



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 98th year

2019 Annual Report & Accounts

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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
Laura MILANO	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	Joint General Manager
Luca ARENSI	Deputy General Manager
Paolo NOVATI	Deputy General Manager
Adriano CHIOETTO	Central Manager
Maurizio MONTICELLI	Central Manager
Giuseppe TRAVERSO	Central Manager
Enzo VIGHI	Central 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

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€/million

Main Key Performance Indicators			
	31/12/2019	31/12/2018	Δ %
Non Life business			
Gross Premiums written - direct Non Life business	1,220.9	1,195.8	2.1%
(1) - Loss Ratio (retained)	65.1%	67.6%	(2.5)
(2) - Combined Ratio (retained)	89.7%	92.5%	(2.8)
(3) - Expense Ratio (retained)	24.4%	24.7%	(0.3)
Non Life business technical balance (before transferral of technical profits from investments)	119.5	91.8	30.2%
Ordinary net investment income	(0.1)	9.4	n.s.
Next extraordinary income from investment	4.8	38.7	(87.6)%
Other income and expenses	(22.7)	(17.0)	33.5%
Taxes	(34.4)	(25.1)	37.1%
Non Life business net technical balance	67.1	97.8	(31.4)%
Life business			
Gross Premiums written - direct Life business	249.8	228.3	9.4%
(4) Annual Premium Equivalent (APE)	34.9	31.2	11.9%
Segregated fund performance: Rendimento Mensile	2.98%	2.90%	0.08
Segregated fund performance: Obiettivo Crescita	3.02%	3.06%	(0.04)
Segregated fund performance: Valore Crescente	4.07%	4.29%	(0.22)
Segregated funds assets	1,383.1	1,243.60	11.2%
Index/Unit - linked and Pension funds assets	91.4	68.4	33.6%
Life business technical balance	5.7	7.7	(26.0)%
Life business net technical balance	7.2	1.8	303.5%
Total Agencies			
Total Agencies	471	455	16
Average of employees	535	541	-5
Investments with the risk borne by the Company	3,612.6	3,498.4	3.3%
Overhead costs as a % of GPW - direct business	7.3%	7.9%	(0.6)
Total net ordinary and extraordinary income from investments with risk borne by the Company	45.7	83.7	(45.4)%
Profit (loss) before taxation	112.3	128.5	(12.6)%
Net profit (loss)	74.4	99.6	(25.3)%
Shareholders' equity	569.2	810.3	-29.8%
ROE*	13.7%	12.9%	0.8
Dividend per share	0.20	0.30	-33.3%

* Data calculated on the Pro-forma equity

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 gross premiums written;
- 4) APE (Annual Premium Equivalent): the sum of total premium business and 10% of sales of single premium business.

Reverse Merger

In line with contents of the takeover bid published on 21 July 2018, relating to the public tender and exchange offer promoted by Vittoria Capital S.p.A., pursuant to Article 102 (1) TUF, on the total ordinary shares of Vittoria Assicurazioni S.p.A., on 1 October 2018, the Boards of Directors of Vittoria Assicurazioni S.p.A. and Vittoria Capital S.p.A. approved the Merger Plan relating to the reverse merger by incorporation of Vittoria Capital into Vittoria Assicurazioni.

On 13 February 2019, the Supervisory Authority authorised the merger by incorporation of Vittoria Capital S.p.A. into Vittoria Assicurazioni S.p.A. and approved the related amendments to be made to the Bylaws of the incorporating company.

This merger became effective on 28 June 2019 and the accounting effective date was 1 January 2019. Accounting effects of the merger were as follows:

- elimination of the infra-group's interest-bearing loan of 300,000 thousand euro and the related interest share,
- reduction of equity of Vittoria Assicurazioni as at 1 January 2019 (local-GAAP values), decreasing from 810,271 thousand euro to 514,250 thousand euro.

The following table shows the equity reconciliation after the merger:

	(€/000)
Totalequity as at 31/12/2018 (A)	810,271
Elimination of Vittoria Assicurazioni book value in Vittoria Capital (B)	-625,192
Vittoria Capital Local GAAP Totalequity 31/12/2018 (C)	329,171
(D) Totalequity post reverse merger (A+B+C)	514,250
Dividend pay-out 2018 (E)	-19,415
Company profit for the year (F)	74,370
Totalequity as at 31/12/2019 (D+E+F+G)	569,205

Given the non-materiality of the number of items impacted by the operation, 2018 figures have not been restated, but 2019 pro-forma financial statements with re-stated 2018 figures are submitted.

Dear Shareholders,

The 98th FY financial statements that are submitted for your approval show a net income of 74,370 thousand euro, down by 25.3% compared to the outcome of 2018 year (99,607 thousand euro), which included extraordinary income accounting for 38,649 thousand euro (before the tax effect) arising from the sale of the equity interest in Camfin S.p.A. (former Nuove Partecipazioni S.p.A.).

By excluding this extraordinary income from equity interest, the net income is up by 21,1% compared to the previous year, with a change of 12,966 thousand euro.

Thanks to the continuous actions aimed at the consolidation and development of the existing portfolio, insurance premiums written recorded an increase of 3.3%. Total premiums written as at 31 December 2019 amounted to 1,470,710 thousand euro (1,424,160 thousand euro as at 31 December 2018), with an increase of 2.1% in Non-Life business and premiums in Life Businesses increase of 9.4%.

Technical management trend of Non-Life Lob shows a result in improvement compared to the previous year with an increase of 30.2%.

The claims/premiums ratio and the combined ratio retained amount to 65.1% and 89.7%, respectively (67.6% and 92.5% in the previous year).

Life Businesses show a positive result, significantly improved compared to the previous year, which included the provision for dormant policies for about 2,750 thousand euro.

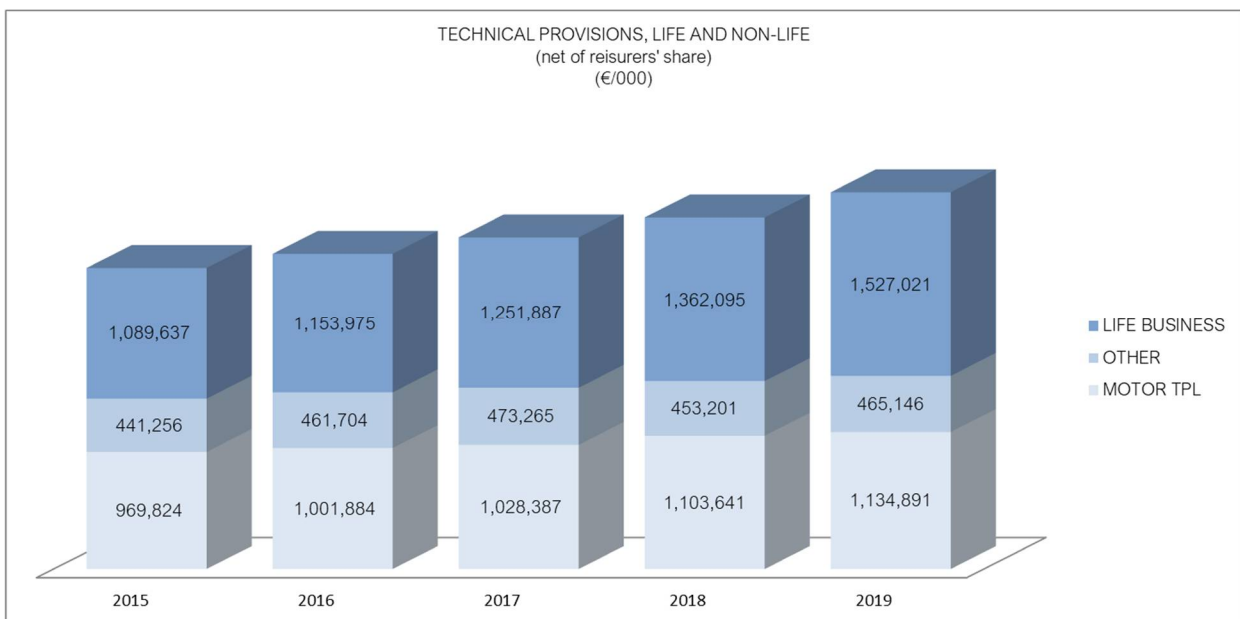
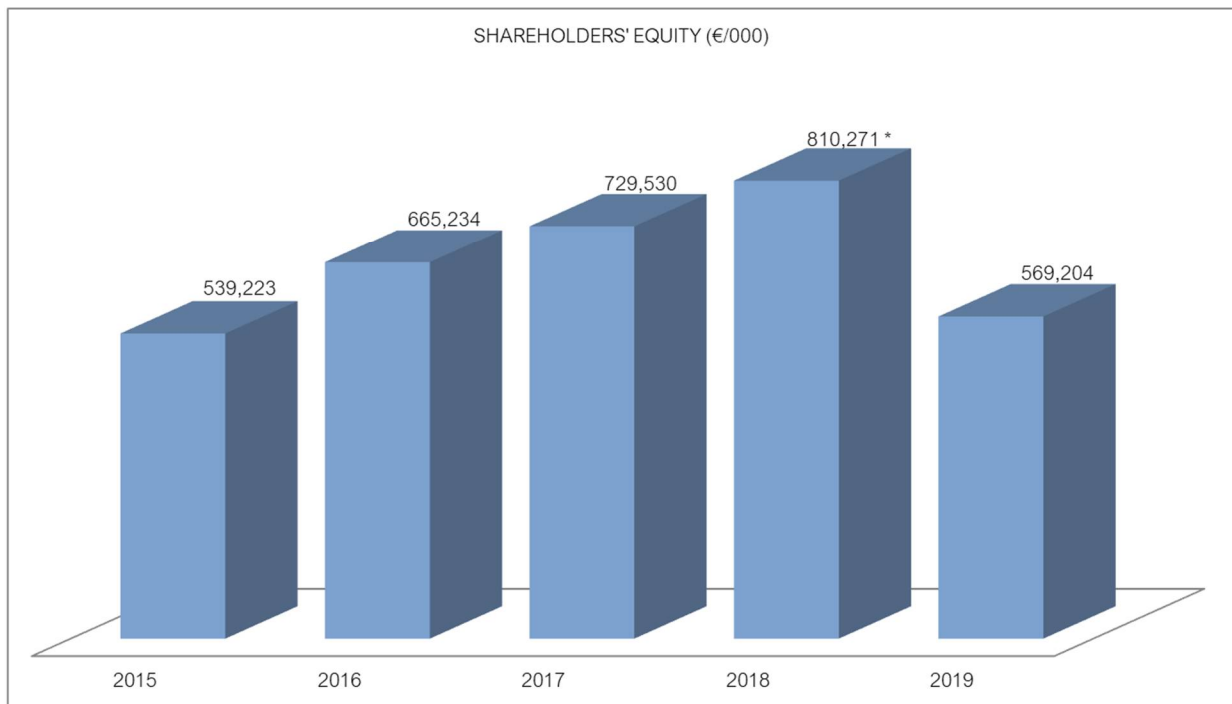
Investments, detailed in the chapter "Investment assets", totalled 3,703,990 thousand euro (+3.9% compared to 31 December 2018).

Group's shareholders' equity (IAS/IFRS accounting standards) totalled 659,638 thousand euro, up by 19.0% compared to the post reverse merger of 554,444 thousand euro recorded as at 31 December 2018 (the ante-merger equity as at 31 December 2018 was 850,465 thousand euro, down by 22.4%).

Group's net profit totalled 79,201 thousand euro (-21.1% compared with the net profit of 100,433 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:



*Reference should be made to the previous paragraph on the effects arising from the Reverse Merger.

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 2019 and 2018 and their contribution to the total portfolio mix:

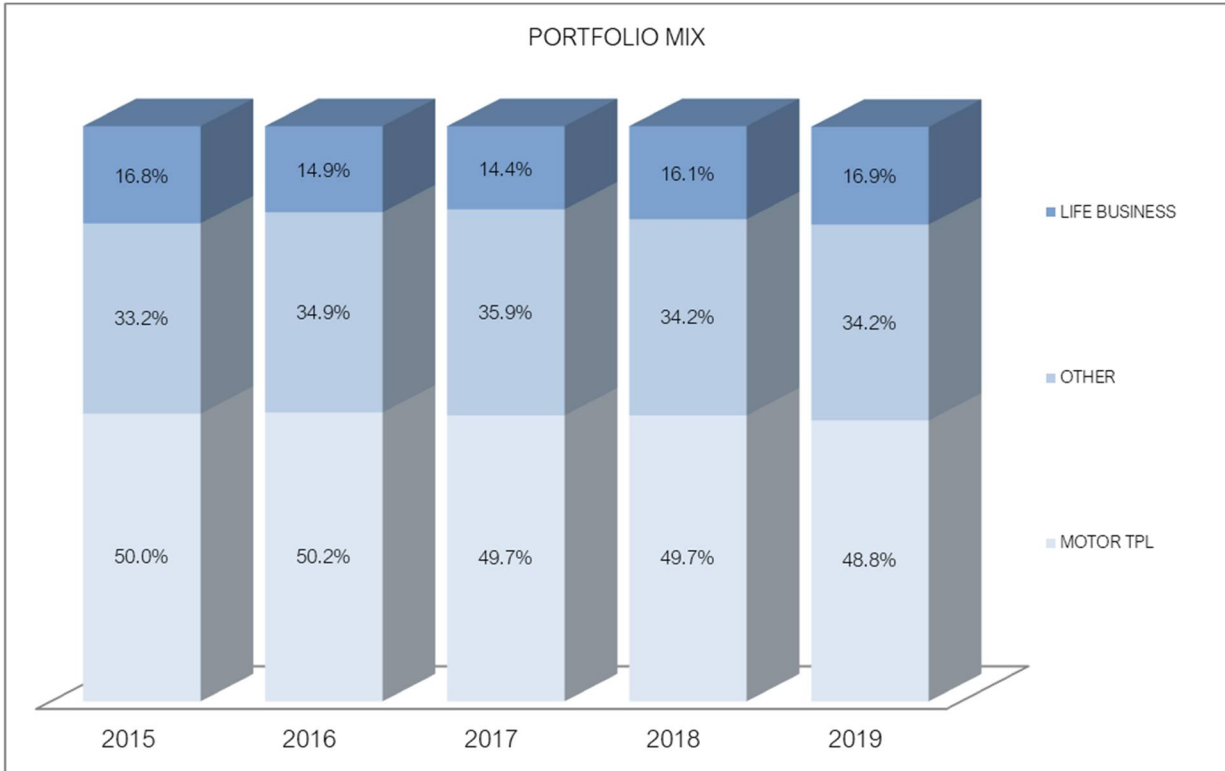
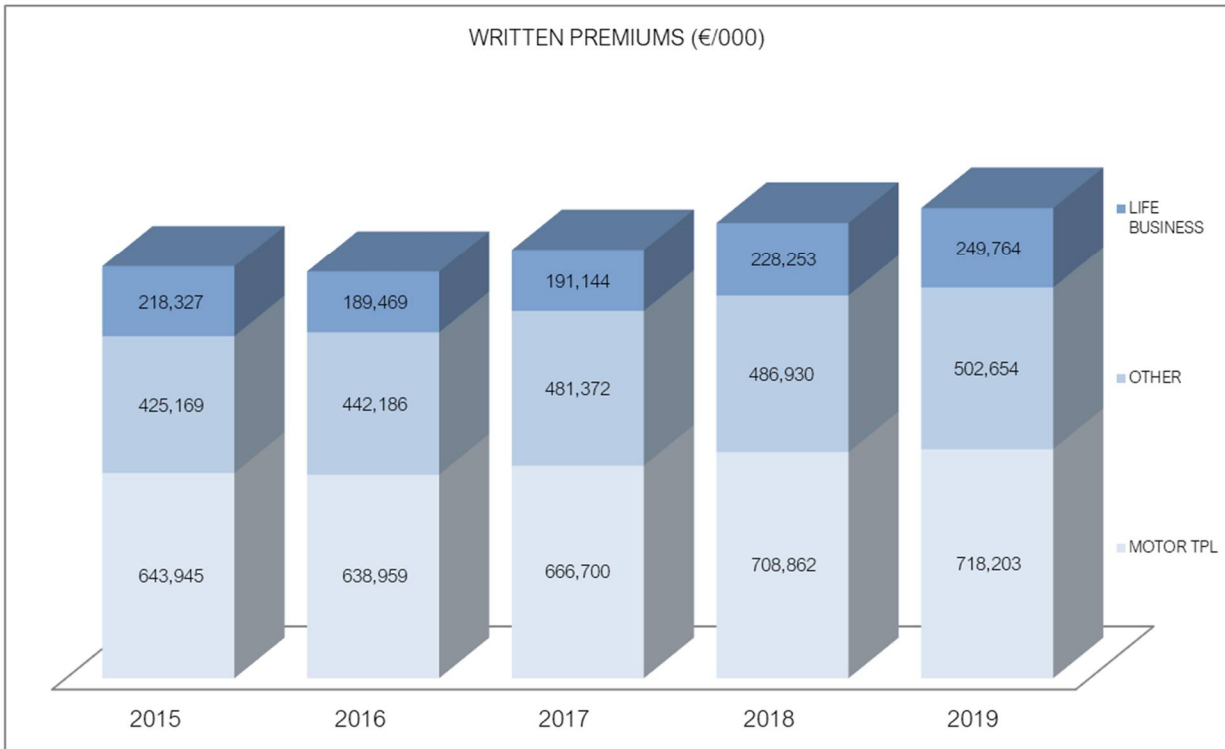
COMPARISON BETWEEN GROSS PREMIUMS WRITTEN IN 2019 AND 2018 DIRECT AND INDIRECT BUSINESS

