
Income on investments transferred to the non-life business technical account	- 5 2,026		45 2,026
Operating result	6 191,850	26 10,757	46 202,607
Other income	+ 7 2,800	27 830	47 3,630
Other expense	- 8 52,621	28 1,937	48 54,558
Extraordinary income	+ 9 280	29 11,565	49 11,845
Extraordinary expense	- 10 3,284	30 418	50 3,702
Profit (loss) before taxation	11 139,025	31 20,797	51 159,822
Taxation on profit for the year	- 12 45,161	32 6,036	52 51,197
Net profit (loss) for the year	13 93,864	33 14,761	53 108,624

Year 2020

Company VITTORIA ASSICURAZIONI S.p.A.

Assets - Changes in intangible assets (caption B) and
land and buildings (caption C.I)

		Intangible assets B	Land and buildings C.I
Gross opening book value	+	1 140,329	31 225,951
Increase of the year	+	2 4,268	32 3,733
for: acquisitions or increases		3 3,004	33 3,733
write-backs		4	34
revaluations		5	35
other variations		6 1,264	36
Decrease of the year	-	7 2,324	37
for: sales or decreases		8 37	38
permanent write-downs		9	39
other variations		10 2,287	40
Gross closing book value (a)		11 142,273	41 229,684
Amortisation and depreciation:			
Opening book value	+	12 126,148	42 48,506
Increase of the year	+	13 5,952	43 4,830
for: amortisation/depreciation charge of the year		14 5,952	44 4,830
other variations		15	45
Decrease of the year	-	16	46
for: disposals		17	47
other variations		18	48
Closing book value (b) (*)		19 132,100	49 53,336
Book value (a - b)		20 10,173	50 176,348
Current value			51 241,733
Total revaluations		22	52
Total write-downs		23	53
(*) of which resulting from fiscally-driven entries		24	54

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Assets - Changes in investments in group and other companies: equity investments (caption C.II.1), bonds (caption C.II.2) and loans (caption C.II.3)

		Equity investments C.II.1	Bonds C.II.2	Loans C.II.3
Opening book value	+	1 463,196	21	41 11,190
Increase of the year	+	2 74,370	22	42 7,620
for: acquisitions, subscriptions or lending		3 5,770	23	43 7,620
write-backs		4	24	44
revaluations		5		
other variations		6 68,600	26	46
Decrease of the year:	-	7 129,387	27	47 14,690
for: sales or repayments.....		8 21,491	28	48 14,690
write-downs		9 11,340	29	49
other variations		10 96,556	30	50
Book value		11 408,179	31	51 4,120
Current value		12 469,747	32	52
Total revaluations		13		
Total write-downs.....		14 10,587	34	54

Caption C.II.2 includes:

Listed bonds	61
Unlisted bonds	62
Book value	63
of which: convertible bonds	64

Assets - Information on subsidiaries (*)

Number	Type	Listed or unlisted	Business activity	Name and registered offices	Currency
	(1)	(2)	(3)		
1	b	NQ	2	VITTORIA IMMOBILIARE S.p.A. - Via Aldo Rossi 4 - 20149 Milano	242
2	b	NQ	2	VITTORIA IMMOBILIARE S.p.A. - Via Aldo Rossi 4 - 20149 Milano	242
3	e	NQ	9	DOWNALL ITALIA S.r.l. in Liquidazione - Piazza Sicilia 6 - 20146 Milano	242
4	e	NQ	3	BANCA PASSADORE & C. S.p.A. - Via E.Vernazza 27 - 16121 Genova	242
5	e	NQ	2	GRUPPO G.P.A. S.p.A. in Liquidazione - Via Vittor Pisani 7 - 20124 Milano	242
6	e	Q	3	MEDIOBANCA S.p.A. - P.tta E.Cuccia 1 - 20121 Milano	242
7	e	NQ	3	BCC VALDOSTANA Soc.Coop. - Fraz.Taxel 26 - 11020 Gressan AO	242
8	e	NQ	3	ROVIGO BANCA Cred.Coop. - Via Casalini n.10 - 45100 Rovigo	242
9	e	NQ	9	U.C.I. S.cons.r.l. - Corso Sempione 39 - 20145 Milano	242
10	e	NQ	2	MEDINVEST INTERNATIONAL S.C.A. - 34, Avenue Marie Thérèse - L-2132 Lussemburgo	242
11	b	NQ	2	INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
12	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
13	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
14	d	NQ	9	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	242
15	b	NQ	4	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
16	b	NQ	4	IMMOBILIARE BILANCIA PRIMA S.p.A. - Via Aldo Rossi 4 - 20149 Milano	242
17	d	NQ	2	YARPA S.p.A. - Via Roma 3 - 16121 Genova	242
18	e	NQ	2	YAM INVEST N.V. - Herengracht 450 - 1017 CA Amsterdam	242
19	e	NQ	3	BANCO FIORENTINO Mugello Impruneta Signa - Via Villani 13 - 50033 Fiorenzuola	242
20	e	NQ	3	BCC MILANO ex BCC CARUGATE INZAGO - Via De Gasperi 11 - 20061 Carugate	242
21	e	NQ	3	BCC DEL GRAN SASSO D'ITALIA SCPA - Via dell'Industria 3 - 64025 Pineto TE	242
22	e	NQ	3	BCC ROMAGNA in Liq.Coatta.Amm. - Via Leopoldo Lucchi, 135 - 47521 Cesena FC	242
23	e	NQ	2	PORTA ROMANA 4 S.r.l. - Corso di Porta Romana 6 - 20122 Milano	242
24	b	NQ	4	ACACIA 2000 S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
25	b	NQ	4	VAIMM SVILUPPO S.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
26	d	NQ	9	TOURING DIGITAL S.r.l. - Corso Italia n.10 - 20122 Milano	242
27	e	NQ	7	CONSORZIO SERVIZI ASSICURATIVI - Via Don Carlo Gnocchi 37/b - 20148 Milano	242
28	e	NQ	2	CONSULTINVEST S.p.A. - Piazza Grande n.33 - 41121 Modena	242
29	e	NQ	3	BCC CARATE BRIANZA - Via Cusani 6 - 20841 Carate Br	242
30	e	NQ	3	BANCA POPOLARE PUGLIESE Soc.Coop. per Azioni - via Provinciale Matino, 5 - 73052 Parabita	242
31	e	NQ	2	CAMFIN INDUSTRIAL S.p.A. - Viale Sarca n.222 - 20126 Milano	242
32	b	NQ	4	VALSALARIA S.r.l. - Via Abruzzi 2/4 - 00187 Roma	242
33	b	NQ	4	V.R.G. DOMUS S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
34	b	NQ	4	V.Z. Real Estate S.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
35	e	NQ	2	MERCURE HOLDING SCA - avenue Emile Reuter 24 - L-2420 Lussemburgo	242
36	b	NQ	9	VITTORIA HUB S.r.l. - Via Ignazio Gardella 6 - 20149 Milano	242
37	d	NQ	4	IMMOBILIARE BILANCIA PRIMA S.p.A. - Via Aldo Rossi 4 - 20149 Milano	242
38	e	NQ	3	BANCA DEL VENETO CENTRALE Soc.Coop. - Via Ponte di Costozza n.12 - 36023 Longare	242

(*) List of group companies and other companies held either directly or through trustee or nominee.

(1) Type

a = Parent companies
b = Subsidiaries
c = Related companies
d = Associated companies
e = Other companies

(2) Indicate Q for listed securities and NQ for unlisted securities

(3) Business activity

1 = Insurance company
2 = Financial company
3 = Bank
4 = Real estate company
5 = Trust
6 = Trust management company
7 = Consortium
8 = Manufacturing company
9 = Other

Share capital		Shareholders' equity (**)	Net profit or loss for the last year (**)	Percentage held (5)		
Amount (4)	Number of shares			(4)	(4)	Direct %
42,419	261,818	42,183	-271	25.09		25.09
42,419	261,818	42,183	-271	74.91		74.91
100	100,000			10.00		10.00
100,000	20,000,000			2.76		2.76
8,528	16,400,000			9.74		9.74
435,178	870,355,094			0.14		0.14
6,611	1,281,202			0.30		0.30
2,010	77,855					
530	1,039,000			0.76		0.76
9,963	7,663,600			3.91		3.91
80	80,000	865	-106	100.00		100.00
6,650	6,650,000	25,498	-409	67.48		67.48
6,650	6,650,000	25,498	-409	32.52		32.52
12,900	12,900,000	15,460	105	46.00		46.00
8,000	8,000,000	18,050	-590	100.00		100.00
30,000	30,000,000	49,367	1,180	28.56		28.56
63,083	63,083,168			18.75		18.75
20,838	807,056			0.23		0.23
55,074	2,132,993			0.09		0.09
7,358	73,581			0.68		0.68
15,041	601,637			0.33		0.33
100	100,000			6.45		6.45
370	369,718	155,497	1,764	100.00		100.00
3,000	3,000,000	54,721	-91	100.00		100.00
1,400	1,400,000	-247	-448	45.00		45.00
362	362,000			0.11		0.11
30,000	30,000,000			18.75		18.75
5,134	99,417			0.01		0.01
184,829	61,609,624			0.13		0.13
380,000	380,000,000					
	0					
800	800,000	31,657	324	100.00		100.00
	0					
5,481	548,096,101			0.43		0.43
10	10,000	296	-289	100.00		100.00
31,046	3,104,583	35,230	-2,031	49.00		49.00
11,163	2,090,454			0.02		0.02