	(€/000)				
	31/12/2019	31/12/2018	YoY change %	% of total book 2019 2018	
Domestic direct business					
Life business					
I Whole- and term life	228,129	198,745	14.8	15.4	13.9
III Unit-linked policies	18,386	22,229	-17.3	1.3	1.6
IV Health (long-term care)	1,042	847	23.0	0.1	0.1
V Capitalisation	175	4,283	-95.9	0.0	0.3
VI Unit trust management	2,032	2,149	-5.4	0.1	0.2
Total Life business	249,764	228,253	9.4	16.9	16.1
Non-Life business					
Accident	95,540	94,027	1.6	6.5	6.5
Health	15,058	14,000	7.6	1.0	1.0
Fire and natural events	64,850	57,931	11.9	4.4	4.1
Miscellaneous damage	60,496	57,905	4.5	4.1	4.1
General TPL (third-party liability)	73,980	68,583	7.9	5.0	4.8
Pecuniary losses	14,048	22,460	-37.5	1.0	1.6
Legal protection	6,742	6,112	10.3	0.5	0.4
Total non-marine lines (exc. specialty and motor)	330,714	321,018	3.0	22.5	22.5
Railway rolling stock	5	2	150.0	0.0	0.0
Aircraft hulls	1	1	0.0	0.0	0.0
Marine hulls	1,356	1,142	18.7	0.1	0.1
Cargo insurance	1,851	1,747	6.0	0.1	0.1
Aviation TPL	1	1	0.0	0.0	0.0
Credit insurance	-235	-318	n.v	0.0	0.0
Bond insurance	3,754	4,309	-12.9	0.3	0.3
Total specialty lines	6,733	6,884	-2.2	0.5	0.5
Third-party motor liability	718,203	708,862	1.3	48.8	49.7
Third-party marine liability	1,103	1,049	5.2	0.1	0.1
Motor vehicle hulls	134,819	130,048	3.7	9.2	9.1
Support and assistance	29,285	27,931	4.9	2.0	2.0
Total motor lines	883,410	867,890	1.8	60.1	60.9
Total Non-Life business	1,220,857	1,195,792	2.1	83.1	83.9
Total direct business	1,470,621	1,424,045	3.3	100.0	100.0
Domestic indirect business					
Non-Life business	89	115	-22.6	0.0	0.0
Total indirect business	89	115	-22.6	0.0	0.0
Grand Total	1,470,710	1,424,160	3.3	100.0	100.0

With regard to the Italian insurance market, it is noted that premiums as up 30 September 2019 (latest Ania Trends data) show, compared to the same period of last year, a decrease in Life business of -0.8% and an increase in Non-Life business of 3.6% (-0.6% 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 FY2019 are summarised in the following table, where they are compared with data of the previous FY2018:

LIFE Business - 2019 Results - Net of reinsurance							(€'000)	
	2019 Results			2018 Results			Change	%
	Non - linked	Linked	Total	Non - linked	Linked	Total		
Premium Income	227,966	20,418	248,384	202,550	24,378	226,928	21,456	9.5
Other technical Income/(Costs)	-89	1,161	1,072	18	730	748	324	n.s.
Change in Technical Provisions	-139,574	-24,195	-163,769	-118,754	7,810	-110,944	-52,825	47.6
Claims paid	-106,995	-3,669	-110,664	-94,639	-27,150	-121,789	11,125	-9.1
Overheads	-13,411	-1,641	-15,052	-14,452	-1,594	-16,046	994	-6.2
Ordinary and Extraordinary Investment net income	42,543	8,275	50,817	31,587	-4,982	26,606	24,211	91.0
Operating Profit before Tax	10,439	349	10,787	6,310	-808	5,503	5,284	96.0

In FY2019 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.

	2019		2018	
	Rate of return	Total Assets	Rate of return	Total Assets
Vittoria Rendimento Mensile *	2.98%	798,576	2.90%	827,266
Vittoria Valore Crescente *	4.07%	75,721	4.29%	80,030
Vittoria Obiettivo Crescita *	3.02%	373,842	3.06%	225,363
Vittoria Previdenza **	3.85%	134,948	3.31%	110,894

* Observation period: 01/01/2019 - 31/12/2019

** Observation period: 01/10/2018 - 30/09/2019

Premiums

The Premiums for direct Life business amounted to 249,764 thousand euro, compared to 228,253 thousand euro in the previous year (9.4%) and are broken down as follows:

	(€/000)				
	Year 31/12/2019	Year 31/12/2018	YoY change %	% of total book	
				2019	2018
Annual premiums	70,491	63,647	10.8	28.2	27.9
Single premiums	179,273	164,606	8.9	71.8	72.1
Total Life business	249,764	228,253	9.4	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)		
	31/12/2019	31/12/2018	YoY change %
Claims	16,656	14,684	13.4
Accrued capital sums & annuities	38,598	34,881	10.7
Surrenders	51,274	44,959	14.0
Total	106,527	94,523	12.7

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 3,649 thousand euro vs. 27,052 thousand euro in FY2018.

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 - 2019 Results		(€/000)		
Line of business				
Code	Description	2019 Technical result	2018 Technical result	YoY Change %
01	Accident	34,207	33,465	2.2
02	Health	854	2,087	-59.1
03	Land motor vehicle hulls	16,878	23,831	-29.2
04	Railway rolling stock	2	0	0.0
05	Aircraft hulls	1	1	0.0
06	Marine hulls	-667	-595	12.1
07	Cargo insurance	481	-14	n.s.
08	Fire and natural events	-3,738	8,314	n.s.
09	Miscellaneous damage	-2,808	-5,399	-48.0
10	Motor TPL	19,519	-31,284	n.s.
11	Aviation TPL	-4	4	n.s.
12	Marine TPL	-293	661	n.s.
13	General TPL	19,288	15,367	25.5
14	Credit insurance	4,093	2,785	47.0
15	Bond insurance	4,488	2,192	n.s.
16	Pecuniary losses	16,991	29,545	-42.5
17	Legal protection	2,912	2,240	30.0
18	Support and assistance	7,330	8,587	-14.6
Total Non-Life businesses		119,534	91,787	30.2

Technical performance

Technical management trend shows a result in improvement compared to the previous year.

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

NON-MARINE BUSINESSES

Premiums of non-marine line of business increased by 3%. The increase is partly due to a more precise allocation to line of businesses pertaining to the premiums concerning complementary guarantees sold in packets within the Motor TPL, previously allocated exclusively to the Pecuniary Losses line of business. On a like-for-like basis the increase in premiums would have been 3.8%.

The number of policies in the portfolio of the Lob was increased by 6.8% compared to the previous year; insurance coverages of portfolio customers are being developed with the motor insurance policy.

The technical result is positive, down compared to the previous FY due to a higher incidence of claims linked to atmospheric phenomena affecting Italy and of significant claims mainly affecting the fire guarantee and relating to already in portfolio risks.

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

Accident: premiums recorded an increase of 1.6%, thanks also to the development of the sale of the collateral injuries of the driver in combination with the motor policies.

The technical result is positive, and improving compared to the previous year, also due to a lower incidence of serious claims.

Disease: premiums shows an increase of 7.6%, with a positive technical result.

Fire and natural events: this line of business shows an increase in premiums of 11.9%.

The negative technical result is solely 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 an increase of 4.5% compared to previous year. Though negative as a result of the higher incidence of accidents from atmospheric phenomena, the technical result is improving compared to the previous FY.

General Third-Party Liability: premiums increased by 7.9%, partly due to a more precise allocation to the ministerial lob of guarantees sold in a complementary manner to Motor TPL guarantees (on a like-for-like basis growth would have been 6.7%). The technical balance is up compared to the previous year, thanks to the effects of the constant portfolio reform actions also with reference to the TPL professional and the lower incidence of serious claims.

Miscellaneous financial losses: various pecuniary losses: premiums written showed a decrease of 37.5%, due to a more precise allocation to line of business of guarantees related to cars. As a result, though positive, this Lob was down compared to the previous FY.

On a like-for-like basis, premium growth would have been 5.8%.

Legal protection: premiums grew by 10.3%, with a positive technical result, improving compared to the previous year.

SPECIALTY BUSINESSES

The businesses showed a positive technical result, decreasing compared with compared to the one recorded in the previous year.

Premiums were slightly down by 2.2.% mainly due to the Suretyship.

In particular:

Watercraft (sea, lake, and river) hulls and railway rolling stock: premiums decrease by 18.7% with a slightly negative technical balance, down compared to the previous year, mainly due to a higher incidence of serious claims.

Cargo (goods in transit): premiums written increased by 6.0% thanks to the development of actions on transport companies that were already customers for the Motor Lob and to the development of the channel through specialized brokers in the industry. The technical result is positive, in significant improvement compared to the previous year.

Credit: the Lob 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 balance maintained positive.

Surety: premiums written showed a decrease compared to the previous year (-1.2%), the result of a thorough review of the underwriting policy that led to the acquisition of smaller risks in terms of exposure and the consequent lower average pricing. The technical result is positive, in significant improvement compared to the previous year.

MOTOR BUSINESSES

The businesses showed a positive technical result, down compared to the previous year.

Premiums written grew by 1.8%; the percentage incidence of motor Line of businesses showed a reduction compared to the overall volume of the premiums collection.

In particular:

Land motor vehicle hulls: premiums reported a growth on the previous year (3.7%); the development policy of customers already acquired in the Motor TPL Lob continues. The technical result maintained positive, down compared to the previous year, due to the greater incidence of claims arising from atmospheric phenomena.

Third-party liability for land motor vehicles and for watercraft (sea, lake, and river): premiums reported a growth of 1.3%, also due to a more accurate allocation to the ministerial line of business of guarantees sold complementary to the car guarantees, previously attributed exclusively to the Pecuniary loss Line on business. On a like-for-like basis, premium growth would have been of 0.9%. The technical result, significantly improving compared to the previous year, despite a greater incidence of serious claims, is positive.

The constant portfolio selection actions, the pricing and underwriting policies have allowed to improve the profitability and to keep frequency of claims stable despite the presence of signs of deterioration deriving from the changed general conditions of the circulation traffic market.

Assistance: premiums increased by 4.9% and the technical result is positive.

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 2018:

	Numer of Reported claims		YoY Change %	Numer of Reported claims without consequences		YoY Change %	Numer of Reported claims closed		YoY Change %
	31/12/2019	31/12/2018		31/12/2019	31/12/2018		31/12/2019	31/12/2018	
	Accident	11,101		10,924	1.62%		2,499	2,385		4.74%	5,287	5,043	4.84%
Health	4,510	4,503	0.17%	688	596	15.38%	3,221	3,344	-3.68%
Fire and natural events	10,566	8,438	25.23%	2,030	1,994	1.81%	6,756	5,131	31.66%
Miscellaneous damage	22,157	21,511	3.00%	3,778	3,754	0.64%	16,473	15,872	3.78%
General TPL (third-party liability)	9,025	10,061	-10.30%	2,443	3,319	-26.41%	4,714	4,894	-3.67%
Pecuniary losses	291	395	-26.36%	88	134	-34.08%	129	153	-15.69%
Legal protection	464	647	-28.28%	68	97	-29.90%	82	125	-34.40%
Total non-marine lines	58,113	56,478	2.89%	11,593	12,279	-5.59%	36,662	34,562	6.07%
Marine hulls	145	141	2.84%	5	5	0.00%	55	41	34.15%
Cargo insurance	270	211	28.00%	23	13	77.43%	128	92	39.53%
Credit insurance	248	381	-34.91%	76	106	-28.30%	29	39	-25.64%
Bond insurance	86	100	-13.51%	39	36	8.33%	20	18	14.29%
Total specialty lines	749	832	-10.02%	143	160	-10.67%	232	189	22.62%
Third-party motor liability	155,266	159,581	-2.70%	21,363	20,259	5.45%	103,979	106,829	-2.67%
Third-party marine liability	101	99	2.02%	15	24	-37.50%	39	44	-11.36%
Motor vehicle hulls	61,013	54,978	10.98%	2,305	2,251	2.40%	47,313	45,488	4.01%
Support and assistance	70,536	69,032	2.18%	500	337	48.37%	59,636	57,787	3.20%
Total motor lines	286,916	283,690	1.14%	24,183	22,871	5.74%	210,967	210,148	0.39%
Total Non-Life businesses	345,779	341,000	1.40%	35,919	35,310	1.72%	247,862	244,900	1.21%

Motor TPL received no. 111,426 reports of claim events to be managed as originator (-3.26% compared to 31 December 2018) and the total cost, net of the recovery of the lump-sum paid by the debtor companies, amounted to 62,487 thousand euro (10.8% compared to 31 December 2018).

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:

	Claims paid 31/12/2019			Claims recovered from reinsurers	Claims paid 31/12/2018			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reinsurers %
	Current year	Previous years	Total		Current year	Previous years	Total			
	Accident insurance	9,347	17,431		26,778	23	8,493				19,660	28,153	638	-4.9	-95.9
Health insurance	5,230	3,897	9,127	74	5,984	3,108	9,092	512	0.4	n.s.
Fire and natural events	21,942	10,797	32,739	6,729	15,098	14,635	29,733	2,668	10.1	152.1
Miscellaneous damages	43,205	8,078	51,283	18,481	36,806	6,933	43,739	12,387	17.3	49.2
Third-party general liability	5,896	12,924	18,820	671	6,303	14,999	21,302	309	-11.7	117.2
Pecuniary losses	171	-1,645	-1,474	37	138	-46	92	37	n.v.	0.0
Legal protection	43	287	330	286	36	368	404	349	-18.3	-18.2
Total non-marine businesses	85,834	51,769	137,603	26,300	72,858	59,657	132,515	16,899	3.8	55.6
Third-party marine liability	295	705	1,000	-340	282	396	678	18	47.5	n.v.
Cargo insurance	208	578	786	11	368	265	633	11	24.2	0.0
Credit insurance	156	215	371	-	99	1,139	1,238	-	-70.0	n.s.
Bond insurance	174	1,192	1,366	768	633	3,962	4,595	1,810	-70.3	-57.6
Total Special businesses	833	2,690	3,523	439	1,382	5,803	7,185	1,878	-51.0	-76.6
Third-party motor liability	230,513	307,149	537,662	8	234,542	300,304	534,846	251	0.5	-96.8
Third-party marine liability	229	405	634	-	191	361	552	-	14.9	n.s.
Motor vehicle hulls	60,479	16,990	77,469	8,982	55,296	18,577	73,873	4,037	4.9	n.s.
Support and assistance	9,970	3,110	13,080	11,407	9,281	3,104	12,385	10,816	5.6	5.5
Total motor businesses	301,191	327,654	628,845	20,397	299,310	322,346	621,656	15,104	1.2	35.0
Total Non-Life businesses	387,858	382,113	769,971	47,137	373,550	387,806	761,356	33,882	1.1	39.1

The additional cost born in the current year for the road-accident victim guarantee fund was 17,070 thousand euro compared to 16,868 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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Accident insurance	61.46	59.06	66.52	55.72
Health insurance	84.28	85.61	79.30	71.15
Motor vehicle hulls	80.59	86.27	76.03	78.33
Fire and natural events	79.14	79.63	80.26	71.22
Miscellaneous damages - theft	89.63	89.39	88.82	81.00
Third-party motor liability	77.63	76.67	69.15	68.53
Third-party general liability	71.62	72.58	39.41	33.01

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 6.4 million euro (6.0 million as at 31 December 2018).

As a result of the deepening in relation to fraud risk, savings of 5.8 million euro were achieved for claims that have been defined without result (5.3 million as at 31 December 2018) and 0.6 million euro for claims definitively settled (0.7 million as at 31 December 2018), compared to the assessed value posted to technical provisions.

Claims reserve run-off – Retained risks

The claims reserve existing at the beginning of FY2018, 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 23,187 thousand euro, i.e. 2% of opening reserves, as highlighted in the following table:

Retained Risks	(€/000)		
	2019	2018	YoY change %
Claims reserve brought forward	1,150,676	1,103,175	4.3
Amounts paid in the year related to claims occurred in previous years	(386,929)	(388,001)	(0.3)
Balance of claims recovered or to be recovered by policyholders	15,471	11,978	29.2
Claims reserve carried forward	(756,031)	(733,617)	3.1
Aggregate profit (loss) development table	23,187	(6,465)	(458.7)
% of incidence on claims reserve brought forward	2.0	(0.6)	2.6

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 FY19 amounted to 1,380 thousand euro (1,325 as at 31 December 2018).

Inward reinsurance

The Life business inward reinsurance is recorded on the accrual basis and refers to a traditional pure-premium treaty no longer fed with new business, which records changes occurring in the related portfolio and a commercial premium treaty that refers to a portfolio of policies that have revaluable annual premiums.

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.

Ceded premiums in FY19 amounted to 57,109 thousand euro (45,872 as at 31 December 2018).

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 2019, by rating:

(€/000)				
Rating	Current and Deposit accounts	Reinsurers' share of technical reserves	Total net balance sheet items	% of breakdown
AA+	-43	723	680	1.0
AA	-149	299	150	0.2
AA-	-11,580	59,082	47,502	67.6
A+	-1,056	7,737	6,681	9.5
A	645	2,790	3,435	4.9
A-	600	3,388	3,988	5.7
Not rated	4,820	3,053	7,873	11.2
Total	-6,763	77,072	70,309	100.0

Commercial organisation

The development activity has resulted in the opening of 16 new agencies and the reorganization of other 48; as at 31 December 2019 Vittoria Assicurazioni was nationally present with 471 General Agencies (455 as at 31 December 2018) and 1,099 Sub-Agencies Professional (1,102 as at 31 December 2018).

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 2018.

In particular, in 2019 the focus of the training was aimed at acquiring skills related to technical and business processes and tools for all levels of the network, as these are essential to provide an efficient Customer Experience. As part of the professional update, 69 classroom-courses were delivered to the agency network, the increase in the number of courses is due to a new training project that started in the year dedicated to the training of the future Vittoria Agents.

During 2019, training was provided by internal trainers, assisted for some courses and for a selected number of Agencies, by external suppliers, selected on the basis of the requirements under Regulation 40/2018 Article 96.

The 2019 training plan was completed with the release of the update of the regulatory module relating to Compliance 231 and the new modules relating to Vittoria products and the Cyber-Security module.

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 Cyber Risk Protection" aimed at professionals and small and medium enterprises, providing insurance coverage of risks from cyber-attacks.

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

- the Lob 1 product called "Vittoria MonoAsset GS", a single premium mixed insurance contract whose performance is directly connected to the segregated fund "Vittoria Obiettivo Crescita",
- the composite product called "Vittoria InvestiMeglio - Multiperformance", a single premium mixed insurance contract and additional payments with subscription bonus, which invests the premiums in the internal funds "Vittoria Flessibile Globale" and "Vittoria Rendita" and in the segregated fund "Vittoria Obiettivo Crescita",
- the composite product called "Vittoria MultiAsset Bonus", a single premium mixed insurance contract and additional payments with subscription bonus of 2.5%, which invests the premiums in the internal funds "Vittoria Rendita Classe B", "Vittoria Flessibile Globale Classe B", "Vittoria Equilibrato Classe B" and "Vittoria Dinamico Classe B" and in the segregated fund "Vittoria Obiettivo Crescita",
- the composite product called "Vittoria MultiAsset", a single premium mixed insurance contract and additional payments, which invests the premiums in the internal funds "Vittoria Rendita Classe B", "Vittoria Flessibile Globale Classe B", "Vittoria Equilibrato Classe B" and "Vittoria Dinamico Classe B" and in the segregated fund "Vittoria Obiettivo Crescita",
- the composite product called "Vittoria MultiAsset Free", a single premium mixed insurance contract and additional payments, which invests the premiums in the internal funds "Vittoria Rendita Classe B", "Vittoria Flessibile Globale Classe B", "Vittoria Equilibrato Classe B" and "Vittoria Dinamico Classe B" and in the segregated fund "Vittoria Obiettivo Crescita".

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 107,487 thousand euro vs. 112,665 thousand euro in 2017, with a decrease of 4.6% over the previous year.

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)		
	31/12/2019	31/12/2018	Change %
Personnel expenses	59,042	56,290	4.9
Other costs	45,682	46,789	-2.4
Amortizations/Depreciations	2,763	9,586	-71.2
Gross Operating Costs	107,487	112,665	-4.6
Percentage of Premiums Written	7.3%	7.9%	-0.6

Overheads recorded an incidence on the overall insurance income of 7.3% (direct business) (7.9% as at 31 December 2018).

The decrease of the amortisations is due to the revision of the residual useful life of the Management application systems applied in 2018 which resulted in more depreciation.

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)		
	31/12/2019	31/12/2018	Change %
Operating Costs, net of expenses transferred to acquisition, claims handling and investment management expenses (A)	77,725	79,018	-1.6
- Acquisition and collection costs	205,175	198,573	3.3
- Other acquisition costs	20,447	18,611	9.9
Total Acquisition Costs (B)	225,622	217,183	3.9
Total Overheads (A+B)	303,347	296,201	2.4
Percentage of Premiums Written	20.6%	20.8%	-0.2

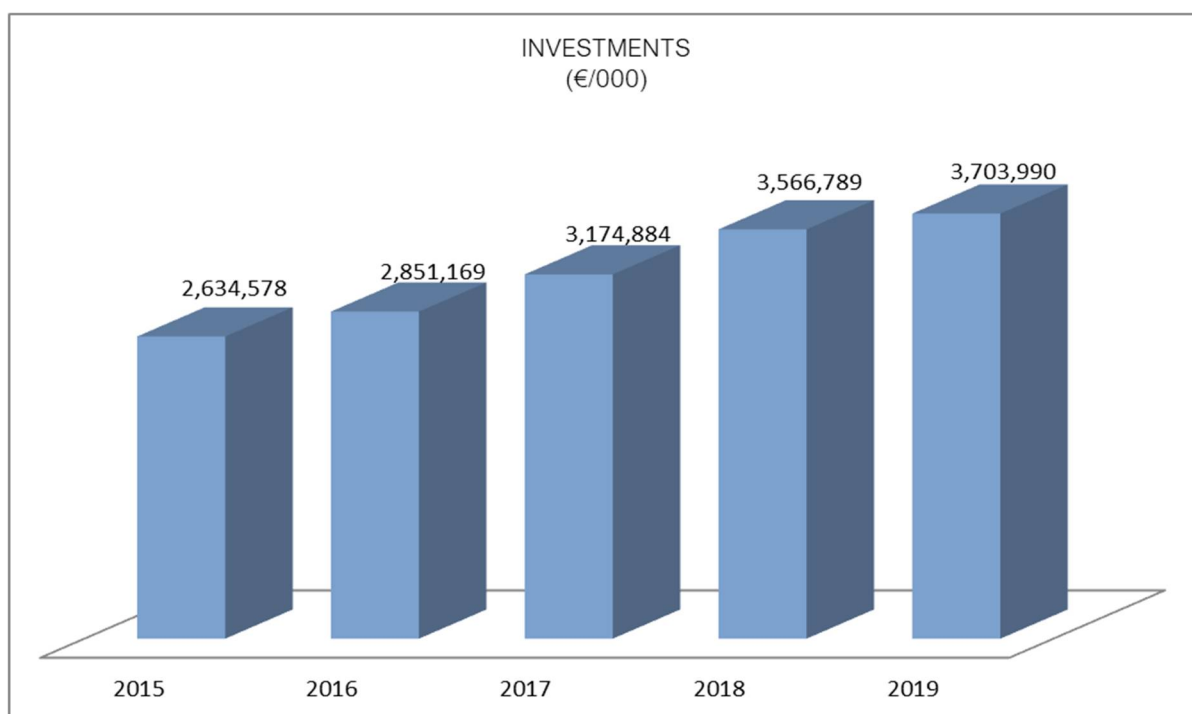
Investments

Investments reached a value of 3,703,990 thousand euro with an increase of 3.9% YoY. Their breakdown is shown in the table below:

(importi in migliaia di euro)			
Investimenti	31/12/2019	31/12/2018	Variazione %
Terreni e fabbricati	177,445	181,578	-2.3
Investimenti in imprese del gruppo ed in altre partecipate			
- Azioni e quote	463,196	509,730	-9.1
- Finanziamenti	11,190	310,590	-96.4
Altri investimenti finanziari:			
- Quote di fondi comuni di investimento	614,752	510,390	20.5
- Obbligazioni e altri titoli a reddito fisso	2,327,155	1,976,833	17.7
- Finanziamenti	15,886	6,267	n.s.
- Depositi presso enti creditizi	3,000	3,000	0.0
Totale investimenti con rischio a carico della Società	3,612,624	3,498,388	3.3
Investimenti a beneficio di Assicurati dei Rami Vita i quali ne sopportano il rischio	91,366	68,401	33.6
Totale investimenti	3,703,990	3,566,789	3.9
Depositi presso istituti di credito e contante in cassa	6,721	194,093	-96.5

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 decrease in the item is due to the elimination of payment by Vittoria Assicurazioni of an interest-bearing loan of 300,000 thousand euro to the direct parent company Vittoria Capital S.p.A. at a rate of 0.65% as a result of the inverse merger into Vittoria Assicurazioni. The change in the item compared to post-merger data as at 31 December is +13.4%.



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

	(€000)		
	31/12/2019	31/12/2018	
Ordinary and extraordinary Income on investments (net of related costs)	Amount	Amount	Change %
Income on equity investments	3,432	15,825	n.s.
Income (cost) on other investments:			
- land and buildings	741	1,342	(44.8)
- bonds and other fixed-interest securities	34,243	33,387	2.6
- income on unit trust units	20,381	16,144	26.2
- interest on loans	350	736	(52.4)
- interest on deposits with ceding companies	(115)	(113)	1.8
- other financial investments	8	12	(33.3)
Total net income	59,040	67,333	(12.3)
Adjustments to investment values:			
- land and buildings	(5,385)	(6,450)	(16.5)
- equity investments	(11,152)	(12,264)	(9.1)
- unit trust units	(614)	(18)	n.s.
- bonds and other fixed-interest securities	(521)	(2,126)	(75.5)
Total net adjustments to investment values:	(17,672)	(21,368)	(17.3)
Ordinary profit (loss) on sale of investments:			
- bonds and other fixed-interest securities	(1,139)	(88)	1,194.3
Total net profit on sale of investments	(1,139)	(88)	1,194.3
Total net ordinary income on investments where the company bears the risk	40,229	45,877	(12.3)
Extraordinary profit (loss) on sale of investments:			
- land and buildings	0	66	(100.0)
- equity investments	157.00	38,539	n.s.
- unit trust units	1,390	257	440.86
- bonds and other fixed-interest securities	4,284	(1,046)	n.s.
Total net extraordinary profit on sale of investments	5,517	37,816	(85.4)
Total net ordinary and extraordinary income on investments where the company bears the risk	45,746	83,693	(45.3)
Net income on investments benefiting life policyholders bearing the risk	8,367	(4,846)	n.s.
Grand Total	54,113	78,847	(31.4)

Net income with risk borne by the Company increased from 83,693 thousand euro to 45,746 thousand euro, down by 45.3% compared to 31 December 2018, which included extraordinary income of 38,649 thousand euro (before the tax effect) generated from the sale of the equity interest in Camfin S.p.A. (Former Nuove Partecipazioni S.p.A.).

The item Income (cost) on equity investment includes dividends for a total of 3,808 thousand euro mainly distributed by the associated company Yarpa S.p.A. for 1,885 thousand euro and by the company Yam Invest N.V. for 1,125 thousand euro.

The item Adjustments on equity investments includes write-downs on the equity interest on a real estate company for 8,873 thousand euro and on the equity interest in Camfin Industrial, whose detail is outlined in the paragraph relating to the equity portfolio. The adjustments to investment values relating to land and buildings amounting to 5,384 thousand euro relate to the financial year depreciation on the instrumental properties, of which 1,305 thousand euro are referred to the headquarters in Portello area in Milan. The weighted average return on "bonds and other fixed-income securities" goes from 1.6% as at 31 December 2018 to 1.9% as at 31 December 2019.

Real estate

The real estate at 31 December 2019 amounted to 177,445 thousand euro (181,578 thousand euro at 31 December 2018).

The items making up the balance are as follows:

- 80,941 thousand euro relating to the company's registered office building,
- 136 thousand euro relating to own use properties,
- 72,583 thousand euro for buildings in the Portello area located in Milan leased to third parties,
- 4,208 thousand euro relating to real estate for free loan to the Agencies,
- 19,577 thousand euro used by third parties.

The change compared to 31 December 2018 is primarily due to the amortization for the period amounting 5,384 thousand euro, 1,308 thousand euro of which is related to own-use properties and 4,076 thousand euro in real estate used by third parties; as at 31 December 2019, increases in fixed assets relating to the property of the Company's registered office building for 501 thousand euro and increases in fixed assets used by third parties for 751 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 103,164 thousand euro with recognition of net losses of 1,119 thousand euro.

Purchases were made for 656,719 thousand euro, of which 652,667 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 179,425 thousand euro were sold, 167,336 of which were allocated to the non-current segment.

Sales for 158,725 thousand euro were related to government and sub-sovereign issuers, realizing net capital gains of 4,203 thousand euro, while, based on monitoring the risk coefficients, corporate securities accounting for 8,610 thousand euro were sold to the non-current segment, by realizing net capital gains for 83 thousand euro.

During the year, 23 thousand euro were received as a partial payment of the liquidation process of the Swissair Bond in default accounted for as capital gains.

Write-downs were accounted for on bonds allocated to the short-term portfolio for a total of 521 thousand euro.

Write-downs for 26,000 thousand euro were also accounted for on monetary funds allocated to the short-term portfolio.

It should be noted that as at 31 December 2019, 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 2018 the suspension of the capital losses of these securities would have been 759 thousand euro.

Mutual investment funds

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

- purchases for 3,000 thousand euro in equity funds with long/short strategy,
- payments of 4,910 thousand euro in funds specializing in Infrastructure debt entirely allocated to the non-current segment and repayments of 542 thousand euro, recording losses of 2 thousand euro,
- payments of 16,000 thousand euro in funds specialized in Private debt and loans allocated to the non-current segment,
- payments of 6,166 thousand euro in funds specializing in direct lending fully allocated to the non-current segment and repayments of 6,731 thousand euro, recording losses of 22 thousand euro,
- payments of 30,000 thousand euro in funds specialized in Residential Mortgage allocated to the non-current segment,
- payments of 25,449 thousand euro in private equity funds fully allocated to the non-current segment and repayments of 15,195 thousand euro, recording gains of 1,414 thousand euro; losses of 589 thousand euro were also recorded in relation to a private equity fund being wound up,
- Investments of 15,451 thousand euro in Infrastructure Equity funds totally allocated to the non-current segment,
- payments of 22,723 thousand euro in equity ETFs totally allocated to the non-current segment.

Equity Portfolio

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

- Camfin Industrial S.p.A.: the equity interest that will be sold during 2020 was assessed end of FY at the value of divestment, recording losses of 2,058 thousand euro.
- 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:

- During the FY, the subsidiary Vittoria Immobiliare S.p.A. sold shares of S.r.l. to the Company as shown below:
 - o Acacia 2000 S.r.l.: the remaining 28.4% of shares was acquired with payment of 50,264 thousand euro; then, 40,000 thousand euro were received as partial repayment of capital.
 - o V.R.G. DOMUS S.r.l.: 100% of shares was acquired with payment of 15,935 thousand euro.
 - o VALSALARIA S.r.l.: 100% of shares was acquired with payment of 178 thousand euro.

Then, Vittoria Immobiliare S.p.A. decreased its share capital and repaid 70,000 thousand euro to the Company.

- Interimmobili S.r.l.: the equity interest was sold to third parties recording losses for 158 thousand euro,
- VP Sviluppo 2015 S.r.l. unipersonale: the demerger of the Company was completed in favour of Acacia 2000 S.r.l. (increase of 32,775 thousand euro) and Immobiliare Bilancia Prima S.r.l. (increase of 19,065 thousand euro).
- Vaimm Sviluppo S.r.l.: 8,873 thousand euro recognized for adjustments to shareholders' equity.
- Touring Digital Srl: the equity investment was written down due to adjustment to shareholders' equity, recording a charge of 220 thousand euro.
- Vittoria Hub S.r.l.: the start-up incubating company was established paying 10 thousand euro.

Pursuant to Article 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 31/12/2019	% of breakdown	Amount 31/12/2018	% of breakdown
DEBT SECURITIES	1,179,830	76.0%	999,044	76.7%
Listed treasury bonds:	682,692	44.0%	721,020	55.4%
Fixed-interest rate	682,692	44.0%	721,020	55.4%
Listed corporate bonds:	306,207	19.7%	277,909	21.3%
Fixed-interest rate	279,143	18.0%	268,219	20.6%
Variable interest rate	27,065	1.7%	9,690	0.7%
Unlisted corporate bonds:	668	0.0%	115	0.0%
Variable interest rate	561	0.0%	-	0.0%
Bonds of supranational issuers:	190,262	6.4%	-	0.0%
Fixed-interest rate	148,145	5.0%	-	0.0%
Variable interest rate	42,117	1.4%	-	0.0%
of which				
Total fixed-interest securities	1,110,087	94.1%	989,355	99.0%
Total variable-interest securities	69,743	5.9%	9,690	1.0%
Total debt securities	1,179,830	100.0%	999,044	100.0%
of which				
Total listed securities	1,179,162	99.9%	998,929	100.0%
Total unlisted securities	668	0.1%	115	0.0%
Total debt securities	1,179,830	100.0%	999,044	100.0%
EQUITY INSTRUMENTS (*)	27,222	1.8%	27,024	2.1%
listed shares	10,354	0.7%	10,354	0.8%
unlisted equity instruments	16,868	1.1%	16,670	1.3%
OEIC UNITS	346,185	22.3%	275,666	21.2%
TOTAL	1,553,238	100.1%	1,301,734	100.0%

(*) excluding investments in participating interests

The Non-life fixed-income securities portfolio has a duration of 2.1 years.

LIFE PORTFOLIO

(€/000)				
Investment nature	Amount 31/12/2019	% of breakdown	Amount 31/12/2018	% of breakdown
DEBT SECURITIES	1,147,325	80.9%	977,788	80.5%
Listed treasury bonds:	824,723	58.2%	820,789	67.6%
Fixed-interest rate	824,723	58.2%	815,911	67.2%
Variable interest rate	0	0.0%	4,878	0.4%
Listed corporate bonds:	267,102	18.8%	156,457	12.9%
Fixed-interest rate	133,485	9.4%	106,794	8.8%
Variable interest rate	133,617	9.4%	49,662	4.1%
Unlisted corporate bonds:	327	0.0%	543	0.0%
Variable interest rate	327	0.0%	543	0.0%
of which				
Total fixed-interest securities	1,008,518	87.9%	922,705	94.4%
Total variable-interest securities	138,807	12.1%	55,083	5.6%
Total debt securities	1,147,325	100.0%	977,788	100.0%
of which				
Total listed securities	1,146,998	100.0%	977,245	100.0%
Total debt securities	1,146,998	100.0%	977,245	100.0%
EQUITY INSTRUMENTS (*)	2,500	0.2%	2,500	0.2%
unlisted equity instruments	2,500	0.2%	2,500	0.2%
	2,500		2,500	
OEIC UNITS	268,566	18.9%	234,724	19.3%
TOTAL	1,418,391	100.0%	1,215,013	100.0%

(*) excluding investments in participating interests

The Life fixed-income securities portfolio has a duration of 7.4 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	387,506	34.9%	
1<X<5	681,282	61.4%	
5<X<10	41,300	3.7%	
Total	1,110,088	100.0%	

Variable - interest securities				(€/000)
Type of rate	Indexation	Amount	% of breakdown	
Fixed to floater	Euroswap 5Y	10,934	15.7%	
Variable	3 months Euribor	7,371	10.6%	
variable	3 months treasury bonds	1,608	2.3%	
Variable	6 months treasury bonds	44,264	63.5%	
Variable	other	5,566	8.0%	
Total		69,743	100.0%	

LIFE PORTFOLIO

Fixed - interest securities			(€/000)
Maturity	Amount	% of breakdown	
< 1 year	71,927	7.1%	
1<X<5	346,534	34.4%	
5<X<10	309,241	30.8%	
more	280,816	27.8%	
Total	1,008,518	100.0%	

Variable - interest securities				(€/000)
Type of rate	Indexation	Amount	% of breakdown	
Fixed to CMS	Euroswap 5Y	7,174	5.3%	
Fixed to CMS	Euroswap 10Y	4,439	3.2%	
Fixed to floater	3 months Euribor	93,460	67.3%	
Fixed to floater	Euroswap 5Y	11,936	8.6%	
Fixed to floater	Euroswap 10Y	3,219	2.3%	
Variable	Euribor 3 mesi	11,862	8.5%	
Variable	6 months Euribor	1,665	1.2%	
Variable	7 months Euribor	5,051	3.6%	
Total		138,808	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 2019 nearly all corporate bonds held by the group were rated as investment grade.