(**) To be compiled only for subsidiary and associated companies

Assets - Changes in investments in group and other companies: equity investments

Number (1)	Type (2)		Name (3)	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
1	b	V	VITTORIA IMMOBILIARE S.p.A. - Via Aldo Rossi 4 - 20149 Milano			
2	b	D	VITTORIA IMMOBILIARE S.p.A. - Via Aldo Rossi 4 - 20149 Milano			
3	e	D	DOWNALL ITALIA S.r.l. in Liquidazione - Piazza Sicilia 6 - 20146 Milano			
4	e	D	BANCA PASSADORE & C. S.p.A. - Via E.Vernazza 27 - 16121 Genova			
5	e	D	GRUPPO G.P.A. S.p.A. in Liquidazione - Via Vittor Pisani 7 - 20124 Milano			
6	e	D	MEDIOBANCA S.p.A. - P.tta E.Cuccia 1 - 20121 Milano			
7	e	D	BCC VALDOSTANA Soc.Coop. - Fraz.Taxel 26 - 11020 Gressan AO			
8	e	D	ROVIGO BANCA Cred.Coop. - Via Casalini n.10 - 45100 Rovigo			
9	e	D	U.C.I. S.cons.r.l. - Corso Sempione 39 - 20145 Milano			
10	e	D	MEDINVEST INTERNATIONAL S.C.A. - 34, Avenue Marie Thérèse - L-2132 Lussemburgo			
11	b	D	INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			
12	b	V	IMMOBILIARE BILANCIA S.r.l. - Via Aldo Rossi 4 - 20149 Milano			
13	b	D	IMMOBILIARE BILANCIA S.r.l. - Via Aldo Rossi 4 - 20149 Milano			
14	d	D	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano			
15	b	D	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			
16	b	D	IMMOBILIARE BILANCIA PRIMA S.p.A. - Via Aldo Rossi 4 - 20149 Milano	34,255,000		11,800
17	d	D	YARPA S.p.A. - Via Roma 3 - 16121 Genova			
18	e	D	YAM INVEST N.V. - Herengracht 450 - 1017 CA Amsterdam			
19	e	D	BANCO FIORENTINO Mugello Impruneta Signa - Via Villani 13 - 50033 Fiorenzuola			
20	e	D	BCC MILANO ex BCC CARUGATE INZAGO - Via De Gasperi 11 - 20061 Carugate			
21	e	D	BCC DEL GRAN SASSO D'ITALIA SCPA - Via dell'Industria 3 - 64025 Pineto TE			
22	e	D	BCC ROMAGNA in Liq.Coatta.Amm. - Via Leopoldo Lucchi, 135 - 47521 Cesena FC			
23	e	D	PORTA ROMANA 4 S.r.l. - Corso di Porta Romana 6 - 20122 Milano			
24	b	D	ACACIA 2000 S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			7,692
25	b	D	VAIMM SVILUPPO S.r.l. - Via Aldo Rossi 4 - 20149 Milano			5,000
			Totali C.II.1			
	a		Società controllanti			
	b		Società controllate			
	c		Società consociate			
	d		Società collegate			
	e		Altre			
			Totale D.I			
			Totale D.II			

(1) It should match that indicated in Annex 6

(2) Type
a = Parent companies
b = Subsidiaries
c = Related companies
d = Associated companies
e = Other companies

(3) Indicate:

D investment allocated to the non-life business (caption C.II.1)
V investments allocated to the life business (caption C.II.1)
V1 investments allocated to the life business (caption D.I)
V2 investments allocated to the life business (caption D.2)
Even if it is only a portion, the investment should be identified with the same number

Year **2020**

Decrease of the year		Book value (4)		Acquisition cost	Current value	
Sales		Quantity	Amount			
Quantity	Amount					Other decreases
		753	65,703	10,730	19,192	10,730
		2,247	196,115	32,028	50,938	32,028
			9,999	21	516	21
			551,140	3,540	3,540	9,590
			1,596,959		7,134	
			1,225,350	10,354	11,203	9,239
			3,800	41	41	41
100		3	7,879	4	4	4
			300,000	1	3,001	1
			80,000	138	138	2,564
			4,487,398	18,599	18,599	18,289
			2,162,602	8,963	8,963	8,814
			5,934,000	6,814	10,365	7,103
		1,650	8,000,000	18,016	20,516	18,016
37,255,000		88,461	8,567,945	8,856	8,856	11,945
			11,828,094	6,594	6,594	59,750
			1,817	46	46	46
			1,818	46	46	46
			500	50	50	50
			2,000	50	50	50
			6,450	1,522	1,522	1,522
		18,000	369,718	165,022	165,022	164,848
			3,000,000	54,812	69,386	56,081

(4) Insert (*) if stated with the equity method (only for types b and d)

Società **VITTORIA ASSICURAZIONI S.P.A.**

Assets - Changes in investments in group and other companies: equity investments

Number	Type	Name	Increase of the year		
			Acquisitions		Other increases
			Quantity	Amount	
26	d	D TOURING DIGITAL S.r.l. - Corso Italia n.10 - 20122 Milano			
27	e	D CONSORZIO SERVIZI ASSICURATIVI - Via Don Carlo Gnocchi 37/b - 20148 Milano			
28	e	V CONSULTINVEST S.p.A. - Piazza Grande n.33 - 41121 Modena	3,125,000		5,000
29	e	D BCC CARATE BRIANZA - Via Cusani 6 - 20841 Carate Br			
30	e	D BANCA POPOLARE PUGLIESE Soc.Coop. per Azioni - via Provinciale Matino, 5 - 73052 Parabita			
31	e	D CAMFIN INDUSTRIAL S.p.A. - Viale Sarca n.222 - 20126 Milano			
32	b	D VALSALARIA S.r.l. - Via Abruzzi 2/4 - 00187 Roma			850
33	b	D V.R.G. DOMUS S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			25,000
34	b	D V.Z. Real Estate S.r.l. - Via Aldo Rossi 4 - 20149 Milano			
35	e	D MERCURE HOLDING SCA - avenue Emile Reuter 24 - L-2420 Lussemburgo	12,350	195	
36	b	V VITTORIA HUB S.r.l. - Via Ignazio Gardella 6 - 20149 Milano			575
37	d	D IMMOBILIARE BILANCIA PRIMA S.p.A. - Via Aldo Rossi 4 - 20149 Milano	1,521,250		18,255
38	e	D BANCA DEL VENETO CENTRALE Soc.Coop. - Via Ponte di Costozza n.12 - 36023 Longare	483		3
		Totale C.II.1		195	74,175
	a	Società controllanti			
	b	Società controllate			50,917
	c	Società consociate			
	d	Società collegate			18,255
	e	Altre		195	5,003
		Totale D.I			
		Totale D.II			

(1) It should match that indicated in Annex

(2) Type
a = Parent companies
b = Subsidiaries
c = Related companies
d = Associated companies
e = Other companies

(3) Indicate
D investment allocated to the non-life business (caption C.II.1)
V investments allocated to the life business (caption C.II.1)
V1 investments allocated to the life business (caption D.I)
V2 investments allocated to the life business (caption D.I)
Even if it is only a portion, the investment should be identified with the same number

Year **2020**

Decrease of the year		Other decreases	Book value (4)		Acquisition cost	Current value
Sales			Quantity	Amount		
Quantity	Amount					
450,000		90	630,000		987	
			400			
			5,625,000	7,500	7,500	7,500
			10	1	1	1
			81,300	201	201	201
16,136,007		2,491				
30,600		1,028				
		7,000	800,000	33,935	33,935	30,972
100,000		6,664				
			2,368,350	2,452	2,452	2,452
			10,000	585	585	585
		1,000	1,521,250	17,255	18,255	17,255
			483	3	3	3
		129,387		408,179	469,641	469,747
		125,803		342,828	387,274	342,927
		1,090		32,925	38,463	36,303
		2,494		32,426	43,904	90,517

(4) Insert (*) if stated with the equity method (only for types b and c)

Assets - Allocation based on the use of other financial investments: equity investments, unit trust units, bonds and other fixed-interest securities in investment pools and other financial investments (captions C.III.1, 2, 3, 5,

I - Non-life business:

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:						
a) listed shares	21	61	81	101		
b) unlisted shares	22	62	82	102		
c) quotas	23	63	83	103		
2. Unit trust units	24	64	84	104		
3. Bonds and other fixed-interest securities	25	495,804	65	491,422	105	495,804
a) listed government securities	26	801,673	46	417,344	86	1,203,189
a2) other listed securities	27	539,711	47	397,584	87	927,123
b) unlisted government securities	28	261,261	48	19,760	88	275,364
b2) other unlisted securities	29	702	49	702	89	702
c) convertible bonds	30	702	50	702	90	702
5. Shares in investment pools	31	51	71	91	111	
7. Other financial investments	32	52	72	92	112	
	33	53	73	93	113	