(€/000)

Rating	Amounts	% of breakdown
AAA	313,810	13.5%
AA+ / AA-	372,070	16.0%
A+ / A-	349,097	14.9%
BBB+ / BBB- (*)	1,271,316	54.6%
Total investment grade	<u>2,306,293</u>	<u>99.1%</u>
Non investment grade	20,200	0.9%
Not rated	662	0.0%
Total	2,327,155	100.0%

(*) of which 807,004 relating to Italian government bonds.

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

As at 31 December 2019, these investments amounted to 91,366 thousand euro (68,401 thousand euro as at 31 December 2018).

Of the total 17,190 thousand euro related to unit-linked policies linked to funds outside the company, 48,391 thousand euro to unit-linked policies linked to the company's internal funds, and 25,784 thousand euro to the Vittoria Formula Lavoro open-ended pension fund. Overall net return was positive and totalled 8,367 thousand euro (4,846 thousand euro as at 31 December 2018).

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	(23,885)	22,947
Life portfolio		
Fixed-rate debt securities	(68,138)	77,395

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

	(importi in migliaia di euro)	
	+100BP	-100BP
Non – Life portfolio		
Floating-rate debt securities	(230)	423
Life portfolio		
Floating-rate debt securities	(2,392)	3,470

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.

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 2019, as noted in the tables in the previous section "Investment, Cash & Cash Equivalents and Property - Securities portfolio breakdown", more than 95% of financial assets held was listed on a regulated market.

The breakdown of financial liabilities by maturity is given in the relevant section.

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: the 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/mitigation¹ 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.

Relations with the Supervisory Authority

During 2019, IVASS asked Italian Companies and Groups (including the Parent Company Yafa S.p.A.) information on the implementation of the provisions applicable to the information and communication technology (ICT), as required by IVASS Regulation no. 38.

EIOPA required the European Companies, through the national Regulators, to provide a set of data for the impact analysis of the 2020 update of Solvency II framework.

During 2019, the Company received an inspection visit from IVASS, concerning the technical provisions of Motor Vehicle TPL Class and the Best Estimate for Solvency II purposes. The inspection ended with some recommendations on governance and processes that the Company has promptly implemented.

In May 2019, the Inspection activity by Covip was completed. As a result of the remarks by the Regulator, an adjustment plan for the management processes of the Open-Ended Pension Fund was initiated. The complete execution of this plan, which will end during the first 2020 quarter, is today in line with the provisions.

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	482
Minimum Capital Requirement	217
Solvency II Own Funds (net of dividend to be distributed in 2020)	932

Company's own funds belong to Tier 1 for 690 million euro and to Tier 2 for 242 million euro.

Own funds covering MCR belong to Tier 1 for 690 million euro and to Tier 2 for 44 million euro for a total of 734 million euro.

The Solvency Ratio (ratio between Own Funds and SCR) is 193.1%.

The Minimum Capital Ratio (ration between Own Funds and MCR) is 338.0%.

Consolidated Non-Financial Statement for 2019 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 coordination 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 2019, 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. – Milano
Acacia 2000 S.r.l. – Milano
Immobiliare Bilancia S.r.l. – Milano
Immobiliare Bilancia Prima S.r.l. – Milano
V.R.G. Domus S.r.l. – Milano
Vittoria Properties S.r.l. – Milano
Valsalaria S.r.l. – Roma
Vaimm Sviluppo 2015 S.r.l. – Milano
VZ Real Estate S.r.l. - Milano

Service companies

Interbilancia S.r.l. – Milano
Aspevi Firenze S.r.l. – Firenze
Assiorvieto Servizi S.r.l. – Orvieto
Vittoria Hub S.r.l. – Milano

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.

	Parents	Subsidiaries	Associated	Total as at 31/12/2019	Total as at 31/12/2018
(€000)					
Investments	-	417,714	15,760	433,474	480,206
Loans	-	10,600	590	11,190	310,590
Receivables and other assets	-	4,186	10,121	14,307	19,150
Total Assets	-	432,500	26,471	458,971	809,946
<i>Liabilities</i>					
Payables and other liabilities		1,950	450	2,400	2,923
Total Liabilities	-	1,950	450	2,400	2,923
	Parents	Subsidiaries	Associated	Total as at 31/12/2019	Total as at 31/12/2018
Dividends	15,458	-	1,885	17,343	11,292
Adjustments values	-	8,873	220	9,093	12,264
Revenues for service e business	67	131	101	593	608
Costs for service business	187	240	45	472	548
Commissions	-	3,481	10,180	13,661	12,439
Net income on investments	0	260	165	591	999

Loans receivable from subsidiaries refer to the real estate company Bilancia Prima S.r.l., Vaimm Sviluppo S.r.l. And Valsalaria S.r.l., while those towards associated companies refer to the company Aspevi Milano S.r.l. The figure of previous year included the loan of 300,000 thousand euro to the direct parent entity Vittoria Capital - loan that, for the purposes of the reverse merger, was eliminated as reported under paragraph "Reverse Merger".

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.

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 are related to dividend collection by the parent company Yafa Holding.

Value adjustments related to subsidiaries, as previously reported, refer to the write-downs on the real-estate company Vaimm Sviluppo 2015.

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 early 2020 FY and business outlook

The Vittoria Group immediately reacted to the health emergency following the spread of Coronavirus through a series of interventions in favor of staff, customers and the agency network.

In relation to company staff, the agile work method was promptly activated, in order to guarantee continuity in the core processes, without impacting company productivity in relation to the collection of premiums.

The actions in favor of customers can be summarized as follows:

- suspension of the actions to recover premiums, deductibles and redemptions at least until the end of September 2020;
- incentive for renewal with monthly interest-free installments of premiums and access to the payment of the first installment also by bank transfer;
- possibility to pay the expiring premiums via the App starting from the 5th day before the policy expiry date;
- possibility of renewal with extension to 14 months with monthly interest-free splitting up for operators of tourism sector;
- possible extension of the default period to 60 days if confirmed by ANIA;
- coverage of the "epidemic" case for health insurance policies for reimbursement of health and hospitalization expenses;
- two months of free insurance coverage for operators belonging to the tourism, hotel and restaurant sector.

As for the Agencies, these are the main measures:

- suspension of the recovery installments until December 2020;
- suspension of the collection of non-insurance items at least until September 2020;
- immediate advance of 90% of the liquidation of the accrued incentives;
- passing the 2020 economic protocol and granting further concessions to support the production of the Non-Motor lines of business.

Furthermore, in consideration of the high volatility of the financial markets, the Company has decided to allow its Agents to propose solutions with a high capital protection content. For example, for the Vittoria InvestiMeglio DoppiaEvoluzione multi-branch product, intermediaries may waive the distribution of the premium, reaching up to 90% of Segregated Funds. In case of particular and motivated situations, they may also issue contracts using 100% revaluable rates in Segregated Funds.

The Company promptly followed up IVASS's requests regarding further information on solvency. The constant capital strengthening carried out by Vittoria in the last years and the continuous investments in technological solutions allow us to confirm that there are no elements that compromise the business continuity, on the logic of which this Report is based. The Company is solid, liquid, present and attentive to what is happening in our country and invests as much as possible to protect and support collaborators, the distribution network and customers.

As requested by the Supervisory Institute with the communication "EXTENSION OF TERMS AND OTHER TEMPORARY MEASURES TO MITIGATE THE IMPACT OF THE COVID-19 EPIDEMIC ON THE ITALIAN INSURANCE SYSTEM", it should be noted that the Coronavirus pandemic will have an immediate impact on Own Funds and Solvency Requirement, following changes in the value of investments and discount curves of insurance liabilities, as well as a further impact, more diluted over time and which as of today it is still not possible to fully evaluate, relating to the technical components: premium income, claims and costs. It should be noted that the Company made use of the extensions allowed by the aforementioned communication only in reference to the ORSA.

The following are the Solvency II Ratio values at 31 December 2019, recalculated following the changed market conditions measured on a weekly basis:

- at March 13, 2020: 169.2%
- at March 20, 2020: 177.7%
- at March 27, 2020: 178.2%
- at March 31, 2020 176.7%.

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	67,123,331
Net profit of Life Business	euro	7,246,444
Total (equal to 1.1419 per share)	euro	74,369,775
Allocation to Life Business Legal Reserve	euro	362,322
Total available net profit	euro	74,007,453
of which:		
Available net profit of Non-Life Business	euro	67,123,331
Available net profit of Life Business	euro	6,884,122

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 0.20 euro will be recognized for total 12,943,493 euro, 19,415,239 as at 31 December 2018.

Remaining 61,063,960 euro, which we propose to allocate to increase the Non-Life available reserve for 54,179,838 euro and to the Life available reserve for 6,884,122 euro.

If our proposal will be shared and approved by you, the dividend will be paid as from 6 May 2020 at the depositary intermediaries, with detachment of coupon number 38 on 04 May 2020.

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, 7 April 2020

Financial Statements as
at and for the year ended
31 December 2019

Previous year

			181	0
		182		0
183	6,224,421			
184	0	185	6,224,421	
		186	0	
		187	0	
		188	0	
		189	1,246,075	190
				7,470,496
		191	81,883,937	
		192	99,693,811	
		193	0	
		194	0	
		195	0	196
			181,577,748	
197	0			
198	464,225,486			
199	0			
200	15,980,452			
201	29,523,924	202	509,729,862	
203	0			
204	0			
205	0			
206	0			
207	0	208	0	
209	300,000,000			
210	10,000,000			
211	0			
212	590,000			
213	0	214	310,590,000	215
				820,319,862
		to carry forward		7,470,496

BALANCE SHEET

ASSETS

Current year

			brought forward		14,181,297
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	614,751,526	
3. Bonds and other fixed-interest securities					
a) listed	41	2,326,160,837			
b) unlisted	42	994,232			
c) convertible bonds	43	0	44	2,327,155,069	
4. Loans					
a) secured loans	45	12,668,081			
b) loans on policies	46	387,957			
c) other loans	47	2,829,520	48	15,885,558	
5. Shares in investment pools			49	0	
6. Deposits with banks			50	3,000,000	
7. Other financial investments			51	0	52
IV - Deposits with ceding companies				2,960,792,153	53
					0
					54
					3,612,623,692
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT					
I - Investments relating to index-linked policies				55	65,581,522
II - Investments relating to pension fund management				56	25,784,255
					57
					91,365,777
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES					
I - NON-LIFE BUSINESSES					
1. Premium reserve		58	11,831,932		
2. Claims reserve		59	61,390,327		
3. Profit participation and reimbursement reserve		60	0		
4. Other technical reserves		61	0	62	73,222,259
II - LIFE BUSINESSES					
1. Mathematical reserves		63	2,977,226		
2. Complementary insurance premium reserve		64	0		
3. Reserve for payable amounts		65	1,705,471		
4. Profit participation and reimbursement reserve		66	0		
5. Other technical reserves		67	42,491		
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management		68	0	69	4,725,187
					70
					77,947,446
			to carry forward		3,796,118,212

Previous year

	brought forward		7,470,496
216	0		
217	0		
218	0	219	0
		220	510,390,215
221	1,976,175,538		
222	657,056		
223	0	224	1,976,832,594
225	2,251,604		
226	512,399		
227	3,503,431	228	6,267,434
		229	0
		230	3,000,000
		231	0
		232	2,496,490,243
		233	0
		234	3,498,387,852
		235	44,602,839
		236	23,798,568
		237	68,401,407
238	13,272,406		
239	42,645,884		
240	0		
241	0	242	55,918,290
243	2,602,959		
244	0		
245	1,879,455		
246	0		
247	34,544		
248	0	249	4,516,959
		250	60,435,249
	to carry forward		3,634,695,004

BALANCE SHEET

ASSETS

		Current year	
		brought forward	3,796,118,212
E. RECEIVABLES			
I - Receivables relating to direct insurance due from:			
1. Policyholders			
a) premiums for the year	71	62,610,118	
b) premiums for previous years	72	1,191,509	73
			63,801,627
2. Insurance brokers and agents		74	103,398,133
3. Current account companies		75	12,850,708
4. Amounts to be recovered from policyholders and third parties		76	30,691,464
			77
			210,741,933
II - Receivables relating to reinsurance due from:			
1. Insurance and reinsurance companies			
		78	10,612,812
2. Reinsurance brokers and agents			
		79	0
			80
			10,612,812
III. - Other receivables			
			81
			68,857,163
			82
			290,211,908
F. OTHER ASSETS			
I - Tangible assets and inventory:			
1. Office furniture and machines and internal transport systems			
		83	4,719,259
2. Registered chattel property			
		84	252,588
3. Plant and equipment			
		85	1,021,022
4. Inventory and other assets			
		86	11,029
			87
			6,003,899
II - Liquid funds			
1. Bank and postal accounts			
		88	6,717,692
2. Cheques on hand and cash-in-hand			
		89	3,472
			90
			6,721,164
III - Own shares or quotas			
			91
			0
IV - Other assets			
1. Suspense reinsurance accounts			
		92	0
2. Sundry assets			
		93	63,942,775
			94
			63,942,775
			95
			76,667,837
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest			
			96
			26,271,397
2. Rent instalments			
			97
			639,159
3. Other prepayments and accrued income			
			98
			8,175,076
			99
			35,085,631
TOTAL ASSETS			100
			4,198,083,589

Previous year

	brought forward		3,634,695,003
251	60,432,137		
252	905,824	253	61,337,961
		254	95,988,324
		255	6,831,102
		256	26,059,402
		257	190,216,790
		258	1,777,909
		259	0
		260	1,777,909
		261	63,075,549
		262	255,070,248
		263	4,873,040
		264	118,498
		265	864,858
		266	147,669
		267	6,004,065
		268	194,079,192
		269	13,599
		270	194,092,791
		271	0
		272	0
		273	69,938,203
		274	69,938,203
		275	270,035,058
		276	23,973,091
		277	0
		278	10,754,603
		279	34,727,694
		280	4,194,528,003

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	12,938,289	
V - Statutory reserves	105	0	
VI - Reserve for own shares	106	0	
VII - Other reserves	107	382,905,413	
VIII - Retained earnings or losses carried forward	108	0	
IX - Net profit (loss) for the year	109	74,369,775	
X - Negative reserve for own shares	401	0	110 569,204,072
B. SUBORDINATED LIABILITIES			111 250,000,000
C. TECHNICAL RESERVES			
I - NON-LIFE BUSINESSES			
1. Premium reserve	112	421,743,704	
2. Claims reserve	113	1,242,862,941	
3. Profit participation and reimbursement reserve	114	0	
4. Other technical reserves	115	408,603	
5. Equalisation reserves	116	8,244,307	117 1,673,259,555
II - LIFE BUSINESSES			
1. Mathematical reserves	118	1,413,998,710	
2. Complementary insurance premium reserve	119	56,717	
3. Reserve for payable amounts	120	20,132,264	
4. Profit participation and reimbursement reserve	121	0	
5. Other technical reserves	122	6,191,631	123 1,440,379,322 124 3,113,638,877
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	65,581,522	
II - Reserves arising from pension fund management	126	25,784,255	127 91,365,777
to carry forward			4,024,208,726

Previous year

	281	67,378,924	
	282	33,355,418	
	283	18,192,709	
	284	12,848,486	
	285	0	
	286	0	
	287	578,888,077	
	288	0	
	289	99,606,962	
	501	0	290 810,270,576
			291 250,000,000
292	411,467,330		
293	1,193,321,441		
294	0		
295	408,603		
296	7,563,216	297 1,612,760,589	
298	1,271,593,482		
299	60,684		
300	20,496,248		
301	0		
302	6,059,989	303 1,298,210,404	304 2,910,970,993
		305 44,602,839	
		306 23,798,568	307 68,401,407
	to carry forward		4,039,642,976

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
	brought forward		4,024,208,726
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1	Pension and similar provisions	128	0
2	Provision for taxation	129	2,979,690
3	Other provisions	130	23,825,402
		131	26,805,092
F. DEPOSITS FROM REINSURERS			
			132
			6,190,419
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1.	Insurance brokers and agents	133	6,316,612
2.	Current account companies	134	2,203,785
3.	Guarantee deposits and premiums paid by policyholders	135	1,539,588
4.	Guarantee funds in favour of policyholders	136	1,323,263
		137	11,383,249
II - Payables arising from reinsurance business due to:			
1.	Insurance and reinsurance companies	138	11,184,990
2.	Reinsurance brokers and agents	139	0
		140	11,184,990
III. - Bond issues			
		141	0
IV - Due to banks and other financial institutions			
		142	7,118,531
V - Secured debts			
		143	0
VI - Sundry loans and other financial payables			
		144	0
VII - Employees' leaving entitlement			
		145	2,545,956
VIII - Other sums payable			
1.	Policyholders' tax due	146	25,920,751
2.	Other sums payable to taxation authorities	147	13,078,221
3.	Social security charges payable	148	3,720,588
4.	Sundry payables	149	26,713,278
		150	69,432,838
IX - Other liabilities			
1.	Suspense reinsurance accounts	151	0
2.	Commissions on premiums under collection	152	15,421,613
3.	Other liabilities	153	16,965,793
		154	32,387,407
		155	134,052,970
	to carry forward		4,191,257,207
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	13,025
		159	6,826,381
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			4,198,083,589