II - Life business:

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:						
a) listed shares	141	161	181	201	221	
b) unlisted shares	142	162	182	202	222	
c) quotas	143	163	183	203	223	
2. Unit trust units	144	164	184	204	224	
3. Bonds and other fixed-interest securities	145	282,232	165	16,986	185	17,259
a) listed government securities	146	1,189,693	166	157,951	186	1,598,411
a2) other listed securities	147	858,757	167	138,224	187	1,394,161
b) unlisted government securities	148	330,827	168	19,728	188	315,158
b2) other unlisted securities	149	109	169	109	189	109
c) convertible bonds	150	109	170	109	190	109
5. Shares in investment pools	151	171	191	211	231	
7. Other financial investments	152	172	192	212	232	
	153	173	193	213	233	

Assets - Changes in other financial investments - investment portfolio: equity investments, unit trust units, bonds and other fixed-interest securities, shares in investment pools and other financial investments (captions C.III.1, 2, 3, 5, 7)

	Equity investments C.III.1	Unit trust units C.III.2	Bonds and other fixed-interest securities C.III.3	Shares in investment pools C.III.5	Other financial investments C.III.7
Opening book value	21	609,798.41	2,266,744.81	101	
Increase of the year:	22	187,383.42	222,940.82	102	
for: acquisitions	23	166,944.43	215,276.83	103	
write-backs	24	44	84	104	
transfers from the trading portfolio.....	25	45	85	105	
other variations	26	20,439.46	7,664.86	106	
Decrease of the year:	27	17,021.47	647,709.87	107	
for: sales	28	7,367.48	66,472.88	108	
write-downs	29	49	89	109	
transfers to the trading portfolio	30	50	224,265.90	110	
other variations	31	9,654.51	356,972.91	111	
Book value	32	780,161.52	1,841,975.92	112	
Current value	33	778,037.53	1,991,366.93	113	

Year 2020

Company VITTORIA ASSICURAZIONI S.p.A.

Assets - Changes in loans and deposits with banks (captions C.III.4, 6)

		Loans C.III.4		Deposits with banks C.III.6
Opening book value	+ 1	15,886	21	3,000
Increase of the year	+ 2	709	22	
for: lending	3	709		
write-backs	4			
other variations	5			
Decrease of the year:	- 6	814	26	
for: repayments	7	814		
write-downs.....	8			
other variations	9			
Book value	10	15,781	30	3,000

Company **Vittoria Assicurazioni S.p.A.**Year **2020**

Assets - List of assets relating index-linked policies (caption D.I)

Unit trust code: Unit trust description:

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Land and buildings	21	41	61	
II. Investments in group and other companies:				
1. Equity investments	22	42	62	
2. Bonds	23	43	63	
3. Loans	24	44	64	
III. Unit trust units	80,990 25	60,589 45	74,105 65	55,461
IV. Other financial investments:				
1. Equity investments	2,652 26	2,406 46	2,976 66	2,455
2. Bonds and other fixed-interest securities	158 27	146 47	177 67	158
3. Bank deposits	28	48	68	
4. Other financial investments	29	49	69	
V. Other assets	-1,133 30	-722 50	-1,133 70	-580
VI. Liquid funds	4,192 31	3,162 51	4,192 71	2,447
.....	32	52	72	
.....	33	53	73	
Total	86,862 34	65,581 54	80,317 74	59,941

Company **Vittoria Assicurazioni S.p.A.**Year **2020**

Assets - List of assets arising from pension fund management (caption D.II)

Code: Pension fund description

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group and other companies:				
1. Equity investments	21	41	61	
2. Bonds	22	42	62	
II. Other financial investments:				
1. Equity investments	23	43	63	
2. Bonds and other fixed-interest securities	24	44	64	
3. Unit trust units	26,613 25	25,464 45	23,470 65	22,772
4. Bank deposits	26	46	66	
5. Other financial investments	27	47	67	
III. Other assets	-230 28	-639 48	-230 68	-639
IV. Liquid funds	550 29	960 49	550 69	960
	30	50	70	
	31	51	71	
Total	26,933 32	25,785 52	23,790 72	23,093

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Liabilities - Changes in premium reserve (caption C.I.1) and claims reserve (caption C.I.2) of non-life business

Type	Year	Previous year	Change
Premium reserve:			
Unearned premium reserve	1 430,384	11 419,732	21 10,652
Reserve for current risks:	2 460	12 2,012	22 -1,552
Book value.....	3 430,844	13 421,744	23 9,100
Claims reserve:			
Reserve for claims settlement and direct expenses	4 1,098,329	14 1,095,836	24 2,493
Reserve for settlement costs	5 63,777	15 62,857	25 920
IBNR reserve	6 88,845	16 84,170	26 4,676
Book value	7 1,250,951	17 1,242,863	27 8,088

Company VITTORIA ASSICURAZIONI S.p.A.Year 2020

Liabilities - Changes in the mathematical reserves (caption C.II.1) and profit participation and reimbursement reserve(caption C.II.4)

Type	Year	Previous year	Change
Pure premium reserve	1 1,498,380	11 1,404,329	21 94,051
Premiums carried forward	2 6,747	12 7,466	22 -719
Mortality risk reserve	3 12	13 9	23 3
Integration reserves	4 4,191	14 2,194	24 1,997
Book value	5 1,509,330	15 1,413,998	25 95,332
Profit participation and reimbursement reserve.....	6	16	26

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Liabilities - Changes in provisions for contingencies and other charges (caption E) and employees' leaving entitlement (caption G.VII)

		Employees' leaving entitlement and similar provisions	Provision for taxation	Other accruals	Employees' leaving entitlement
Opening book value	+	1	2,980	23,826	2,546
Accruals of the year	+	2	1,819	28,548	2,561
Other increases	+	3			
Utilisation of the year	-	4	2,899	2,189	551
Other decreases	-	5			2,372
Book value		6	1,900	50,185	2,184

List of assets and liabilities relating to group and other companies

I: Assets

	Parent companies	Subsidiaries	Related companies	Associated companies	Other companies	Total
Equity investments	1	2	3	4	5	6
Bonds	7	8	9	10	11	12
Loans	13	14	15	16	17	18
Shares in investment pools.....	19	20	21	22	23	24
Bank deposits	25	26	27	28	29	30
Other financial investments	31	32	33	34	35	36
Deposits with ceding companies	37	38	39	40	41	42
Investments relating to index-linked policies.....	43	44	45	46	47	48
Investments relating to pension fund management	49	50	51	52	53	54
Receivables relating to direct insurance business.....	55	56	57	58	59	60
Receivables relating to reinsurance business	61	62	63	64	65	66
Other receivables	67	68	69	70	71	72
Bank and postal accounts.....	73	74	75	76	77	78
Sundry assets	79	80	81	82	83	84
Total	85	86	87	88	89	90
of which: subordinated assets	91	92	93	94	95	96

List of assets and liabilities relating to group and other companies

II: Liabilities

	Parent companies	Subsidiaries	Related companies	Associated companies	Other companies	Total
Subordinated liabilities	97	98	99	100	101	102
Deposits from reinsurers	103	104	105	106	107	108
Payables arising from direct insurance business	109	110	111	112	113	114
Payables arising from reinsurance business	115	116	117	118	119	120
Due to banks and other financial institutions	121	122	123	124	125	126
Secured debts	127	128	129	130	131	132
Sundry loans and other financial payables	133	134	135	136	137	138
Sundry payables	139	140	141	142	143	144
Other liabilities	145	146	147	148	149	150
Total	151	152	153	154	155	156
						1,688
						47
						20
						71
						219
						27
						1,351
						1,641

Company VITTORIA ASSICURAZIONI S.p.A.Year 2020

List of classes I, II, III and IV of "guarantees, commitments and other memorandum and contingency accounts"

		Year	Previous year
I.	Guarantees given:		
a)	sureties and endorsements given in the interest of parent companies, subsidiaries and related companies	1	31
b)	sureties and endorsements given in the interest of associated companies and other group companies	2	32
c)	sureties and endorsements given in the interest of third parties	3	33
d)	other personal guarantees given in the interest of parent companies, subsidiaries and related companies	4	34
e)	other personal guarantees given in the interest of associated and other group companies	5	35
f)	other personal guarantees given in the interest of third parties	6	36
g)	collateral against obligations of parent companies, subsidiaries and related companies	7	37
h)	collateral against obligations of associated companies and other group companies	8	38
i)	collateral against third party obligations	9	39
l)	guarantees given against company's obligations	10	40
m)	assets pledged as guarantee deposit against inwards reinsurance	11	41
Total		12	42
II.	Guarantees received:		
a)	from associated and other group companies	13	43
b)	from third parties	14	15,997 44 17,526
Total		15	15,997 45 17,526
III.	Guarantees given by third parties in the interest of the company:		
a)	from associated and other group companies.....	16	46
b)	from third parties	17	47
Total		18	48
IV.	Commitments:		
a)	purchase commitments with resale obligation	19	49
b)	sale commitments with repurchase obligation	20	50
c)	other commitments	21	123,644 51 56,590
Total		22	123,644 52 56,590
V.	Assets pertaining to pension funds managed in favour and on behalf of third parties	23	26,933 53 24,026
VI.	Securities held by third parties	24	3,631,658 54 2,435,319
Total		25	3,658,591 55 2,459,345