Previous year

	brought forward		4,039,642,976
		308	0
		309	6,059,035
		310	20,018,018
		311	26,077,053
		312	6,339,560
313	6,398,770		
314	3,049,798		
315	1,337,882		
316	1,613,777	317	12,400,228
318	8,067,191		
319	0	320	8,067,191
		321	0
		322	0
		323	0
		324	0
		325	2,830,266
326	24,206,435		
327	5,395,178		
328	2,950,905		
329	29,546,771	330	62,099,288
331	0		
332	14,441,499		
333	15,788,088	334	30,229,587
	to carry forward	335	115,626,560
			4,187,686,148
		336	6,813,356
		337	0
		338	28,498
		339	6,841,854
		340	4,194,528,003

PROFIT AND LOSS ACCOUNT

Current year

I. NON-LIFE BUSINESS TECHNICAL ACCOUNT							
1	PREMIUMS, NET OF OUTWARDS REINSURANCE						
	a) gross premiums accounted for	1	1,220,946,268				
	b) (-) outwards reinsurance premiums	2	57,108,895				
	c) Change in gross premium reserve	3	10,276,374				
	d) Change in reinsurer premium reserve	4	-1,440,474	5	1,152,120,525		
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)			6			
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			7	7,280,182		
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE						
	a) Amounts paid						
	aa) Gross amount paid	8	785,372,618				
	bb) (-) reinsurers' share	9	47,136,743	10	738,235,875		
	b) Change in recoveries, net of reinsurers' share						
	aa) Gross amount recovered	11	20,004,956				
	bb) (-) reinsurers' share	12	455,377	13	19,549,580		
	c) Change in claims reserve						
	aa) Gross amount	14	49,534,926				
	bb) (-) reinsurers' share	15	18,738,197	16	30,796,729	17	749,483,024
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	187,053,365				
	b) Other acquisition costs	21	48,771,405				
	c) Change in commissions and other acquisition costs to be amortised	22					
	d) Premium collection commissions	23	10,673,983				
	e) Other administrative costs	24	41,562,377				
	f) (-) Profit participation and other commissions received by reinsurers	25	7,429,168	26	280,631,962		
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE			27	9,070,262		
9	CHANGE IN EQUALISATION RESERVES			28	681,091		
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)			29	119,534,367		

Previous year

		111	1,195,907,293		
		112	45,872,106		
		113	6,917,086		
		114	-130,608	115	1,142,987,493
				116	6,199,438
				117	6,427,954
		118	775,034,558		
		119	33,881,697	120	741,152,862
		121	15,551,905		
		122	-504,827	123	16,056,732
		124	45,588,509		
		125	-1,911,731	126	47,500,240
				127	772,596,369
				128	
				129	
		130	181,159,844		
		131	47,771,089		
		132			
		133	10,808,323		
		134	40,186,356		
		135	6,408,544	136	273,517,069
				137	10,873,517
				138	641,283
				139	97,986,647

PROFIT AND LOSS ACCOUNT

Current year

				Current year	
II. LIFE BUSINESS TECHNICAL ACCOUNT					
1	PREMIUMS, NET OF OUTWARDS REINSURANCE:				
	a) Gross premiums accounted for	30	249,763,824		
	b) (-) outwards reinsurance premiums	31	1,379,816	32	248,384,008
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	2,744,369		
	bb) other investments	36	52,284,222	37	55,028,590
	(of which: from group companies	38)	
	c) Adjustments to investment values	39			
	d) Profit on sale of investments	40	3,220		
	(of which: from group companies	41)	
				42	55,106,810
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT			43	10,495,332
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			44	1,226,103
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:				
	a) Amounts paid				
	aa) Gross amount paid	45	111,161,284		
	bb) (-) reinsurers' share	46	307,164	47	110,854,120
	b) Change in reserve for amounts payable				
	aa) Gross amount	48	-363,984		
	bb) (-) reinsurers' share	49	-173,985	50	-190,000
				51	110,664,121
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE				
	a) Mathematical reserves:				
	aa) Gross amount	52	141,059,353		
	bb) (-) reinsurers' share	53	374,267	54	140,685,086
	b) Complementary insurance premium reserve:				
	aa) Gross amount	55	-3,967		
	bb) (-) reinsurers' share	56		57	-3,967
	c) Other technical reserves				
	aa) Gross amount	58	131,641		
	bb) (-) reinsurers' share	59	7,946	60	123,695
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management				
	aa) Gross amount	61	22,964,370		
	bb) (-) reinsurers' share	62		63	22,964,370
				64	163,769,185

Previous year

	140	228,253,097		
	141	1,324,887	142	226,928,210
	143			
(of which: from group companies	144)		
	145	2,737,021		
	146	47,872,766	147	50,609,787
(of which: from group companies	148)		
	149			
(of which: from group companies	150	)	152	50,609,787
	151			
			153	1,885,161
			154	1,040,101
	155	126,078,110		
	156	1,599,585	157	124,478,525
	158	-3,845,958		
	159	-1,157,169	160	-2,688,790
			161	121,789,735
	162	119,055,497		
	163	352,928	164	118,702,569
	165	-6,500		
	166		167	-6,500
	168	138,503		
	169	3,754	170	134,749
	171	-7,823,850		
	172		173	-7,823,850
			174	111,006,968

PROFIT AND LOSS ACCOUNT

		Current year
7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE	65
8	OPERATING COSTS:	
	a) Acquisition commissions	66 7,173,040
	b) Other acquisition costs	67 4,686,793
	c) Change in commissions and other acquisition costs to be amortised	68 448,087
	d) Premium collection commissions	69 728,358
	e) Other administrative costs	70 3,151,693
	f) (-) Profit participation and other commissions received by reinsurers	71 239,730
		72 15,052,068
9	CAPITAL AND FINANCIAL CHARGES:	
	a) Investment management charges and interest payable	73 11,405,982
	b) Adjustments to investment values	74 2,572,252
	c) Loss on sale of investments	75 789,134
		76 14,767,368
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 -2,128,597
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	78 153,676
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)	79 2,944,779
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)	80 5,732,459
III. NON-TECHNICAL ACCOUNT		
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I.10)	81 119,534,367
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II.13)	82 5,732,459
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:	
	a) Income on equity investments	83 3,806,869
	(of which: from group companies	84 3,806,869)
	b) Income on other investments:	
	aa) land and buildings	85 3,382,735
	bb) other investments	86 30,603,075
	(of which: from group companies	87 33,985,811
	88 189,259)	
	c) Adjustments to investment values	89 213,060
	d) Profit on sale of investments	90 24,599
	(of which: from group companies	91)
		92 38,030,339

Previous year

		175	-63,488
		
	176	5,890,243	
	177	4,479,471	
		
	178	-11,658	
	179	710,799	
	180	5,191,550	
	181	238,110	182
	.....		16,045,610
		
	183	10,773,147	
	184	3,271,399	
		
	185	96,233	186
	.....		14,140,779
		
		187	6,731,098
		
		188	291,255
		
		189	2,817,960
		
		190	7,703,342
		
		191	97,986,647
		
		192	7,703,342
		
	193	16,340,616	
(of which: from group companies	194	16,340,616)
		
	195	3,240,891	
	196	27,732,025	197
	.....		30,972,915
(of which: from group companies	198	556,647)
		
	199		
	200	243,425	
		
(of which: from group companies	201		202
	.....		47,556,956
		

PROFIT AND LOSS ACCOUNT

		Current year
4	(+) INCOME ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (caption II) 12)	93 2,944,779
5	CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:	
	a) Investment management charges and interest payable	94 22,449,648
	b) Adjustments to investment values	95 15,312,074
	c) Loss on sale of investments	96 378,057
6	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)	98 98
7	OTHER INCOME	99 4,284,038
8	OTHER CHARGES	100 26,303,329
9	RESULT OF ORDINARY BUSINESS	101 106,082,875
10	EXTRAORDINARY INCOME	102 7,057,024
11	EXTRAORDINARY EXPENSE	103 839,528
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS	104 6,217,496
13	PROFIT (LOSS) BEFORE TAXATION	105 112,300,370
14	TAXATION ON PROFIT FOR THE YEAR	106 37,930,595
15	NET PROFIT (LOSS) FOR THE YEAR	107 74,369,775

Previous year

		203	2,817,960
		204	19,817,341
		205	18,096,679
		206	234,881
		207	38,148,902
		208	6,199,438
		209	4,166,513
		210	25,984,886
		211	89,898,192
		212	40,718,897
		213	2,161,012
		214	38,557,885
		215	128,456,077
		216	28,849,115
		217	99,606,961

EXPLANATORY NOTES TO ACCOUNTS

Dear Shareholders,
along with the Balance Sheet and Income Statement for the financial year ending on 31 December 2019, 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.

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	31/12/2019	31/12/2018
Investments		
Land and buildings	177,445	181,578
Investments in group and other companies		
- Equity investments	463,196	509,730
- Loans	11,190	310,590
Other financial investments:		
- Unit trust units	614,752	510,390
- Bonds and other fixed-interest securities	2,327,155	1,976,833
- Loans	15,886	6,267
- Other financial investments	3,000	3,000
Deposits with ceding companies	-	-
Investments benefiting life policyholders	91,366	68,401
Total investments	3,703,990	3,566,789
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	63,802	61,338
- Insurance brokers and agents	103,398	95,988
- Current account companies	12,851	6,831
- Amounts to be recovered from policyholders and third parties	30,691	26,059
Receivables relating to reinsurance business	10,613	1,778
Other receivables	68,857	63,076
Total receivables	290,212	255,070
Intangible assets	14,181	7,470
Tangible assets and inventory	6,004	6,004
Liquid funds	6,721	194,093
Other assets	63,943	69,939
Prepayments and accrued income	35,086	34,728
TOTAL ASSETS	4,120,137	4,134,093

Reclassified balance sheet

(€/000)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2019	31/12/2018
Shareholders' equity		
- Share capital	67,379	67,379
- Share premium reserve	13,419	33,355
- Revaluation reserves	18,193	18,193
- Legal reserve	12,938	12,848
- Other reserves	382,905	578,888
- Net profit (loss) for the year	74,370	99,607
Total shareholders' equity	569,204	810,270
Subordinated liabilities	250,000	250,000
Technical reserves, net of reinsurance		
- Premium reserve	409,912	398,195
- Claims reserve	1,181,473	1,150,676
- Mathematical reserves	1,411,021	1,268,991
- Reserve for amounts payable	18,427	18,617
- Other technical reserves	14,859	14,058
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	91,366	68,401
Total technical reserves	3,127,058	2,918,938
Payables		
Deposits from reinsurers	6,190	6,340
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	6,317	6,399
- Current account companies	2,204	3,050
- Guarantee deposits and premiums paid by policyholders	1,540	1,338
- Guarantee funds in favour of policyholders	1,323	1,614
Payables arising from reinsurance business	11,185	8,067
Other sums payable	69,433	62,099
Total payables	105,311	88,907
Provisions for contingencies and other charges	26,805	26,077
Employees' leaving entitlement	2,546	2,830
Other liabilities	32,387	30,229
Accrued expenses and deferred income	6,826	6,842
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,120,137	4,134,093

Reclassified individual profit and loss account

	31/12/2019	31/12/2018
		(€/000)
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	249,764	228,253
(-) Charges relating to claims	110,797	122,235
(-) Change in mathematical and other technical reserves	164,151	111,369
(+) Other technical captions, net	1,072	812
(-) Operating costs	15,292	16,284
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	37,395	33,651
(+) income on investments where policyholders bear the risk - Class D	8,367	-4,846
Direct insurance result	6,358	7,982
Outwards reinsurance result	-625	-288
Retained direct insurance result	5,733	7,694
Indirect and retroceded insurance result	-	9
Result of life business technical account	5,733	7,703
Non-life businesses:		-
Direct insurance		-
(+) Gross premiums accounted for	1,220,857	1,195,792
(-) Change in premium reserve	10,280	6,925
(-) Charges relating to claims	814,874	805,038
(+) Other technical captions, net	-1,790	-4,446
(-) Operating costs	288,055	279,917
Direct insurance result	105,858	99,466
Outwards reinsurance result	14,299	-7,119
Retained direct insurance result	120,157	92,347
Indirect and retroceded insurance result	58	82
Total retained direct insurance result	120,215	92,429
(-) Change in equalisation reserves	681	641
(+) Income on investments transferred from the non-technical account	-	6,199
Result of non-life business technical account	119,534	97,987
Result of technical account	125,267	105,690
(+) Income on non-life business investments net of the portion transferred to the technical account	-109	3,209
(+) Income on investments transferred from the life business technical account	2,945	2,818
(+) Other income	4,284	4,167
(-) Other charges	26,303	25,987
Result of ordinary business	106,084	89,897
(+) Extraordinary income	7,057	40,721
(-) Extraordinary expense	840	2,161
Profit (loss) before taxation	112,301	128,457
(-) Taxation on profit for the year	37,931	28,849
Net profit (loss)	74,370	99,607

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

NON-LIFE

as revenues upon maturity, regardless of when documents are recorded and of the date on which they are actually collected.

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.

Operating costs

NON-LIFE/ LIFE

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 2018) and estimated cash outflows (all losses expected to be paid for the contracts held in portfolio at December 2018).

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 FY2018, 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 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.
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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).
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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.

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/
to
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 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. 173/95, 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.

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.

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,
- 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.

Payables

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	31/12/2019	31/12/2018	Change
	14,181	7,470	+6,711

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

	31/12/2019	31/12/2018	Change
	6,673	6,224	+449

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 443 thousand euro (2018: 388 thousand euro) for the Life business.

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

	31/12/2019	31/12/2018	Change
	6,673	6,224	+449

Life business deferred acquisition commissions changed due to:

commissions on policies acquired in the year	+1,989
commissions for policies cancelled in the year	-101
annual amortization	-1,439

B.5 – Other deferred costs

	31/12/2019	31/12/2018	Change
	7,509	1,246	+6,263

Deferred expenses, stated in year-end accounts at cost, are shown net of the amortization. The item refers to a software, which recorded +6,263 thousand euro compared to 31 December 2018, due to acquisitions for 7.080 thousand euro and amortization for 818 thousand euro.

CLASS C - INVESTMENTS

	31/12/2019	31/12/2018	Change
	3,612,624	3,498,388	+114,236

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

	31/12/2019	31/12/2018	Change
	177,445	181,578	-4,133
<i>Of which:</i>			
C.I 1. Operating buildings	81,076	81,884	-808
C.I 2. Buildings used by third parties	96,369	99,694	-3,325

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

	Operating buildings	Buildings used by third parties	Total
Amount as at December 31/12/2017	81,884	99,694	181,578
Acquisitions	501	751	1,252
Sales			
Amortization	(1,309)	-4,076	-5,385
Amount as at December 31/12/2018	81,076	96,369	177,445

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

	31/12/2019	31/12/2018	Change
	474,386	820,320	-345,934

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. From the analysis carried out, no permanent losses in value have been recorded. Any remaining differences are within a range of acceptable values and are not assessed as impairment losses.

During 2019, a write-down of 8,873 thousand euro for the adjustment of the equity related to the subsidiary Vaimm Sviluppo S.r.l.

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

	31/12/2019	31/12/2018	Change
	463,196	509,730	-46,534

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

	31/12/2019	31/12/2018	Change
	417,714	464,225	-46,511

The investments in subsidiaries totalled 417,714 thousand euro, 30,092 thousand euro of which are allocated to the Life business and 387,622 thousand euro to the Non-life business.

C.II 1.d Associated companies

	31/12/2019	31/12/2018	Change
	15,760	15,980	-220

The investments in subsidiaries totalled 15,760 thousand euro, totally allocated to the Non-life business.

C.II 1.e Other investee companies

	31/12/2019	31/12/2018	Change
	29,722	29,524	+198

The item includes investments other than those in subsidiaries and associates, entirely allocated to the Non-Life business.

C.II 3. Loans to group companies

	31/12/2019	31/12/2018	Change
	11,190	310,590	-299,400

Of which:

C.II 3.a Parent companies

	31/12/2019	31/12/2018	Change
	0	300,000	-300,000

The balance as at FY2018 refers to the interest-bearing loan of 300,000 thousand euro granted from Vittoria Assicurazioni to the direct parent company Vittoria Capital S.p.A. After the merger by incorporation of Vittoria Capital S.p.A., becoming effective on 28 June 2019, this loan and related interest have been cancelled.

C.II 3.b Subsidiaries

	31/12/2019	31/12/2018	Change
	10,600	10,000	+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. The loans' residual duration exceeds one year, and the current rate applied is equal to the 3-month-Euribor increased by 1,5% of spread.

C.II 3.d Associated companies

	31/12/2019	31/12/2018	Change
	590	590	+0

The balance as at 31 December 2019 referred to the existing interest-bearing loan toward the investee company Aspevi Milano S.r.l. The loan's residual duration exceeds one year, and the current rate applied is 2%.

C.III Other financial investments

	31/12/2019	31/12/2018	Change
	2,960,792	2,496,490	+464,302

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

	31/12/2019	31/12/2018	Change
	614,752	510,390	+104,362

Investments in mutual funds are mainly long-term investments. These totalled 614,752 thousand euro and are allocated as follows: 268,566 thousand euro to the Life business and 346,185 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.

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

	31/12/2019	31/12/2018	Change
	2,327,155	1,976,833	+350,322
<i>Of which:</i>			
C.III 3.a Listed	2,326,161	1,976,176	+349,985
C.III 3.b Not listed	994	657	+337

Investments in bonds and other fixed-income securities include short-term securities of 60,411 thousand euro and long-term securities of 2.266.744 thousand euro. These totalled 2,327,155 thousand euro and are allocated as follows: 1,186,011 thousand euro to the Non-life business and 1,141,144 thousand euro to the Life business.

As at 31 December 2019, 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 2017	Currency	Interest rate	Expiration date	Early redemption clauses	
Aareal Bank AG	1,079	Euro	4,25 %	18/03/2026	Call 18/03/2021	
ABN AMRO	3,231	Euro	6,375 %	27/04/2021	none	
Achmea B.V.	6,681	Euro	6 %	04/04/2043	Call 04/04/2023	
Aegon NV	1,054	Euro	4 %	25/04/2044	Call 25/04/2024	
Aegon NV	1,571	Euro	4 %	25/04/2044	Call 25/04/2024	
AG INSURANCE SA	1,047	Euro	3,5 %	30/06/2047	Call 30/06/2027	
AGEAS	4,032	Euro	3,25 %	02/07/2049	Call 02/07/2029	
Allianz Finance	1,739	Euro	5,75 %	08/07/2041	Call 08/07/2021	
Allianz SE	539	Euro	3,099 %	06/07/2047	Call 06/07/2027	
Allianz SE	6,716	Euro	3,099 %	06/07/2047	Call 06/07/2027	
ARGENTUM (ZURIC	1,565	Euro	2,75 %	19/02/2049	Call 19/02/2029	
ARGENTUM (ZURIC	2,011	Euro	2,75 %	19/02/2049	Call 19/02/2029	
ARGENTUM (ZURIC	1,664	Euro	3,5 %	01/10/2046	Call 01/10/2026	
ASR NEDERLAND N	5,979	Euro	3,375 %	02/05/2049	Call 02/02/2029	
ASR NEDERLAND N	556	Euro	5,125 %	29/09/2045	Call 29/09/2025	
ASR NEDERLAND N	2,767	Euro	5,125 %	29/09/2045	Call 29/09/2025	
Ass.ni Generali	6,014	Euro	4,125 %	04/05/2026	none	
Ass.ni Generali	1,608	Euro	5 %	08/06/2048	Call 08/06/2028	
Ass.ni Generali	9,061	Euro	5 %	08/06/2048	Call 08/06/2028	
Ass.ni Generali	5,141	Euro	5,5 %	27/10/2047	Call 27/10/2027	
Ass.ni Generali	1,036	Euro	3,875 %	29/01/2029	none	
AXA SA	1,559	Euro	3,25 %	28/05/2049	Call 28/05/2029	
AXA SA	6,077	Euro	3,25 %	28/05/2049	Call 28/05/2029	
AXA SA	5,245	Euro	3,375 %	06/07/2047	Call 06/07/2027	
Bcc Gran Sasso	100	Euro	6 %	20/06/2023	none	
Banco Bilbao Vi	1,571	Euro	3,5 %	10/02/2027	none	
BANCO SANTANDER	958	Euro	2,125 %	08/02/2028	none	
Barclays Plc	1,121	Euro	6,625 %	30/03/2022	none	
Barclays Plc	971	Euro	2 %	07/02/2028	Call 07/02/2023	
Barclays Plc	2,067	Euro	2,625 %	11/11/2025	Call 11/11/2020	
BNP PARIBAS	2,231	Euro	2,25 %	11/01/2027	none	
GRPM Ass Mut	501	Euro	3,375 %	24/09/2028	none	
GRPM Ass Mut	6,120	Euro	3,375 %	24/09/2028	none	
Caixabank SA	940	Euro	2,25 %	17/04/2030	Call 17/04/2025	

Debt securities with subordination clauses

(€/000)

Beneficiary	Carrying value FY 2017	Currency	Interest rate	Expiration date	Early redemption clauses
Caixabank SA	1,542	Euro	3,5 %	15/02/2027	Call 15/02/2022
GRPM Ass Mut	2,475	Euro	2,125 %	16/09/2029	none
Cnp assurances	1,043	Euro	2,75 %	05/02/2029	none
Cnp assurances	2,471	Euro	2,75 %	05/02/2029	none
Cnp assurances	4,368	Euro	4,5 %	10/06/2047	Call 10/06/2027
Commerzbank	2,168	Euro	7,75 %	16/03/2021	none
CM ARKEA	2,086	Euro	3,375 %	11/03/2031	none
CM ARKEA	2,138	Euro	3,5 %	09/02/2029	none
Credit Agr Ass	1,431	Euro	2,625 %	29/01/2048	Call 29/01/2028
Credit Agr Ass	5,632	Euro	4,75 %	27/09/2048	Call 27/09/2028
Credit Agr BK	722	Euro	2,625 %	17/03/2027	none
Danica Pension	4,439	Euro	4,375 %	29/09/2045	Call 29/09/2025
Deutsche Bk AG	372	Euro	6 %	30/04/2099	Call 30/04/2022
Deutsche Bk AG	6,990	Euro	4,5 %	19/05/2026	none
Deut.Pfandbrief	1,048	Euro	4,6 %	22/02/2027	none
ELM BV(HELVETIA	3,682	Euro	3,375 %	29/09/2047	Call 29/09/2027
ETHIAS SA	550	Euro	5 %	14/01/2026	none
ETHIAS SA	1,642	Euro	5 %	14/01/2026	none
HANNOVER RE	2,474	Euro	1,125 %	10/10/2039	Call 09/07/2029
HSBC Holding PI	2,913	Euro	3,125 %	07/06/2028	none
INTESA SANPAOLO	4,680	Euro	6,25 %	16/11/2099	Call 16/05/2024
KOMMUNAL LANDSP	4,864	Euro	4,25 %	10/06/2045	Call 10/06/2025
La Mondiale	1,279	Euro	5,05 %	17/12/2099	Call 17/12/2025
LB Baden-Wuertt	680	Euro	3,625 %	16/06/2025	none
MAPFRE SA	520	Euro	4,125 %	07/09/2048	Call 07/09/2028
MAPFRE SA	8,323	Euro	4,125 %	07/09/2048	Call 07/09/2028
MUNCHENER RUECK	1,098	Euro	3,25 %	26/05/2049	Call 26/05/2029
NN Group NV	1,649	Euro	4,625 %	13/01/2048	Call 13/01/2028
NN Group NV	8,243	Euro	4,625 %	13/01/2048	Call 13/01/2028
NN Group NV	1,623	Euro	4,625 %	08/04/2044	Call 08/04/2024
NORDEA BANK AB	1,043	Euro	4 %	29/03/2021	none
Raiffeisen Bk	3,825	Euro	6,625 %	18/05/2021	none
SAMPO Oyj	2,018	Euro	3,375 %	24/05/2049	Call 23/05/2029
SCOR SE	3,219	Euro	3,625 %	27/05/2048	Call 27/05/2028
Skandinaviska E	2,621	Euro	2,5 %	28/05/2026	Call 28/05/2021
Standard Charte	726	Euro	3,625 %	23/11/2022	none
SWISS RE FINANC	1,519	Euro	2,534 %	30/04/2050	Call 30/04/2030
TALANX AG	9,714	Euro	2,25 %	05/12/2047	Call 05/12/2027
Uniq Insurance	8,750	Euro	6 %	27/07/2046	Call 27/07/2026
VITTORIA ASSICU	472	Euro	5,75 %	11/07/2028	none
Total	211,604				

As at 31 December 2019, the Company holds no. 74 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 656,142 thousand euro and decrease depending on reimbursements and sales for 282,352 thousand euro,
- adjustment for negative trading margins for 23,284 thousand euro,
- decreasing adjustment at fair value of short-term investments for 521 thousand euro.

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

The change is due to:

- increase depending of purchase of 578 thousand euro and decrease depending on reimbursements for 237 thousand euro,
- negative adjustment due to issue and trading discounts for 4 thousand euro.

The following table provides information relating to the fair value of financial instruments as at 31 December 2019, as required by Article 2427-bis of the Italian Civil Code.

	Account class	Carrying value FY 2019	Fair value (*)
(€/000)			
Investments and Other investee companies		474,386	530,086
- Equity investments in other investee companies <i>of which carried at a value higher than fair value</i>	C.II.1	463,196 22,745	518,896 78,445
- Bonds issued by other investee companies	C.II.3.b)	-	-
- Loans to affiliate companies	C.II.3.d)	10,600	10,600
- Loans to other investee companies	C.II.3.e)	590	590
Other financial investments		2,960,793	3,085,231
- Units in mutual investment funds <i>of which carried at a value higher than fair value</i>	C.III.2	614,752 299,993	625,112 324,832
- Bonds and other fixed-income securities <i>of which carried at a value higher than fair value</i>	C.III.3	2,327,155 2,026,255	2,441,233 2,142,082
- Loans	C.III.4	15,886	15,886
- 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 2019 of 54,794 thousand euro) and Banca Passadore (fair value at 31 December 2019 amounting to 9,369 thousand euro).

Operations involving repurchase agreements

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

C.III 4 Loans

	15,886	6,267	+9,619
<i>Of which:</i>			
C.III 4.a Secured loans	12,668	2,252	+10,416
C.III 4.b Loans against insurance policies	388	512	-124
C.III 4.c Other loans	2,830	3,503	-673

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

C.III 4.a Secured loans

	31/12/2019	31/12/2018	Change
	12,668	2,252	+10,416

The item consists solely of mortgage loans granted by the company. The minimum interest rate applied to mortgages is 1.50%.

The amount of mortgage with a residual duration of more than 1 year and 5 years is 1,863 thousand euro and 1,821 thousand euro, respectively.

C.III 4.b Loans against insurance policies

	31/12/2019	31/12/2018	Change
	388	512	-124

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

	31/12/2019	31/12/2018	Change
	2,830	3,502	-672

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 1,642 thousand euro and 1,783 thousand euro.

C.III 6 Other financial investments

	31/12/2019	31/12/2018	Change
	3,000	3,000	+0

The item consists of two deposits at the Bank of the Gran Sasso, allocated for 1,000 thousand euro to the Non-Life business and for 2,000 thousand euro to the Life business.

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

31/12/2019	31/12/2018	Change
91,366	68,401	+22,965

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

31/12/2019	31/12/2018	Change
65,581	44,602	+20,979

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

Portafoglio Unit Linked	+20,979
- aumenti per acquisti e sottoscrizioni di strumenti finanziari	+19,695
- diminuzioni a seguito di vendite titoli, riscatti e switch	-4,839
- utile/perdita della gestione dei fondi interni	+4,177
- adeguamento al valore corrente	+1,622
- liquidità in attesa di essere investita	+324

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

31/12/2019	31/12/2018	Change
25,784	23,799	+1,985

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

- balance of social security management (net collection)	-431
- gain/loss for pension fund management	+2,417

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

	31/12/2019	31/12/2018	Change
	77,947	60,435	+17,512

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:

	31/12/2019	31/12/2018	Change
			(€000)
D Bis. I Non - Life business	73,222	55,918	+ 17,304
<i>Of which:</i>			
Premium reserve	11,832	13,272	- 1,440
Claims reserve	61,390	42,646	+ 18,744
D Bis. II Life business	4,724	4,517	+ 207
<i>of which:</i>			
Mathematical reserves	2,977	2,603	+ 374
Reserve for payable amounts	1,705	1,879	- 174
Other technical reserves	42	35	+ 7

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

CLASS E – RECEIVABLES

	31/12/2019	31/12/2018	Change
	290,212	255,070	+35,142

The amount is payable from 2018. 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

	31/12/2019	31/12/2018	Change
	210,742	190,217	+20,525
Towards:			
E.I.1 Policyholders	63,802	61,338	+2,464
E.I.2 Insurance agents and brokers	103,399	95,988	+7,411
E.I.3 Insurance companies - current accounts	12,851	6,831	+6,020
E.I.4 Policyholders and third parties for recoverables	30,691	26,059	+4,632

In particular:

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

	31/12/2019	31/12/2018	Change
	63,802	61,338	+2,464
<i>Of which:</i>			
E.I 1.a For current years' premiums	62,610	60,432	+2,178
E.I 1.b For previous years' premiums	1,192	906	+286

Receivables due from policyholders are shown net of related adjustment provisions, which, as at 31 December 2019, amounted 10,049 thousand euro (10,125 thousand euro as at 31 December 2018), 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

	31/12/2019	31/12/2018	Change
	103,398	95,988	+7,409

Amounts receivable from insurance agents and brokers are stated net of the related provision which, as at 31 December 2019 amounted to 18,744 thousand euro (18,013 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 17,722 thousand euro for Non-life business and for 7,022 thousand euro for Life business.

The item includes 26,159 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. As at 31 January 2020, 2,466 thousand euro on the remaining loans, totalling 77,240 thousand euro, are still to be collected.

In addition, the total amount includes receivables toward subsidiary companies, in particular, Aspevi Firenze S.r.l. and Assiorviato Servizi S.r.l. for 2,495 thousand euro and toward associated companies Aspevi Roma S.r.l and Aspevi Milano S.r.l. for 9,481 thousand euro.

The amounts of receivables with a residual duration of more than 1 year and 5 years are 23,361 thousand euro and 13,613 thousand euro, respectively.

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

	31/12/2019	31/12/2018	Change
	12,851	6,831	+6,020

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, as at 31 December 2018, 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

	31/12/2019	31/12/2018	Change
	30,691	26,059	+4,632

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

E.II - Receivables relating to reinsurance business

	31/12/2019	31/12/2018	Change
1. Insurance and reinsurance companies	10,613	1,778	+8,835

This item comprises receivables stemming from current accounts reflecting the results of technical management of reinsurance treaties net of related provision of 1,336 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

	31/12/2019	31/12/2018	Change
	68,857	63,076	+5,781

This item is shown net of related adjustment provisions of 4,219 thousand euro relating to Non-life business (4,243 thousand euro in the previous year).

The most significant items forming "Other receivables" are:

- Receivables from Tax Authorities for 53,406 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 for insurance agreements for 874 thousand euro (940 thousand euro in the previous year).
- Receivables from subsidiary companies for 1,629 thousand euro for tax consolidation (3,446 thousand euro in the previous year).

CLASS F – OTHER ASSETS

	31/12/2019	31/12/2018	Change
	76,668	270,035	-193,367

Of which:

F. I Tangible assets and inventory

	31/12/2019	31/12/2018	Change
	6,004	6,004	+0
F. I.1 Office, furniture & machinery, and internal transport systems	4,719	4,873	-154
F. I.2 Registered chattels	253	118	+135
F. I.3 Plant and equipment	1,021	865	+156
F. I.4 Inventory and other assets	11	148	-137

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 1,971 thousand euro and amortisation for 1,939 thousand euro and net dismissals for 32 thousand euro.

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

	31/12/2019	31/12/2018	change
Furniture	2,994	3,481	487
Fittings	825	803	-22
Ordinary office machinery	816	533	-283
Electronic office machinery	84	56	-28
Total	4,719	4,873	154

Operations of financial lease

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

F. II Cash & cash equivalents

	31/12/2019	31/12/2018	Change
	6,721	194,093	-187,372

The total amount is made up of 6,718 thousand euro by bank deposits and post office current accounts and 3 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

	31/12/2019	31/12/2018	Change
	63,943	69,938	-5,995

The main items forming this item are shown below:

- deferred tax assets relating to previous years' taxable items for 63,198 thousand euro relating to the temporary tax adjustments made in the financial year or in the previous years (60,878 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 1,746 thousand euro.

CLASS G – ACCRUED INCOME & PREPAID EXPENSES

	31/12/2019	31/12/2018	Change
	35,086	34,728	+358
G.1 Interest	26,271	23,972	+2,299
G.2 Rent instalments	639	0	+639
G.3 Other accrued income & prepaid expenses	8,175	10,755	-2,580

G.1 Interest

This refers mainly to interest totalling on fixed-income government securities, totalling 13,520 thousand euro as at 31 December 2019 (18,205 thousand euro in the previous year).

G.2 Rent instalments

These are prepaid expense items relating to premises owned by third parties.

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			
	31/12/2019	31/12/2018	Change
	569,204	810,271	-241,067

The outline of changes in shareholders' equity as at 31 December 2019 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
Balance as at 31/12/2013	67,379	12,323	33,355	18,195	229,233	62,467	422,952
Dividend distribution	-	-	-	-	-	-12,128	-12,128
Allocation to earnings reserve 2013	-	242	-	-	50,097	-50,339	-
Revaluation real estate reserve	-	-	-	-2	-	-	-2
2014 net profit	-	-	-	-	-	74,935	74,935
Balance as at 31/12/2014	67,379	12,565	33,355	18,193	279,330	74,935	485,757
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	382,904	74,371	569,204

As at 31 December 2019, 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 31/12/2019	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	11,846		
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	12,938	B	-		
Other available reserves	382,905	A, B, C	382,905		
Net profit for the year	74,370	A, B, C	74,370		
Total shareholders' equity	569,204		487,314		
Non-distributable portion of share premium reserve (1)			538		
Residual distributable portion			488,349		

(*) 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.

(3) This represents the non-distributable reserve quota earmarked for coverage of deferred costs that have not yet been amortised ex Article 2426 of the Italian Civil Code.

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

	31/12/2019	31/12/2018	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

	31/12/2019	31/12/2018	Change
	3,113,639	2,910,971	+202,668

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

	31/12/2019	31/12/2018	Change
	1,673,260	1,612,761	+60,499
C.I.1 - Premium reserve	421,744	411,467	+10,277
C.I.2 - Claims reserve	1,242,864	1,193,321	+49,543
C.I.4 - Other technical reserve	409	409	+0
C.I.5 - Equalisation reserve	8,244	7,563	+681

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:

	31/12/2019	31/12/2018	Change
For directly insured risks	421,713	411,432	+ 10,281
For inwardly insured risks	31	35	- 4
Gross reserves	421,744	411,467	+ 10,277
Reinsurers' share	11,832	13,272	- 1,440
Net reserves	409,912	398,195	+ 11,717

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	30,747				30,747
02 - Health	5,618				5,618
03 - Land motor vehicle hulls	48,805				48,805
04 - Railway rolling stock	3				3
06 - Marine hulls	419	140			559
07 - Cargo insurance	662				662
08 - Fire and natural events	39,374	389			39,764
09 - Miscellaneous damage	18,115	1,428			19,544
10 - Motor TPL	226,949				226,949
11 - Aviation TPL	1				1
12 - Marine TPL	456	54			510
13 - General TPL	26,375		24		26,399
14 - Credit insurance	791				791
15 - Bond insurance	5,929				5,929
16 - Pecuniary losses	4,389				4,389
17 - Legal protection	2,219				2,219
18 - Support and assistance	8,848		6		8,854
Total premium reserve	419,701	2,012	31	-	421,743

Unexpired risk reserve

Unexpired risk reserve as at 31 December 2018 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:

	31/12/2019	31/12/2018	Change
For directly insured risks	+ 1,242,019	+ 1,192,485	+ 49,534
For inwardly insured risks	+ 844	+ 837	+ 7
Gross reserves	+ 1,242,863	+ 1,193,322	+ 49,541
Reinsurers' share	+ 61,059	+ 42,321	+ 18,738
Retrocessionaries' share	+ 331	+ 325	+ 6
Net reserves	+ 1,181,473	+ 1,150,676	+ 30,797

Since 2019 balance sheet, the Company has performed an assessment on the adequacy of claims reserves by using the new reserving tool "Prophet Professional" whereby new assessments of claims reserves (Both Local and Solvency II) and Solvency premiums reserves are made.