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Summarised non-life business technical account

		Gross premiums accounted for	Gross premiums earned	Gross claims charge	Management fees	Reinsurance balance
Direct insurance:						
Accident and health insurance (classes 1 and 2)	1	114,957 ²	113,676 ³	35,583 ⁴	42,050 ⁵	-564
Third-party motor liability (class 10)	6	705,098 ⁷	707,136 ⁸	470,471 ⁹	136,392 ¹⁰	-967
Hull insurance for motor vehicles (class 3)	11	140,668 ¹²	137,779 ¹³	74,344 ¹⁴	40,282 ¹⁵	-87
Marine, aviation and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16	5,462 ¹⁷	5,074 ¹⁸	3,614 ¹⁹	1,448 ²⁰	-236
Fire and miscellaneous damages (classes 8 and 9)	21	121,916 ²²	116,707 ²³	82,769 ²⁴	42,625 ²⁵	-1,475
Third-party general liability (class 13)	26	77,576 ²⁷	76,054 ²⁸	27,261 ²⁹	26,323 ³⁰	174
Credit and bond insurance (classes 14 and 15)	31	3,329 ³²	4,400 ³³	-296 ³⁴	961 ³⁵	-1,460
Pecuniary losses (class 16)	36	14,593 ³⁷	14,334 ³⁸	-1,421 ³⁹	4,114 ⁴⁰	-44
Legal protection (class 17)	41	7,288 ⁴²	7,104 ⁴³	870 ⁴⁴	2,105 ⁴⁵	-1,396
Support and assistance (class 18)	46	30,422 ⁴⁷	29,947 ⁴⁸	11,662 ⁴⁹	8,737 ⁵⁰	-1,929
Total direct insurance	51	1,221,309 ⁵²	1,212,211 ⁵³	704,857 ⁵⁴	305,037 ⁵⁵	-7,984
Indirect insurance	56	95 ⁵⁷	93 ⁵⁸	33 ⁵⁹	7 ⁶⁰	
Total domestic portfolio	61	1,221,404 ⁶²	1,212,304 ⁶³	704,890 ⁶⁴	305,044 ⁶⁵	-7,984
Foreign portfolio	66					
Total	71	1,221,404 ⁷²	1,212,304 ⁷³	704,890 ⁷⁴	305,044 ⁷⁵	-7,984

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Summarised life business premiums and reinsurance balance

	Direct insurance	Indirect insurance	Total
Gross premiums:	1 222,486	11	21 222,486
a) 1. individual policies	2 214,845	12	22 214,845
2. group policies	3 7,641	13	23 7,641
b) 1. periodic premiums	4 71,013	14	24 71,013
2. single premiums	5 151,473	15	25 151,473
c) 1. non-profit participation contracts.....	6 15,204	16	26 15,204
2. profit participation contracts.....	7 178,889	17	27 178,889
3. contracts where the investment risk is borne by policyholders and pension fund	8 28,393	18	28 28,393
Reinsurance balance	9 -1,721	19	29 -1,721

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Income on investments (captions II.2 and III.3)

	Non-life business	Life business	Total
Income on equity investments			
Dividends and other income on equity investments in group companies	1 7,611 41	75 81	7,686
Dividends and other income on equity investments in other companies.....	2	42 82	
Total	3 7,611 43	75 83	7,686
Income on investments in land and buildings	4 3,465 44	2,762 84	6,227
Income on other investments:			
Income on bonds issued by group companies.....	5	45 85	
Interest on loans to group companies	6 58 46	86	58
Income on unit trust units	7 9,522 47	9,058 87	18,580
Income on bonds and other fixed-interest securities	8 18,616 48	43,933 88	62,549
Interest on loans	9 154 49	25 89	179
Income on shares of investment pools	10	50 90	
Interest on bank deposits.....	11	51 91	
Income on other financial investments	12	52 92	
Interest on deposits with ceding companies.....	13	53 93	
Total	14 28,350 54	53,016 94	81,366
Adjustments to investment values:			
Land and buildings	15	55 95	
Equity investments in group companies.....	16	56 96	
Bonds issued by group companies	17	57 97	
Other equity investments	18	58 98	
Other bonds	19	59 99	
Other financial investments.....	20	60 100	
Total	21	61 101	
Profits on sale of investments:			
Profit on sale of land and buildings	22	62 102	
Profit on sale of equity investments in group companies	23	63 103	
Profit on sale of bonds issued by group companies	24	64 104	
Profit on sale of other equity investments	25	65 105	
Profit on sale of other bonds	26 67 66	961 106	1,028
Profit on sale of other financial investments.....	27	67 107	
Total	28 67 68	961 108	1,028
TOTAL	29 39,493 69	56,814 109	96,307

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Income and non-realised capital gains relating to investments benefiting policyholders bearing the risk and investments stemming from pension fund management (caption II.3)

I. Investments relating to index-linked policies

	Amount
Income on:	
Land and buildings	1
Investments in group companies	2
Unit trust units	3 177
Other financial investments	4 96
- of which: bonds..... 5	
Other assets	6 16
Total	7 289
Profit on sale of investments	
Profit on sale of land and buildings	8
Profit on sale of investments in group companies	9
Profit on sale of unit trust units	10 489
Profit on sale of other financial investmentsi	11 190
- of which: bonds	12
Other income.....	13 185
Total	14 864
Non-realised capital gains	15 4,103
TOTAL.....	16 5,256

II. Investments relating to pension fund management

	Amount
Income on:	
Investments in group companies.....	21
Other financial investments	22 87
- of which: bonds..... 23	
Other assets	24 90
Total	25 177
Profit on sale of investments	
Profit on sale of investments in group companies	26
Profit on sale of other financial investments.....	27 17
- of which: bonds	28
Other income.....	29
Total	30 17
Non-realised capital gains	31 825
TOTAL	32 1,018

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Capital and financial charges (captions II.9 and III.5)

	Non-life business		Life business		Total	
Investment management and other charges						
Charges relating to equity investments	1	326	31	2	61	328
Charges relating to investments in land and buildings.....	2	4,593	32	1,097	62	5,690
Bond charges	3	16,352	33	11,122	63	27,474
Charges relating to unit trust units.....	4	426	34	13	64	439
Charges relating to shares in investment pools	5		35		65	
Other financial investment charges	6		36		66	
Interest on deposits from reinsurers	7	43	37	71	67	114
Total	8	21,740	38	12,305	68	34,045
Adjustments to investment values:						
Land and buildings	9	3,161	39	1,669	69	4,830
Equity investments in group companies	10	10,587	40	753	70	11,340
Bonds issued by group companies	11		41		71	
Other equity investments.....	12		42		72	
Other bonds	13	1,165	43	62	73	1,227
Other financial investments	14		44	30	74	30
Total	15	14,913	45	2,514	75	17,427
Loss on sale of investments						
Loss on sale of land and buildings	16		46		76	
Loss on sale of equity investments	17		47		77	
Loss on sale of bonds	18	121	48	68	78	190
Loss on sale of other financial investments	19		49		79	
Total	20	121	50	68	80	190
TOTAL	21	36,775	51	14,886	81	51,661

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Capital and financial charges and non-realised capital losses relating to investments benefiting policyholders who bear the risk and investments stemming from pension fund management (caption II.10)

I. Investments relating to index-linked policies

	Amount
Management charges arising from:	
Land and buildings	1
Investments in group companies	2
Unit trust units	3 1
Other financial investments	4 1
Other assets	5 1,291
Total	6 1,293
Loss on sale of investments	
Loss on sale of land and buildings	7
Loss on sale of investments in group companies	8
Loss on sale of unit trust units	9 1,269
Loss on sale of other financial investments	10 266
Other charges.....	11 18
Total	12 1,553
Non-realised capital losses	13 1,637
TOTAL	14 4,482

II. Investments relating to pension fund management

	Amounts
Management charges arising from:	
Investments in group companies	21
Other financial investments	22 373
Other assets.....	23
Total	24 373
Loss on sale of investments	
Loss on sale of investments in group companies	25
Loss on sale of other financial investments	26 139
Other charges	27
Total	28 139
Non-realised capital losses	29 285
TOTAL	30 797

	Class 01		Class 02		
	Accident insurance		Health insurance		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	98,949	1	16,008
Change in premium reserve (+ or -)	-	2	897	2	384
Charges relating to claims	-	3	28,003	3	7,580
Change in other technical reserves (+ or -) (1)	-	4		4	
Other technical captions, net (+ or -)	+	5	-760	5	-185
Management fees	-	6	36,820	6	5,230
Direct insurance technical result (+ or -)	A	7	32,469	7	2,629
Outwards reinsurance result (+ or -)	B	8	-604	8	40
Indirect insurance net result (+ o -)	C	9	1	9	
Change in equalisation reserve (+ o -)	D	10		10	
Income on investments transferred from non-technical account ..	E	11	89	11	15
Result of technical account (+ or -)	(A + B + C - D + E)	12	31,955	12	2,684