Methods used are similar to those used in the previous years and described below but have been implemented within the new tool. Selection of projection parameters was carried out compatibly with their traceability inside the tool, starting from the analysis of trends of claims portfolio.

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 910 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:

- 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 2006-2018 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

	31/12/2019	31/12/2018	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

	31/12/2019	31/12/2018	Change
	8,244	7,563	+681

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:

<i>Line of business</i>	31/12/2019	31/12/2018	Change
03 Land vehicle hulls	4,874	4,469	+405
05 Aircraft hulls	138	138	+0
07 Cargo (goods in transit)	134	128	+6
08 Fire and natural elements	2,274	2,080	+194
09 Other property damage	825	748	+77
Total equalisation reserve	8,244	7,563	+681

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

C.II - Life business

	31/12/2019	31/12/2018	Change
	1,440,379	1,298,210	+142,169
C.II.1 - Mathematical reserves	1,413,999	1,271,594	+142,405
C.II.2 - Complementary insurance premium reserve	57	61	-4
C.II.3 - Reserve for payable amounts	20,132	20,497	-365
C.II.4 - Profit participation and reversal reserve	0	0	+0
C.II.5 - Other technical reserves	6,192	6,060	+132

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

	31/12/2019	31/12/2018	Change
For directly insured risks	1,413,999	1,271,593	142,406
For inwardly insured risks	-	-	-
Gross reserves	1,413,999	1,271,593	142,406
Reinsurers' share	3,020	2,603	417
Retrocessionaries' share	-	-	-
Net reserves	1,410,979	1,268,990	141,989

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 1,681 thousand euro (1,709 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 505 thousand euro (204 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.

C.II.5 – Other technical reserve

The amount of this item is 6,192 thousand euro as at 31 December 2019 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:

	31/12/2019	31/12/2018	Change
For directly insured risks	+ 6,192	+ 6,060	+ 132
Gross reserves	+ 6,192	+ 6,060	+ 132
Reinsurers' share	+ 42	+ 35	+ 7
Net reserves	+ 6,150	+ 6,025	+ 125

The following table shows the breakdown by line of business:

	31/12/2019	31/12/2018	Change
			(€/000)
Line of business I	5,838	5,526	312
Line of business IV	124	307	-183
Line of business V	69	120	-51
Total	6,031	5,953	+ 78

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

	31/12/2019	31/12/2018	Change
	91,366	68,401	+22,965
D.I – Reserves for unit- and index-linked policies	65,581	44,602	+20,979
D.II - Reserves relating to pension fund management	25,784	23,799	+1,985

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 2019:

Risk category	Capital sums, annuities	Technical reserves	Year of issue	Technical basis	
				financial	demographic
Temporary	4,329,104.01	27,174.54	1990 - 1997	4%	SIM 81
			1998 - 2001	3% - 4%	SIM 91
			2001 - 2007	3%	SIM 91 al 70%
			2008 - 2011	3%	SI 91 al 50% e 70%
			2012 - 2014 dal 2015	3% 2%	SIM 2001 al 90%- 65% SIM 2001 al 90%- 65%
Adjustable	1.15	7.35	1969 - 1979	3% *	SIM 51
Indexed	-	44.90	1980 - 1988	3% *	SIM 51
Other types	172.83	6.02			
Revaluable	889,130.40	1,387,794.36	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 al 80%
			2014 - 2015 dal 2015	1.25% 0.00%	SIM 2001 al 70% SIM 2001 al 70%
L.T.C.	42,365.34	4,102.82	2001 - 2004	2.5%	(1)
			2004 - 2011 dal 2012	2.5% 2.5%	(2) (3)
			dal 1999	---	---
Pension fund	25,784.26	25,785.74	dal 1999	---	---
Unit Linked	45,478.50	65,751.60	1998 - 2014 dal 2015	0% 0%	SIM 91 SIM 2001
AIL Rivalutabile	942.06	945.49	1986 - 1998	4% *	SIM 51
			1999 - 2004	3% *	SIM 81
Total business lines	5,332,978.55	1,511,612.84			

* 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 3.47%; Vittoria Rendimento Mensile 2.46%; Vittoria Previdenza 2.29%; Vittoria Obiettivo Crescita 2.63%.

(1) SIM91 reduced to 62%; SIF 91 reduced to 53%; mortality rates and LTC (long term care) rates taken from insurers' studies

(2) SIM91 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			
	31/12/2019	31/12/2018	Change
	26,805	26,077	+728
E.2 – Tax provision	2,980	6,059	-3,079
E.3 – Other provisions	23,825	20,018	+3,807

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 in the item compared to the previous year is mainly attributable to provisions for pending litigations, to provisions for refunds of premiums and provisions for marketing operations for customer loyalty purposes

CLASS F – DEPOSITS RECEIVED FROM REINSURERS			
	31/12/2019	31/12/2018	Change
	6,190	6,340	-150

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

CLASS G – PAYABLES AND OTHER LIABILITIES			
	31/12/2019	31/12/2018	Change
	134,053	115,627	+18,426
G.I - Payables arising from direct insurance business			
	11,383	12,400	-1,017
G.II - Payables arising from reinsurance business			
	11,185	8,067	+3,118
G.VII - Reserve for employee severance indemnities			
	2,546	2,830	-284
G.VIII – Other payables			
	69,433	62,100	+7,333
G.IX – Other liabilities			
	32,387	30,230	+2,157

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

G.I - Payables arising from direct insurance business			
	31/12/2019	31/12/2018	Change
	11,383	12,400	-1,017
<i>Of which:</i>			
G.I.1 – due to insurance agents and brokers	6,317	6,399	-82
G.I.2 – due to current accounts with other insurers	2,203	3,049	-847
G.I.3 – due to policyholders for performance deposits and premiums	1,540	1,338	+202
G.I.4 – due to guarantee funds for policyholders	1,323	1,614	-291

G.I.1 Payables arising from direct insurance business, due to insurance agents and brokers			
	31/12/2019	31/12/2018	Change
	6,317	6,399	-82

Payables due to insurance agents and brokers refer to commissions due to sales network that are not yet settled as at 31 December 2019 and indemnities payable at the end of agency mandate. The item is allocated to Non-life business for 5,586 thousand euro and to Life business for 731 thousand euro.

G.I.2 Payables arising from direct insurance business, due to current accounts with other insurers			
	31/12/2019	31/12/2018	Change
	2,203	3,049	-847

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 2,128 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			
	31/12/2019	31/12/2018	Change
	1,540	1,338	+202

The item refers to the performance deposits paid by policyholders for insurance coverage. The item is allocated to Non-life business for 878 thousand euro and to Life business for 662 thousand euro.

G.I.4 Payables arising from direct insurance business, due to guarantee funds for policyholders			
	31/12/2019	31/12/2018	Change
	1,323	1,614	-291

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.

G.II Payables, arising from reinsurance business, due to insurers and reinsurers			
	31/12/2019	31/12/2018	Change
	11,185	8,067	+3,118

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

The item is allocated as follows: 11,081 thousand euro to Non-life business and 1,045 thousand euro to Life business.

G.VII Reserve for employee severance indemnities			
	31/12/2019	31/12/2018	Change
	2,546	2,830	-284

The item expresses the retirement allowance provision towards personnel as at 31 December 2018, in compliance with current rules and regulations.

The item is allocated as follows: 2,397 thousand euro to Non-life business and 149 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 737 thousand euro,
- increase due to provisioning for the year for 2,577 thousand euro,
- transfers to Pension Fund and Social Security fund (INPS) for 2,516 thousand euro,
- recover of receivables toward Social Security fund for 392 thousand euro.

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

G.VIII - Other payables			
	31/12/2019	31/12/2018	Change
	69,433	62,099	+7,334
<i>Of which:</i>			
G.VIII.1 – for policyholders' taxes	25,921	24,206	+1,715
G.VIII.2 – for miscellaneous taxes	13,078	5,395	+7,683
G.VIII.3 – for social security & pension agencies	3,721	2,951	+770
G.VIII.4 – other sundry payables	26,713	29,547	-2,834

G.VIII.1 Other payables for policyholders' taxes			
	31/12/2019	31/12/2018	Change
	25,921	24,206	+1,715

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: 25,473 thousand euro to Non-life business and 448 thousand euro to Life business.

G.VIII.2 Other payables for miscellaneous taxes

	31/12/2019	31/12/2018	Change
	13,078	5,395	+7,683

The item is allocated as follows: 8,205 thousand euro to Non-life business and 4,873 thousand euro to Life business. The amount mainly consists of the following items:

- tax deduction on wages & salaries for 1,544 thousand euro (1,288 thousand euro in the previous year),
- tax deduction on fees of self-employed staff and advisors for 1,189 thousand euro (670 thousand euro in the previous year),
- payables for financial administration for 4,678 thousand euro: 4,029 thousand euro for IRES 2019 and 649 thousand euro for IRAP 2019,
- payables for Group VAT for 281 thousand euro (12 thousand euro in the previous year),
- tax deduction related to policies redemptions in life business for 69 thousand euro (66 thousand euro in the previous year).

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

	31/12/2019	31/12/2018	Change
	3,721	2,951	+770

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

	31/12/2019	31/12/2018	Change
	26,713	29,547	-2,834

The item is allocated as follows: 25,125 thousand euro to Non-life business and 1,588 thousand euro to Life business. The amount mainly consists of the following items:

- amounts payable to employees for accruals for holidays not taken for 3,366 thousand euro (3,295 thousand euro in the previous year),
- payables arising from directors, statutory auditors and managers with strategic responsibilities for 1,767 thousand euro (3,237 thousand euro in the previous year),
- trade payable for 7,174 thousand euro (8,525 thousand euro in the previous year),
- fees payable to professionals for 3,139 thousand euro (7,392 thousand euro in the previous year),
- amounts payable to subsidiaries for tax consolidation for 1,694 thousand euro (2,035 thousand euro in the previous year).

G.IX – Other liabilities

	31/12/2019	31/12/2018	Change
<i>Of which:</i>	32,387	30,230	+2,157
G.IX.2 – commissions on premiums under collection	15,423	14,442	+981
G.IX.3 – other liabilities	16,966	15,788	+1,178

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 10,954 thousand euro (10,562 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 5,283 thousand euro (6,034 thousand euro in the previous year),
- technical accounts to be settled with agencies and sundry liabilities for 570 thousand euro (434 thousand euro in the previous year),
- provision for variable compensation for employees for 9,367 thousand euro (7,837 thousand euro in the previous year).

CLASS H – ACCRUED LIABILITIES & DEFERRED INCOME			
	31/12/2019	31/12/2018	Change
	6,826	6,841	
H.1 - For interests	6,813	6,813	+0
H.3 – Other accrued liabilities & deferred income	13	28	-15

This item mainly includes interest paid on subordinated loan.

INCOME STATEMENT

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

	31/12/2019	31/12/2018	Change
	119,534	97,987	+21,547

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

	31/12/2019	31/12/2018	Change
	1,152,121	1,142,987	+9,134
<i>Of which:</i>			
a) Gross premiums written	1,220,946	1,195,907	+25,038
b) (-) Ceded premiums	57,109	45,872	+11,237
c) (-) Change in gross premium reserve	10,276	6,917	+3,359
d) Change in reinsurers' share of premium reserve	-1,440	-131	-1,309

The Company develops its business entirely in Italy.

The gross premiums written amounted to 2,220,946 thousand euro, 1,220,857 thousand euro of which were related to direct business and 89 thousand euro to indirect business. Premiums ceded in FY2019 are 57,109 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

	31/12/2019	31/12/2018	Change
	0	6,199	-6,199

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

	31/12/2019	31/12/2018	Change
	7,280	6,428	+852

This item is mainly referred to:

- reversal of commissions for previous years' cancelled premiums for 1,070 thousand euro (1,172 thousand euro in the previous year),
- 805 thousand euro for technical items relating to recoveries of settlement costs related to claims subject to CARD agreements (684 thousand euro in the previous year),
- 665 thousand euro related to recoveries of receivables for premiums under litigation (721 thousand euro in the previous year),
- 4,427 thousand euro for incentives awarded to the Company within the scope of the CARD claims management (3,677 thousand euro in the previous year).

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

	31/12/2019	31/12/2018	Change
	749,483	772,596	-23,113
<i>Of which:</i>			
aa) Amounts paid – gross amount	785,373	775,035	+10,338
bb) (-) Reinsurers' share	47,137	33,882	+13,255
aa) Change in recoveries net of reinsurers' share – gross amount	20,005	15,552	+4,453
bb) (-) Reinsurers' share	455	-505	+960
aa) Change in claims reserve – gross amount	49,535	45,589	+3,946
bb) (-) Reinsurers' share	18,738	-1,912	+20,650

Amounts paid

They are related to indemnities for 698,812 thousand euro (690,076 thousand euro in the previous year), direct expenses for 12,739 thousand euro (13,269 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 73,793 thousand euro (71,616 thousand euro in the previous year) and the amount payable to the fund for road-accident victims for 17,070 thousand euro (16,868 thousand euro in the previous year). The item includes indemnities to indirect business for 29 thousand euro (73 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

	31/12/2019	31/12/2018	Change
	280,632	273,517	+7,117
<i>Of which:</i>			
a) Acquisition commissions	187,053	181,160	+5,893
b) Other acquisition costs	48,771	47,771	+1,000
c) Change in commissions and other acquisition costs to be amortised	0	0	+0
d) Premium collection commissions	10,675	10,809	-132
e) Other administrative expenses	41,562	40,186	+1,376
f) (-) Commissions received by reinsurers	7,429	6,409	+1,020

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

	31/12/2019	31/12/2018	Change
	9,070	10,874	-1,804

The item consists of the following:

- technical write-offs of premiums and of uncollectible premiums for 3,439 thousand euro (3,539 thousand euro in the previous year),
- charge to the provision for bad debt from policyholders for 4,178 thousand euro (5,089 thousand euro in the previous year),
- other technical charges mainly relating to services supporting insurance covers and costs for premiums under litigation for 1,439 (2,029 thousand euro in the previous year).

I.9 - Change in equalisation reserves

	31/12/2019	31/12/2018	Change
	681	641	+40

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

	31/12/2019	31/12/2018	Change
	5,732	7,703	-1,971

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

	31/12/2019	31/12/2018	Change
	248,384	226,928	+21,456
<i>Of which:</i>			
a) a) Gross premiums written	249,764	228,253	+21,511
b) (-) Ceded premiums	1,380	1,325	+55

The gross premiums written amounted to 249,764 thousand euro, entirely attributable to direct business. Premiums ceded in FY2019 amounted to 1,380 thousand euro.

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

II. 2 – Investments income

	31/12/2019	31/12/2018	Change
	55,107	50,610	+4,497
<i>Of which:</i>			
a) Income from equity investments	75	0	+75
b) Income from other investments	55,029	50,610	+4,419
c) Write-backs on investments	0	0	+0
d) Profits made on sale of investments	3	0	+3

b) This item mainly includes:

- Income on land and buildings rented and other income on property for 2,744 thousand euro (2,737 thousand of euro in the previous year),
- income on fixed-income securities for interest, issue and trading differentials for 41,228 thousand euro (38,866 thousand euro in the previous year),
- income on mutual fund units for 11,057 thousand euro (9,007 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

	31/12/2019	31/12/2018	Change
	10,495	1,885	+8,610

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

	31/12/2019	31/12/2018	Change
	1,226	1,040	+186

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

	31/12/2019	31/12/2018	Change
	110,664	121,790	-11,126
<i>Of which:</i>			
aa) Amounts paid – gross amount	111,161	126,078	-14,917
bb) (-) Reinsurers' share	307	1,599	-1,293
aa) Change in reserve for payable amounts – gross amount	-364	-3,846	+3,482
bb) (-) Reinsurers' share	-174	-1,157	+983

The amounts paid in the FY2019 totalled 111,161 thousand euro mainly due to direct business. They refer to costs relating to claims for 621 thousand euro (659 thousand euro in the previous year), claims for 17,463 thousand euro (26,752 thousand euro in the previous year), expired policies for 38,536 thousand euro (36,415 thousand euro in the previous year), surrenders for 53,851 thousand euro (61,617 thousand euro in the previous year), and annuities for 690 thousand euro (633 thousand euro in the previous year).

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

	31/12/2019	31/12/2018	Change
	163,769	111,007	+52,762
<i>Of which:</i>			
aa) Mathematical reserves – gross amount	141,059	119,054	+22,005
bb) (-) Reinsurers' share	374	353	+21
aa) Complementary insurance premium reserve – gross amount	-4	-6	+2
aa) Other technical reserves – gross amount	132	139	-7
bb) (-) Reinsurers' share	8	4	+4
aa) Technical reserves when investment risk is borne by policyholders or relating to pension fund management	22,964	-7,824	+30,788

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

II.7 - Reversals and profit participation, net of outwards reinsurance

	31/12/2019	31/12/2018	Change
	0	-63	+63

This item comprises amounts paid in the year for profit participation, as well as the change in the related reserve. The amount is solely referred to direct business.