	Class 07		Class 08		
	Cargo insurance		Fire and natural events		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	2,369	1	74,509
Change in premium reserve (+ or -)	-	2	143	2	5,224
Charges relating to claims.....	-	3	1,242	3	46,349
Change in other technical reserves (+ or -) (1).....	-	4		4	
Other technical captions, net (+ o -)	+	5	-40	5	-1,002
Management fees	-	6	723	6	26,169
Direct insurance technical result (+ or -)	A	7	221	7	-4,235
Outwards reinsurance result (+ or -)	B	8	-103	8	-907
Indirect reinsurance net result (+ o -)	C	9	1	9	2
Change in equalisation reserve (+ o -)	D	10	7	10	224
Income on investments transferred from non-technical account ..	E	11	3	11	94
Result of technical account (+ or -) (A + B + C - D + E)		12	115	12.00	-5,270

	Class 13		Class 14		
	Third-party general liability		Credit insurance		
	(name)		(name)		
Direct insurance gross of outwards reinsurance					
Gross premiums accounted for	+	1	77,576	1	-119
Change in premium reserve (+ or -)	-	2	1,522	2	-468
Charges relating to claims.....	-	3	27,261	3	-1,150
Change in other technical reserves (+ or -) (1)	-	4		4	
Other technical captions, net (+ or -)	+	5	-944	5	
Management fees	-	6	26,323	6	-9
Direct insurance technical result (+ or -)	A	7	21,526	7	1,508
Outwards reinsurance result (+ or -)	B	8	174	8	
Indirect reinsurance net result (+ o -)	C	9	43	9	
Change in equalisation reserve (+ o -)	D	10		10	
Income on investments transferred from non-technical account ..	E	11	221	11	3
Result of technical account (+ or -) (A + B + C - D + E)		12	21,964	12	1,511

(1) This caption includes changes in "Other technical reserves" as well as changes in "Profit participation and reimbursement reserve"

Year 2020

account by line of business - Domestic portfolio

Class 03 Motor vehicle hulls (name)	Class 04 Railway truck hulls (name)	Class 05 Aviation hulls (name)	Class 06 Marine hulls (name)
1 140,668	1 26	1 1	1 1,897
2 2,889	2 4	2	2 256
3 74,344	3 12	3	3 1,737
4	4	4	4
5 -204	5	5	5 -24
6 40,282	6 7	6	6 492
7 22,949	7 3	7 1	7 -612
8 -87	8 -9	8	8 -134
9	9	9	9
10 422	10	10	10
11 99	11	11	11 3
12 22,539	12 -6	12 1	12 -743

Class 09 Miscellaneous damages (name)	Class 10 Third-party motor liability (name)	Class 11 Third-party aviation liability (name)	Class 12 Third-party marine liability (name)
1 47,407	1 705,098	1 1	1 1,169
2 -14	2 -2,038	2	2 -15
3 36,420	3 470,471	3 14	3 608
4	4	4	4
5 -527	5 -415	5	5 -1
6 16,455	6 136,392	6 4	6 222
7 -5,981	7 99,858	7 -17	7 353
8 -568	8 -967	8 12	8 -2
9 1	9	9	9
10 83	10	10	10
11 39	11 1,415	11	11 3
12 -6,592	12 100,306	12 -5	12 354

Class 15 Bond insurance (name)	Class 16 Pecuniary losses (name)	Class 17 Legal protection (name)	Class 18 Support and assistance (name)
1 3,448	1 14,593	1 7,288	1 30,422
2 -603	2 259	2 184	2 475
3 854	3 -1,421	3 870	3 11,662
4	4	4	4
5 -267	5 -40	5 -16	5 -96
6 971	6 4,114	6 2,105	6 8,737
7 1,959	7 11,601	7 4,113	7 9,452
8 -1,460	8 -44	8 -1,396	8 -1,929
9	9	9	9 6
10	10	10	10
11 23	11 10	11 2	11 6
12 522	12 11,567	12 2,719	12 7,535

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Summarised non-life business technical account
Domestic portfolio

	Direct insurance risk		Transferred risks 2	Indirect insurance risk		Retained risks Total 5 = 1 - 2 + 3 - 4
	Direct risk 1	Inwards reinsurance risk 3		Inwards reinsurance risks 4	Inwards reinsurance risks 4	
Premiums accounted for	1,221,310	11	36,331	21	95	41
Change in premium reserve (+ or -)	9,098	12	319	22	2	42
Charges relating to claims	704,857	13	22,997	23	33	43
Change in other technical reserves (+ or -) (1)		14		24		44
Other technical captions, net (+ or -)	4,524	15		25	35	45
Management fees	305,037	16	5,031	26	7	46
Technical result (+ or -)	197,795	17	7,984	27	54	47
Change in equalisation reserves (+ or -)						48
Income on investments transferred from non-technical account	2,025			29	1	49
Result of technical account (+ o -)	199,820	20	7,984	30	55	50
						1,185,074
						8,781
						681,893
						-4,524
						300,013
						189,864
						735
						2,026
						191,155

(1) This caption includes changes in "Other technical reserves" as well as changes in "Profit participation and reimbursement reserve"

Life business - Summarised technical account by line of business - Domestic portfolio

	Class 01 Whole and term life insurance (name)	Class 02 Marriage and birth insurance (name)	Class 03 Insurance linked to unit trusts (name)
Direct insurance gross of outwards reinsurance			
Gross premiums accounted for	192,763		26,308
Charges relating to claims	93,661		5,250
Change in mathematical and other technical reserves (+ or -) (*)	112,805		21,343
Other technical captions, net (+ or -)	-352		1,064
Management fees	14,296		1,770
Income on investments net of the portion transferred to the non-technical account (**)	37,440		782
Direct insurance result gross of outwards reinsurance (+ or -)	9,089		-209
Outwards reinsurance result (+ or -)	-1,573		
Indirect insurance net result (+ or -)			
Result of technical account (+ or -) (A + B + C)	7,516		-209
	Class 04 Health insurance (name)	Class 05 Capitalisation transactions (name)	Class 06 Unit trust Management (name)
Direct insurance gross of outwards reinsurance			
Gross premiums accounted for	1,241	89	2,085
Charges relating to claims	100	20,558	746
Change in mathematical and other technical reserves (+ or -) (*)	718	-19,104	1,421
Other technical captions, net (+ or -)	-1	26	377
Management fees	157	224	100
Income on investments net of the portion transferred to the non-technical account (**)	-41	1,454	222
Direct insurance result gross of outwards reinsurance (+ or -)	224	-109	417
Outward reinsurance result			
Indirect insurance net result (+ or -)	-148		
Result of technical account (+ or -) (A + B + C)	76	-109	417

(*) The caption "other technical reserves" includes "other technical reserves" and "technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management".

(**) Algebraic sum of the items relating to the domestic line of business and portfolio included in captions II.2, II.3, II.9, II.10 and II.12 of the profit and loss account

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Summarised life business technical account
Domestic portfolio

	Direct insurance risks		Transferred risks 2	Indirect insurance risks		Retained risks Total 5 = 1 - 2 + 3 - 4	
	Direct risks 1			Inwards reinsurance risks 3	Outwards reinsurance risks 4		
Premiums accounted for	222,486	11	1,590	21	31	41	270,896
Charges relating to claims.....	120,316	12	-976	22	32	42	121,292
Change in mathematical and other technical reserves (+ or -) (*)	117,183	13	526	23	33	43	116,657
Other technical captions, net (+ or -)	1,114	14		24	34	44	1,114
Management fees.....	16,548	15	319	25	35	45	16,229
Income on investments net of the portion transferred to the non-technical account (**).....	39,859			26		46	39,859
Result of technical account (+ or -)	9,412	17	1,721	27	37	47	7,691

(*) The caption "other technical reserves" includes "other technical reserves" and "technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management".

(**) Algebraic sum of the items relating to the domestic portfolio included in captions II.2, II.3, II.9, II.10 and II.12 of the profit and loss account

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Summarised life and non-life business technical accounts - foreign portfolio

Section I: Non-life businesses

		Total lines of business
Direct insurance gross of outwards reinsurance		
Gross premiums accounted for	+	1
Change in premium reserve (+ or -).....	-	2
Charges relating to claims	-	3
Change in other technical reserves (+ or -) (1).....	-	4
Other technical captions, net (+ or -).....	+	5
Management fees	-	6
Direct insurance technical result (+ or -)		A 7
Outwards reinsurance result (+ or -)		B 8
Indirect insurance net result (+ or -).....		C 9
Change in equalisation reserves (+ or -)		D 10
Income on investments transferred from non-technical account		E 11
Result of technical account (+ or -)		(A + B + C - D + E) 12

Section II: Life business

		Total lines of business
Direct insurance gross of outwards reinsurance		
Gross premiums accounted for	+	1
Charges relating to claims	-	2
Change in mathematical and other technical reserves (+ or -) (2)	-	3
Other technical captions, net (+ or -)	+	4
Management fees	-	5
Income on investments net of the portion transferred to the non-technical account (3)	+	6
Direct insurance result gross of outwards reinsurance (+ or -)		A 7
Outwards reinsurance result (+ or -)		B 8
Indirect insurance net result (+ or -)		C 9
Result of technical account (+ or -)		(A + B + C) 10

(1) This caption includes changes in "Other technical reserves" as well as changes in "Profit participation and reimbursement reserve"

(2) The caption "other technical reserves" includes "other technical reserves" and "technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management".

(3) Algebraic sum of the items relating to the foreign portfolio included in captions II.3, II.2, II.3, II.9 and II.10 of the profit and loss account

Intercompany relationships

II: Expense

	Parent companies	Subsidiaries	Associated companies	Related companies	Other companies	Total
Investment management charges and interest payable:						
Charges relating to investors	92	93	94	95	96	
Interest on subordinated liabilities	98	99	100	101	102	
Interest on deposits from reinsurers.....	104	105	106	107	108	
Interest on payables arising from direct insurance business.....	110	111	112	113	114	
Interest on payables arising from reinsurance business.....	116	117	118	119	120	
Interest on sums due to banks and financial institutions.....	122	123	124	125	126	
Interest on secured debts.....	138	139	130	131	132	
Interest on other sums payable	134	135	136	137	138	
Losses on receivables.....	140	141	142	143	144	
Administrative and third party charges	146	147	148	149	150	
Other charges	152	153	154	155	156	
Total	158	159	160	161	162	
Charges and non-realised capital losses on investments benefiting policyholders bearing the risk and investments stemming from pension fund management	164	165	166	167	168	
Loss on sale of investments (*)	170	171	172	173	174	
Extraordinary expense	176	177	178	179	180	
TOTAL.....	182	183	184	185	186	

(*) With reference to the counterparty

Company VITTORIA ASSICURAZIONI S.p.A.

Summarised direct insurance premiums accounted for

	Non-life business		Life business		Total	
	Establishment	Freedom to provide services	Establishment	Freedom to provide services	Establishment	Freedom to provide services
Gross premiums accounted for:						
in Italy	1,221,182	5	222,486	15	1,443,668	25
in other EU countries	6	127	16	127	22	127
in non-EU countries	7		17		23	27
Total	1,221,182	8	222,486	18	1,443,668	28

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2020

Personnel expenses and directors' and statutory auditors' fees

I: Personnel expenses

	Non-life business	Life business	Total
Employees' expenses:			
Domestic portfolio:			
- Wages and salaries	1 40,198 31	2,535 61	42,733
- Social security contributions	2 9,859 32	622 62	10,481
- Accruals to the employees' leaving entitlement and similar provisions	3 2,473 33	156 63	2,629
- Other personnel expenses	4 3,574 34	225 64	3,799
Total	5 56,104 35	3,538 65	59,642
Foreign portfolio:			
- Wages and salaries	6	66	
- Social security contributions	7	67	
- Other personnel expenses	8	68	
Total	9	69	
Total	10 56,104 40	3,538 70	59,642
Consultants' fees:			
Domestic portfolio	11 23,220 41	395 71	23,615
Foreign portfolio	12	72	
Total	13 23,220 43	395 73	23,615
Total personnel expenses	14 79,324 44	3,933 74	83,257

II: Allocation captions

	Non-life business	Life business	Total
Investment management charges	15 2,048 45	77 75	2,125
Charges relating to claims	16 33,213 46	497 76	33,710
Other acquisition costs	17 17,111 47	937 77	18,048
Other administrative costs	18 26,643 48	2,414 78	29,057
Administrative and third party charges	19	79	
Other technical captions	20 308 50	6 80	314
Total	21 79,323 51	3,931 81	83,254

III: Average number of employees for the year

	Number
Managers	91 28
White collars	92 507
Blue collars	93
Other	94
Total	95 535

IV: Directors and statutory auditors

	Number	Fees
Directors	96 13 98	4,607
Statutory auditors	97 3 99	266

Board of Statutory Auditors' Report

STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS OF VITTORIA ASSICURAZIONI S.P.A. PURSUANT TO THE LEGISLATIVE DECREE NO. 39/2010 AND ART. 2429, PARAGRAPH 2, CIVIL CODE

Dear Shareholders,

During 2020, we carried out the supervisory activities as required by Law, and in particular by art. 2403 Civil Code, by the communications from IVASS (the Italian insurance regulatory authority Institute), as well as by consolidated professional practices.

With reference to the main events of note, it should be noted that, as reported in the Directors' Report, the year 2020 was characterised by the negative impact of the Covid-19 pandemic, to which the Company reacted with a series of measures in favour of staff, clients and the agency network for a total of 7 million euro. These actions were adequately reported during the meetings of the Board of Statutory Auditors, also held jointly with the Control and Risk Committee. This made it possible to verify Vittoria Assicurazioni's ability to react to the emergency situation.

The solvency ratios confirm the Group's solidity; in 2020 the Group promptly responded to IVASS requests for extraordinary updates on its solvency position first on a weekly basis (from March to June) and subsequently on a monthly basis with an illustration of the stocks and flows expected in the following month and quarter. In addition, during the 2020 financial year, the rationalisation of the corporate structure continued, merging the companies Valsalaria srl and V.Z. Real Estate srl into Acacia 2000 srl and selling 51% of Immobiliare Bilancia Prima S.r.l. to third parties. In addition, during the year 50.98% of the Pegasus real estate fund was acquired, which holds "Palazzo V" in San Donato Milanese leased to the ENI group.

We also highlight:

- we attended the meetings of the Board of Directors and obtained, at least quarterly, information on operations and on the most important economic, financial and equity transactions made by the company and its subsidiaries, ensuring that the decisions taken complied with the law and company mission and they were not in conflict of interest or in contrast with resolutions adopted in Shareholders' Meetings;
- we ascertained, insofar as it falls within our competence, compliance with the principles of proper management by the Directors in fulfilling their duties, with direct observations, gathering information from those responsible for administrative requirements and through meetings with the independent auditors aimed at sharing data and information;
- we monitored, during the financial year, the organizational structure, the internal control system and the administrative-accounting system and its reliability in correctly representing management events through:
 - ✓ obtaining information from the department managers, including the manager responsible for preparing the financial reports;
 - ✓ examining company documents and the reports of the Internal Audit and of the Compliance and Risk Management functions;
 - ✓ periodic meetings with the independent auditor who, during the year, informed us about the outcome of quarterly checks on proper bookkeeping;
 - ✓ dealing with the Supervisory Board pursuant to Legislative Decree N. 231/01, examining the periodic reports and receiving updates on the activities performed;
 - ✓ reviewing the minutes of the Strategies, Finance, Real Estate, Related Parties, Appointments and Compensation Committees;
 - ✓ participating in the Control and Risk Committee.

Constant participation in the Control and Risks Committee enabled the Board of Statutory Auditors to coordinate with said Control and Risks Committee the execution of its Internal Control Committee

functions and its auditing functions as provided by Article 19 of Legislative Decree 39/10, and specifically to monitor:

- ✓ the financial reporting process;
- ✓ the effectiveness of internal control systems, internal audit and risk management;
- ✓ the profiles concerning the compliance with money laundering regulations;
- ✓ the statutory audit of annual and consolidated accounts;
- ✓ the matters relating to the independence of the external auditors, as attested in the Additional Report. In particular, the Board of Statutory Auditors examined and approved, in the presence of the legal requirements, the other assignments conferred during the 2020 financial year to Deloitte & Touche SpA, whose fees are reported in detail in the Explanatory Notes, to which reference is made. These fees are considered adequate to the complexity and size of the work carried out and not such as to affect the independence of the statutory auditor.

On the basis of the activity carried out, the internal control system is adequate as a whole and no critical issues have emerged that should be reported in this report.

Board of Statutory Auditors also reports that carried out, where applicable, additional special audit in compliance with IVASS legislation.

In particular, the Board of Auditors acknowledges that it:

- monitored the compatibility of the general investment policies approved by the Board of Directors, pursuant to the Regulations ISVAP no. 36 of 31st January 2011 and IVASS no. 24 of 6th June 2016, with the economic and financial balance of the Company and the compliance of the same with the management acts;
- performed the required controls on the use of derivative financial instruments;
- verified the administrative procedures for handling, custody and accounting of financial instruments allocated to cover the technical liabilities, ensuring the instructions given to the depositary entities in order to sending periodic account statements with appropriate evidence of any restrictions;
- checked during the periodic monitoring freedom from constraints and the full availability of the assets allocated to cover the technical provisions;
- found correspondence with the register of assets covering technical provisions;
- carried out audits of the procedures required in money laundering legislation;
- received, in compliance with the Regulations ISVAP no. 24 of 19th May 2008 and IVASS n. 30 of 24th March 2015, quarterly reports on complaints prepared by the Internal Audit and that they did not reveal any critical situation or organizational shortcomings;
- met the members of the Supervisory Body established pursuant to Legislative Decree. n. 231/01, which has set specific half-yearly reports to the Board of Directors and that such positions did not reveal any critical issues that need to be identified in this report;
- exchanged information with the supervisory bodies of subsidiaries, in accordance with art. 151 of Legislative Decree no. 58/98;
- verified that the Company has put in place regulations, procedures and structures aimed at monitoring the insurance, financial, credit and business risks, in accordance with IVASS regulation no. 38/2018 related to Corporate Governance system;
- verified the indication in the Management Reports of the estimates concerning the solvency situation with Solvency II metric, pursuant to ISVAP Regulation no. 22 of 4 April 2008, amended by the Ivass Provision no. 53 of 6 December 2016, and in particular a Solvency Ratio of 193.0%;
- found the proper operation of the procedures relating to related parties;
- monitored the fulfillment of information obligations towards the Supervisory Authority.

The Statutory Auditors state that:

- information provided by the Board of Directors, also specifically regarding subsidiaries, intercompany transactions and transactions with related parties are considered adequate;
- as far as we know there were no atypical or unusual transactions carried out either with Group companies or related parties, and even with third parties, as evidenced by the Directors in the Management Reports;
- ordinary transactions with Group companies and related parties are carried out at market conditions and respond to the interest of the Company and are performed in compliance with the specific procedure approved by the Board of Directors; they are described in the Management Reports with details of their entity and their economic effects on the operating result;
- during 2020 no. 8 meetings of the Board of Auditors were held, including all of no. 9 meetings in joint with the Control and Risk Committee; the Statutory Auditors attended all of no. 8 meetings of the Board of Directors;
- During the year under review, the Board of Statutory Auditors did not issue any opinions as required by law;
- after the end of the year no significant events have been reported;
- the Company verified the actual independence of the independent directors and we confirm that we have verified the correct application of the criteria and procedures adopted by the Board of Directors, as well as the persistence of our independence as required the Self-Regulation Code;
- we have no comments on the Remuneration Report for 2020 prepared in accordance with ISVAP Regulation no.38 of 3th July 2018 and submitted for approval to the Shareholders' Meeting;
- as a result of the supervisory activity performed, we have no observations regarding the Consolidated Non-Financial Statement for 2020 financial year, prepared by the Company pursuant to Legislative Decree 254/2016;
- during the year we have received no complaints pursuant to art. 2408 of the Italian Civil Code C.C., nor any other exposures pursuant to Article 2409 of the Italian Civil Code.

The Company has drawn up the Financial Statements and the Consolidated Financial Statements according to (as required by law) the National Accounting Principles (the Financial Statements) and IAS / IFRS accounting principles, such as endorsed by the EU (Consolidated Financial Statements).

With regard to these financial statements, the independent auditor Deloitte & Touche S.p.A. today released audit reports in accordance with Articles no.14 and no.16 of Legislative Decree no. 39/10 for the Financial Statements and the Group Consolidated Financial Statements at 31st December 2020 drawn up in compliance with the International Financial Reporting Standards - IFRS adopted by the European Union.

As foreseen by the innovated article 10 of the Regulation (EU) n. 537/2014, the aforementioned Reports have also identified the "key aspects of the audit" pursuant to the law.

These reports were issued with no qualifications or requests for additional disclosures, also expressing consistency judgment with the financial statements, the Management Reports and the information contained in the Report on Corporate Governance and Ownership Structure as well as the judgment of the sufficiency of technical provisions. The audit firm has today released the Additional Report required by art. 11 of Regulation (EU) 537/2014 concerning the financial statements of Vittoria Assicurazioni and the consolidated financial statements as at 31st December 2020, from which no significant deficiencies emerge in the internal control system in relation to the financial reporting process.

The Audit firm Deloitte & Touche S.p.A. has also today released the certification pursuant to art. 3, paragraph 10 of Legislative Decree no. 254/16 on the Consolidated Non-Financial Statement for 2020 financial year.

With the approval of the 2020 financial statements, the nine-year mandate of Deloitte & Touche expired. The procedure for selecting the auditing company, which was started on time, was concluded with the resolution

by the Company's Shareholders' Meeting, held on 29 April 2020, after examining the proposal of the Board of Directors and the recommendation made by the Board of Statutory Auditors, to appoint KPMG S.p.A. to audit the Company's accounts for the period 2021-2029. During the 2020 financial year, the Board of Statutory Auditors verified that KPMG S.p.A. continued to satisfy the independence requirements and compliance with the regression plan with regard to activities not expressly prohibited.

Dear Shareholders,

taking into account the foregoing considerations, the Board sees no impediment to the approval of the financial statements as at 31 December 2020, as prepared by the Board of Directors, and issues a favorable opinion on the proposal made for the allocation of profit of the year of 108,623,860 euro:

175,173 euro to the legal reserve, 78,031,479 euro to available reserves and 30,417,208 euro as dividends.

Milan, 2 April 2021

THE BOARD OF STATUTORY AUDITORS

Giuseppe Cerati

Giovanni Maritano

Francesca Sangiani

Independent auditor's Report

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010, ARTICLE 10 OF THE EU REGULATION N. 537/2014 AND ARTICLE 102 OF LEGISLATIVE DECREE No.209 OF SEPTEMBER 7, 2005

To the Shareholders of
Vittoria Assicurazioni S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Vittoria Assicurazioni S.p.A. (the "Company"), which comprise the balance sheet as at December 31, 2020, the income statement for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2020 and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of properties

Description of the key audit matter

The financial statements for the year ended December 31, 2020, include "Land and buildings - Operating buildings" for 80.0 million euro, "Land and buildings - Buildings used by third parties" for 93.3 million euro, "Investments in group and other companies - Equity investments" for 408.2 million euro which include equity investments relating to the management of real estate ("real estate companies").

As indicated in the explanatory notes in "Part A - Investment captions" the "Land and buildings" and "Investments in group and in other companies" are considered to be long-term assets. "Land and buildings" are recorded at acquisition cost and, in the case of limited use over time, they are subject to systematic depreciation based on the residual possibility of use.

"Investments in Group and other investees" are recorded at acquisition cost inclusive of ancillary costs; the acquisition cost is written down to allow for any permanent impairment shown in investee companies' financial statements. In order to quantify the value of properties and to identify any impairment losses, the Directors appointed an Independent Expert to estimate the value of the properties. Based on these appraisals, the Directors also considered the valuation of the real estate companies and the consequent identification of any impairment losses.

The main valuation assumptions and parameters used by the Independent Expert include financial variables, such as the discount rate used, and non-financial variables, mainly relating to the determination of expected rentals and the estimated timing and cash flows from the expected sale of the properties. As pointed out by the Directors in "Part A – Valuation criteria", for the year ended December 31, 2020, the process of estimating the market value of real estate assets is particularly complex also in consideration of the exceptional macroeconomic situation resulting from the Covid-19 health emergency. If available, the market value was also derived from offers received from market operators.

Considering the subjective nature of the various estimation elements in the valuation models used to determine the value of the property, the high degree of uncertainty in assessing the assumptions and parameters used, also considering the complexity of the current macroeconomic context resulting from the pandemic emergency, and the materiality of the property assets recorded in the financial statements, we are of the view that the valuation of property is a key matter in the audit of the financial statements of Vittoria Assicurazioni S.p.A. for the year ended December 31, 2020.

Audit procedures as a response to key audit aspects

The audit procedures that we performed, where appropriate with the support of experts belonging to the Deloitte network, included the following, among others:

- understanding the process adopted by the Company to identify the impairment losses of the value of properties and real estate companies;
- understanding the valuation models, assumptions and parameters used by the Independent Expert to determine the value of the property, also with regard to the actual macroeconomic scenario deriving from the current health emergency;
- critical analysis, for a sample of property considered representative of a significant portion of the property assets, of the valuation reports prepared by the Independent Expert, also by comparison with the most recent market data and historical information available;
- obtaining information, through discussion and meetings with Management, regarding the commercial negotiations in progress;
- examination of the financial statements of the real estate companies to check that there is no indication of impairment losses;
- examination of the determination and recognition of eventual permanent losses in value;
- examination of the completeness and compliance of the information provided by the Directors in the financial statements in accordance with the relevant regulatory framework.

Valuation of the claims reserve of Motor third party liability

Description of the key audit matter

In the financial statements for the year ended December 31, 2020, the “Claims reserve” for Motor Vehicle Third-party liability class, including Marine, Lake and River Vehicle Third-party liability (referred to jointly as the “Claims reserve of MTPL”) is included in the "Technical provisions" shown in the statement of financial position for an amount of 908.2 million euro.

In “Part A Accounting policies” of the explanatory notes, the Directors report that the reserve reflects a prudent estimate of indemnities and adjustment costs for claims that have been incurred and not yet paid, either totally or in part.

This estimate is performed considering all of the elements needed for coverage of the claim’s ultimate cost. In particular with reference to mass risks such as MTPL, characterized by high numerosness and slow liquidation processes, the Directors submit the related claims reserve to statistical and actuarial control process to assess their consistency with the ultimate cost and, when necessary, are integrated.

As pointed out by the Directors, the process for determining the claims reserve of MTPL is based on a complex process of estimation that includes numerous subjective variables. The main assumptions used in the control process based on statistical-actuarial methodologies concern the technical variables, including the time interval for deferring payments, the elimination of claims without payments, the re-opening and the evolution of the cost of claims connected to timeline of payment. For the year ended December 31, 2020, as regards statistical-actuarial methodologies, the Directors considered the impacts deriving from the government measures in order to containing the pandemic.

The notes in "Part A - Valuation criteria" and in "Part B - Information on Balance Sheet and Income Statement", explain the accounting policies used in estimating the claims reserve of MTPL and the statistical-actuarial methodologies applied to assess their consistency with the ultimate cost, which are based on a projection of historical data, considering the effects on the technical variables used for the models, deriving from the particular pandemic context in progress.

Considering the relevance and the subjectivity of the various elements used in estimating the claims reserve of MTPL, the increased uncertainty in assessing the variables and parameters used in developing the valuation methods for the statistical-actuarial control process, considering the actual pandemic context and the high amount of the claims reserve of MTPL in the consolidated financial statements, we are of the view that the valuation of the claims reserve of MTPL is a key matter in the audit of the financial statements of Vittoria Assicurazioni S.p.A. for the year ended December 31, 2020.

Audit procedures as a response to key audit aspects

The audit procedures that we performed, where appropriate with the support of experts belonging to the Deloitte network, included the following, among others:

- understanding of the process of formation of the claims reserve which included the knowledge of management, settlement and any possible changes in the legal and regulatory framework of the sector;
- recognition and verification of the significant controls performed on the process of estimating the claims reserve of MTPL;
- performing verification procedures on the completeness and appropriateness of the portfolios taken as reference and the key data contained therein;
- reading and analyzing the Actuarial Function report;
- performing comparative analyses through the recalculation of the

relevant index observed in the historical series and an examination of their correlation with other significant indicators. In particular, we analyzed relevant technical indicators, comparing them with comparable data and information relating to previous periods and available sector data;

- comparison between the estimate of the claims reserve performed in previous periods and what subsequently took place, with an analysis of the nature of the run-off;
- verification, on a selection of claims, of the consistency of the estimate of the reserve to management and documentary evidence and results of written confirmations obtained from external lawyers;
- analysis of the reasonableness of the methodologies and the main technical and evolutionary assumptions used to estimate the claims reserve of MTPL, also by checking their consistency with those used in previous years, considering the provisions of applicable legislation and in consideration of the pandemic effect on the technical variables concerning the development of the estimation methodologies;
- identification of a range of reasonable outcomes and verification that the estimated claims reserve of MTPL fell into that range;
- examination of the completeness and compliance of the information provided by the Company in the notes to the financial statements in accordance with applicable legislation.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Vittoria Assicurazioni S.p.A. has appointed us on April 20, 2012 as auditors of the Company for the years from December 31, 2012 to December 31, 2020.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Vittoria Assicurazioni S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structures as at December 31, 2020, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the financial statements of Vittoria Assicurazioni S.p.A. as at December 31, 2020 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the financial statements of Vittoria Assicurazioni S.p.A. as at December 31, 2020 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Company and of the related context acquired during the audit, we have nothing to report.

Opinion in accordance with the art. 102, n°2, of the Legislative Decree no. 209 of September 7, 2005, relating to the non-life technical reserves

In carrying out the engagement appointed by Vittoria Assicurazioni S.p.A., in accordance with the art. 102, n°2, of the Legislative Decree no. 209/2005, we have audited the items relating to the non-life insurance technical reserves, included in the liabilities of the financial statements of Vittoria Assicurazioni S.p.A. for the year ended December 31, 2020. The Company's Directors are responsible to establish

technical reserves to the extent necessary to guarantee the insurance and reinsurance obligations. On the basis of the procedures performed in accordance with the art. 102, n°2, of the Legislative Decree no. 209/2005, with the ISVAP Regulation n. 22/2008, and the related guidelines included in the application document published by IVASS on January 31, 2017 on its website, the above mentioned technical reserves included in the liabilities of the financial statements of Vittoria Assicurazioni S.p.A. for the year ended December 31, 2020 are sufficient in accordance with the applicable law and regulations and correct actuarial techniques, in compliance with the principles set out in the ISVAP Regulation 22/2008.

Opinion in accordance with the art. 102, n°2, of the Legislative Decree no. 209 of September 7, 2005, relating to life technical reserves

In carrying out the engagement appointed by Vittoria Assicurazioni S.p.A., in accordance with the art. 102, n°2, of the Legislative Decree no. 209/2005, we have audited the items relating to the life insurance technical reserves, included in the liabilities of the financial statements of Vittoria Assicurazioni S.p.A. for the year ended December 31, 2020. The Company's Directors are responsible to establish technical reserves to the extent necessary to guarantee the insurance and reinsurance obligations. On the basis of the procedures performed in accordance with the art. 102, n°2, of the Legislative Decree no. 209/2005, with the ISVAP Regulation n. 22/2008, and the related guidelines included in the application document published by IVASS on January 31, 2017 on its website, the above mentioned technical reserves included in the liabilities of the financial statements of Vittoria Assicurazioni S.p.A. for the year ended December 31, 2020 are sufficient in accordance with the applicable law and regulations and correct actuarial techniques, in compliance with the principles set out in the ISVAP Regulation 22/2008.

Other Matter

The determination of the technical reserves is a complex estimation process that includes many subjective variables whose change may involve a significant variation in the final result. Therefore, if applicable we have developed a range of values considered reasonable, to take into account the level of the uncertainty embedded into these variables. In order to evaluate the sufficiency of the technical reserves, we have also verified that such reserves are within this range.

DELOITTE & TOUCHE S.p.A.

Signed by
Alessandro Grazioli
Partner

Milano, Italy
April 2, 2021

This report has been translated into the English language solely for the convenience of international readers.

Company's development from incorporation

YEAR	PREMIUS		Technical reserves		Investments	Capital income net of charges	Monetary revaluation reserves	Net profit	Equity reserves	Share capital fully paid-up
	Gross	Ceded	Retained	and payable amounts net of reinsurance						
1922	6	4	2	1	1	0	-	0	-	3
1930	6	3	3	2	4	0	-	0	0	3
1940	14	6	8	7	15	1	-	0	1	6
1950	424	165	259	176	301	14	61	3	8	62
1960	1,581	353	1,227	1,685	2,061	104	-	63	222	258
1970	4,525	844	3,681	6,800	5,814	319	-	25	425	258
1975	10,092	1,693	8,399	12,943	11,186	632	1,046	1	1,099	258
1980	24,693	5,436	19,257	30,174	22,649	2,140	271	718	2,979	1,033
1985	57,175	10,124	47,051	74,108	76,515	8,150	4,912	3,119	6,023	1,291
1990	112,689	11,074	101,616	168,239	198,395	18,440	781	4,704	43,691	15,494
1995	197,690	17,744	179,946	392,946	393,862	35,550	3,911	4,220	50,146	15,494
1996	221,584	20,185	201,399	467,309	460,189	39,109	3,911	4,264	51,595	15,494
1997	249,580	20,195	229,385	553,201	550,231	36,523	3,911	4,665	51,965	15,494
1998	289,033	54,849	234,184	614,684	653,252	44,466	3,911	6,322	54,012	15,494
1999	339,363	67,464	271,899	700,653	762,696	41,342	3,911	8,400	57,562	15,494
2000	391,485	79,638	311,847	818,799	898,521	34,209	3,911	6,835	63,038	15,494
2001	386,400	77,879	308,521	884,849	978,279	19,300	3,911	10,744	52,289	30,000
2002	407,054	83,605	323,449	934,347	1,027,554	21,975	3,911	12,806	59,733	30,000
2003	457,564	95,129	362,435	1,005,640	1,114,418	46,385	3,911	15,147	68,939	30,000
2004	519,268	94,965	424,303	1,115,862	1,234,421	47,511	3,911	17,779	80,186	30,000
2005	551,202	86,514	464,688	1,198,173	1,322,597	49,000	3,911	20,330	93,765	30,000
2006	587,489	75,717	511,772	1,305,203	1,451,137	67,146	3,911	27,437	111,310	30,452
2007	636,526	50,281	586,245	1,443,579	1,557,261	66,341	3,911	36,495	142,290	32,666
2008	630,718	32,798	597,920	1,444,379	1,561,805	43,317	-	37,939	155,972	65,766
2009	671,307	32,656	638,651	1,545,324	1,646,765	69,137	-	24,290	182,814	65,789
2010	817,539	37,645	779,894	1,658,527	1,750,118	55,295	-	29,256	198,146	67,379
2011	937,566	27,779	909,787	1,785,955	1,880,749	31,230	-	35,329	215,947	67,379
2012	1,018,323	30,757	987,566	1,911,766	2,031,532	52,065	-	57,482	239,822	67,379
2013	1,151,294	37,878	1,113,416	2,130,410	2,290,440	57,555	-	62,467	293,106	67,379
2014	1,283,786	37,252	1,246,534	2,387,053	2,559,151	46,010	-	74,935	343,444	67,379
2015	1,287,543	29,795	1,257,748	2,500,719	2,772,609	47,466	-	66,268	405,577	67,379
2016	1,270,731	32,756	1,237,975	2,617,562	3,077,114	48,943	-	139,487	458,369	67,379
2017	1,339,317	37,886	1,301,432	2,753,539	3,259,157	33,921	-	78,445	583,706	67,379
2018	1,424,160	47,197	1,376,963	2,918,937	3,760,882	41,031	-	99,607	643,285	67,379
2019	1,470,710	58,489	1,412,221	3,127,057	3,710,711	48,597	-	74,370	427,455	67,379
2020	1,443,891	37,921	1,405,970	3,275,323	3,937,943	45,644	-	108,624	488,882	67,379