II.8 – Operating costs

	31/12/2019	31/12/2018	Change
	15,052	16,046	-994
<i>Of which:</i>			
a) Acquisition commissions	7,173	5,890	1,283
b) Other acquisition costs	4,687	4,479	208
c) Change in commissions and other acquisition costs to be amortised	-448	12	-460
d) Premium collection commissions	728	711	17
e) Other administrative expenses	3,153	5,192	-2,039
f) (-) Commissions received by reinsurers	240	238	+2

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

	31/12/2019	31/12/2018	Change
	14,767	14,141	+626
Of which:			
a) Investment management costs and interest expense	11,406	10,773	+633
b) Investment write-downs	2,572	3,272	-700
c) Losses on sale of investments	789	96	+693

a) This item mainly refers to:

- costs relating to municipal tax on property for 180 thousand euro (426 thousand euro in the previous year),
- housing expenses, taxes and building management costs for 683 thousand euro (606 thousand euro in the previous year),
- costs relating to fixed-income securities for issue and trading differentials, taxes, and operating and personnel expenses for 10,246 thousand euro (9,741 thousand euro in the previous year).

b) The item refers to write-downs of financial instruments refers to amortization on property totalling for 572 thousand euro (3,272 thousand euro in the previous year), 301 thousand euro of which (551 thousand euro in the previous year) relating to the headquarters in the Portello area in Milan.

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

	31/12/2019	31/12/2018	Change
	2,129	6,731	-4,602

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

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

	31/12/2019	31/12/2018	Change
	154	291	-137

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 55 thousand euro (101 thousand euro in the previous year) and to legal expenses to request repayment premiums of 25 thousand euro.

II.12 – (-) Income on investments transferred to non-technical account

	31/12/2019	31/12/2018	Change
	2,945	2,818	+127

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

	31/12/2019	31/12/2018	Change
	-12,967	22,767	-35,734

Non-technical costs and revenues are classified as follows:

III. 3 – Income from Non-Life investments

	31/12/2019	31/12/2018	Change
	38,030	47,557	-9,527
<i>Of which:</i>			
a) Income from equity investments	3,807	16,341	-12,534
b) Income from other investments	33,986	30,973	+3,013
c) Adjustments to investment values	213	0	+213
d) Profits made on sale of investments	25	243	-218

- a) Income from equity investments includes the dividend collected by other subsidiaries.
- b) Income from other investments consist of:
- land and buildings amounting to 3,383 thousand euro (3,241 thousand euro in the previous year), relating to rental and to recovery of expenses and other income,
 - other investments amounting to 30,484 thousand euro (27,017 thousand euro in the previous year), 20,763 thousand euro of which relating to income on fixed-income securities for interest issue and trading differentials and for 9,721 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

	31/12/2019	31/12/2018	Change
	2,945	2,818	+127

Please refer to information reported in the chapter "Life technical account".

III.5 - Capital and financial charges of Non-Life business

	31/12/2019	31/12/2018	Change
	38,140	38,149	-9
Of which:			
a) Investment management costs and interest expense	22,450	19,818	+2,633
b) Investment write-downs	15,312	18,097	-2,785
c) Loss on sale of investments	378	235	+143

- 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 17,364 thousand euro (15,335 thousand euro in the previous year),
 - housing expenses, taxes and building management costs for 3,804 thousand euro (2,670 thousand euro in the previous year),
 - costs relating to municipal tax on property for 422 thousand euro (904 thousand euro in the previous year),
 - interest on deposits from reinsurers for 52 thousand euro (61 thousand euro in the previous year).
- b) The item “Investment write-downs”, as indicated in the Management Report, mainly refers to:
- alignment to company’s equity for 220 thousand euro relating to the investment in the associate company Touring Digital S.r.l.,
 - impairments of bonds for 734 thousand euro,
 - impairments on subsidiaries in real estate companies for 8,873 thousand euro. Details are shown in the Directors’ report in the paragraph on the share portfolio.

Amortization of buildings for a total of 3,427 thousand euro is included in the item, 1,003 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

	31/12/2019	31/12/2018	Change
	0	6,199	-6,199

Please refer to information reported in the chapter "Non-Life technical account chapter".

III.7 - Other income

	31/12/2019	31/12/2018	Change
	4,284	4,167	+117

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 2019, the item mainly refers to:

- interest on bank current account for 837 thousand euro (583 thousand euro in the previous year),
- revenues from active billing and reimbursements for 1,792 thousand euro (608 thousand euro in the previous year),
- provisions relating to bad debts for 24 thousand euro (553 thousand euro in the previous year).

III.8 - Other charges

	31/12/2019	31/12/2018	Change
	26,303	25,985	+318

As at 31 December 2019, the item mainly includes:

- interest and charges on bank accounts for 823 thousand euro (609 thousand euro in the previous year),
- annual amortization of intangible assets for 818 thousand euro (7,530 thousand euro in the previous year),
- annual amortization of intangible assets for 6,550 thousand euro, mainly related to pending litigations, refund of premiums, and marketing operations for customer loyalty,
- provisions for 1,562 thousand euro relating to bad debts.

III.10 - Extraordinary income

	31/12/2019	31/12/2018	Change
	7,057	40,719	-33,662

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.

Below is its main breakdown:

- extraordinary income on Non-life bonds for 4,273 thousand euro.
- extraordinary capital gain on mutual funds for 1,420 thousand euro.

III.11 - Extraordinary charges

	31/12/2019	31/12/2018	Change
	840	2,161	-1,321

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 542 thousand (351 thousand euro in the previous year).

III.14 - Taxation

	31/12/2019	31/12/2018	Change
	37,931	28,849	+9,082

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	112,300			26,952		24.00%
+ Temporary differences deductible in future years	35,206					
- Temporary differences taxable in future years	0					
+ Use of temporary differences	40,243					
Permanent differences:						
+ Non-deductible interest and taxes	2,005					
+ Non-deductible accruals, costs and expenses	3,887					
+ Investment Portfolio	11,309					
- Tax-exempt income and Dividends	3,688					
+ Other deductible items	-5,826					
Taxable base	114,950					
A. Current IRES			27,588		24.57%	
IRAP						
Profit before taxation	112,300			7,659		6.82%
- Profit & Loss items not taxable/deductible for IRAP purpose	12,967					
Life insurance business profit & loss + Non-life insurance business profit & loss	125,267					
+ Permanent taxable differences	64,374					
- Permanent deductible differences	55,717					
Theoretical taxable base	133,924					
+(Increase - Decrease) of temporary differences	-3,084					
Taxable base	130,840					
B. Current IRAP			8,923		7.95%	
C=(A+B) Total current Tax relating to 2018			36,512		32.51%	30.82%
Deferred tax assets						
Taxable base for deferred tax assets of the previous year	247,277	22,529				
(Increase - Decrease) in deferred tax assets during the current year	-17,868	-3,084				
Taxable base for deferred tax assets of the current year	229,409	22,529				
Deferred IRES assets on (Increase - Decrease)			-4,288			
Deferred IRAP assets on (Increase - Decrease)			-210			
D. Total deferred tax assets relating to 2018			-4,498		-4.01%	
Deferred tax liabilities						
Taxable base for provision for deferred tax liabilities of the previous year	25,245					
(Increase - Decrease) in the provision for deferred tax liabilities during the current year	-12,831					
Taxable base for provision for deferred tax liabilities of the current year	12,414					
Deferred IRES liabilities on (Increase - Decrease)			-3,079			
Deferred IRAP liabilities on (Increase - Decrease)			0			
E. Total deferred tax liabilities relating to 2018			-3,079		-2.74%	
Total IRES relating to 2018			28,797		25.64%	
Total IRAP relating to 2018			9,133		8.13%	
F= (C-D+E) Total tax relating to 2018			37,930	34,611	33.78%	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 Tax
	taxable base	tax rate	taxable base	tax rate	
2018 deferred tax assets					
Depreciation of tangible assets	662		-		159
Recoveries	73				17
Charge backs non -life	1,445				347
Financial non current assets devaluation	395				95
Provision for doubtful receivables from policy holders	37,499		20,729		10,413
Provision for doubtful other receivables	15,307				3,668
Provision for risk and charges	27,807				6,674
Directors' fees	1,686				405
Goodwill (Sace - life)	1,800		2,025		555
Depreciation of intangible assets	1,532				368
Change in life technical reserves	-				-
Change in non -life claims reserves (ex dcr. 209/2002)	158,612				38,067
Revenues not accounted	215				52
Dividend to be cashed	244	0%	-	-	58
	247,277	24.00%	22,754	6.82%	60,878
2019 decrease in deferred tax assets					
Depreciation of tangible assets	116		-		28
Recoveries	-				-
Charge backs non -life	985				236
Financial non current assets devaluation	-				-
Provision for doubtful receivables from policy holders	5,170		2,859		1,436
Provision for doubtful other receivables	365				88
Provision for risk and charges	9,637				2,313
Directors' fees	885				212
Goodwill (Sace - life)	225		225		69
Depreciation of intangible assets	1,318				316
Change in non -life claims reserves (ex dcr. 209/2002)	34,157				8,198
Revenues not accounted	215				52
	53,073	24.00%	3,084	6.82%	12,948

Detail and movement of deferred tax assets (continued)

(€000)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	taxable base	tax rate	taxable base	tax rate	Tax
2019 increase in deferred tax assets					
Depreciation of tangible assets	153				37
Recoveries	-				-
Charge backs non -life	1,086				261
Provision for doubtful other receivables	1,562				375
Provision for risk and charges	13,096				3,143
Directors' fees	684				164
Change in non -life claims reserves (ex dcr. 209/2002)	18,478				4,435
Dividend to be cashed	147				35
	35,206	24.00%	0	6.82%	8,449
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' fees	1,485				357
Goodwill (Sace - life)	1,575		1,800		486
Depreciation of intangible assets	214				52
Change in life technical reserves	-				-
Change in non -life claims reserves (ex dcr. 209/2002)	142,933				34,304
Revenues not accounted	-				0.40
Dividend to be cashed	391				93
	229,410	24.00%	19,670	6.82%	56,380

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
2018 deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	25,246		-		6,059
	25,246	24.00%	-	6.82%	6,059
2019 decrease in deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	12,831		-		3,079
	12,831	24.00%	-	6.82%	3,079
2019 increase in deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	-		-		-
	0	24.00%	-	6.82%	-
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

Part C

Other information

Assets allocated to coverage of technical reserves

Non-Life Business

	(€ million)
	31/12/2019
Technical Reserves (A)	1,547.5
Securities issued or secured by Governments	657.0
Bonds or other similar securities	316.0
Units of undertaking for collective investment	4.3
Shares traded in a regulated market	12.0
Shares not traded in a regulated market	112.4
Real Estate	325.5
Alternative investment funds (AIFMs)	70.7
Receivables	50.0
Bank accounts	0.0
Total Assets Allocated (B)	1,547.9
% of coverage (B/A)	100.0%

Life Business

	(€ million)
	31/12/2019
Mathematical and Other Technical Reserves	-
Reserve for payable amounts	-
Technical Reserves (A)	1,536.8
Securities issued or secured by Governments	958.6
Bonds or other similar securities	292.7
Units of undertaking for collective investment	67.2
Shares not traded in a regulated market	13.4
Real Estate	90.3
Alternative investment funds (AIFMs)	105.3
Receivables	9.0
Bank accounts	0.4
Total Assets Allocated (B)	1,537.0
% of coverage (B/A)	100.0%

	(€ million)
	31/12/2019
Technical Reserves when investment risk is borne by policyholders	91.4
Total Assets Allocated	91.4

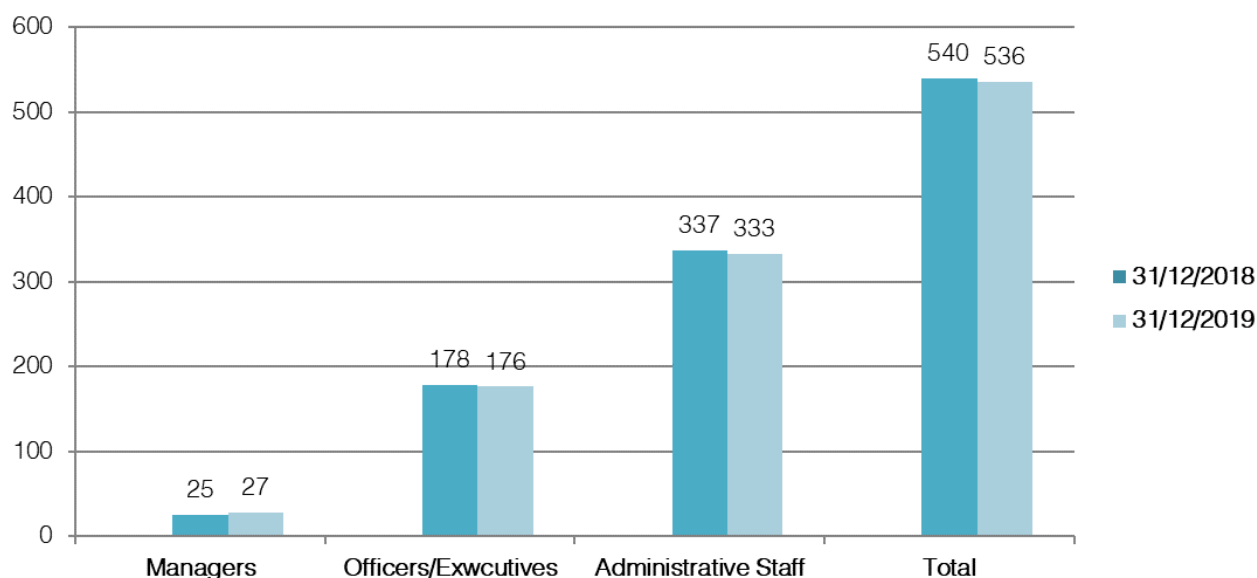
Finance expense allocated to balance sheet assets

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 2019 numbered 543 resources compared to 539 on the payroll as at 31 December 2018. 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 FY2018, 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	224	-
Independent audit services subsidiaries	157	-
Verifications for issue of attestations*	84	-
Other services**	175	-

* 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 2019 financial year amounted to 299 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	37	98,849		51,380	
Friuli Venezia Giulia	9	12,455		786	
Liguria	18	45,795		5,121	
Lombardy	111	228,183		75,556	
Piedmont	59	102,712		13,180	
Trentino Alto Adige	10	16,090		1,910	
Valle d'Aosta	1	5,086		274	
Veneto	43	87,413		13,702	
Total	288	596,583	48.9	161,909	64.8
CENTRE					
Abruzzo	13	59,519		7,986	
Lazio	29	107,437		11,813	
Marche	19	41,672		6,531	
Tuscany	53	133,034		14,273	
Umbria	15	61,269		15,103	
Total	129	402,931	33.0	55,706	22.3
SOUTH AND ISLANDS					
Basilicata	4	12,556		2,059	
Calabria	2	3,062		17	
Campania	13	51,094		2,557	
Molise	2	7,945		728	
Puglia	7	29,804		20,035	
Sardinia	13	46,181		2,665	
Sicily	13	70,568		4,088	
Total	54	221,210	18.1	32,149	12.9
Total ITALY	471	1,220,724	100.0	249,764	100.0
France	0	133	0.0	0	0.0
OVERALL TOTAL	471	1,220,857		249,764	

Real estate assets

Real estate assets are listed in the following table:

(€/000)								
AS AT 31 DECEMBER 2019								
	Historical value	Monetary revaluations	Fiscally-driven and voluntary revaluations	Law2-28/1/09 revaluations	Law 147-2014 revaluations	Accumulated depreciation and impairment losses at 21/12/2019	current year depreciation	Total
BUILDING HELD FOR INVESTMENT								
Operating buildings								
Milano - Via I. Gardella 2	99,092	0	0	0	8,301	(26,452)	(1,305)	80,941
Perugia - Via Pellas 44	151	11	0	189	0	(215)	(4)	135
Total Operating buildings	99,243	11	0	189	8,301	-26,667	-1,309	81,076
Buildings used by third parties								
Acqui - Piazza Matteotti 25	53	10	77	63	0	(44)	(5)	159
Alessandria - P.za Carducci 1	79	79	0	102	0	(84)	(5)	175
Asti - C.So Alfieri 130	50	57	0	264	0	(165)	(6)	206
Biella - Piazza V. Veneto 16	17	43	34	274	0	(210)	(4)	158
Brescia - Via Saffi 1	121	67	0	395	0	(242)	(10)	341
Busto Arsizio - Via C. Tosi 8	80	31	0	197	0	(143)	(5)	165
Como - V.Le Rosselli 13	116	22	77	549	0	(479)	(8)	285
Cremona - P.Za Roma 7	137	24	23	271	0	(225)	(7)	230
Cuneo - Piazza Europa 26	62	75	0	420	0	(281)	(8)	276
Ferrara - Via Don Minzoni 17	98	10	93	287	0	(163)	(9)	325
Gallarate - P.Za Risorgimento 10	34	7	44	98	0	(41)	(4)	143
Livorno - Via Grande 225	128	5	0	187	0	(179)	(4)	141
Lodi - C.So V. Emanuele I° 12	13	10	41	209	0	(134)	(4)	139
Milano - Via Ariosto 21	2,552	0	0	609	212	(654)	(76)	2,719
Milano - Via B. D'Alviano 2	22	46	62	532	0	(223)	(12)	439
Milano - Via V. Colonna 2	228	0	0	-193	21	(56)	0	0
Milano - Via Correggio 3	223	0	0	30	86	(77)	(8)	262
Milano - Palazzo A	49,143	0	0	0	0	(10,919)	(1,766)	38,224
Milano - Palazzo C	38,328	0	0	0	0	(9,275)	(1,511)	29,052
Milano - Area Commerciale	6,148	0	0	0	0	(842)	(157)	5,307
MILANO - VIA TERRAGGIO 21	772	0	0	0	0	(29)	(19)	743
Modena - Via Ganaceto 39	33	13	46	553	0	(337)	(8)	308
Parma - Via Longhi 1	87	42	62	439	0	(211)	(12)	419
Perugia - Via Pellas 44 - AG	122	7	0	126	0	(99)	(4)	156
Pistoia - Via S. Fedi 67	75	39	0	176	0	(139)	(4)	151
Pontedera - C.So Matteotti 108	61	41	0	205	0	(96)	(6)	211
Rovigo - C.So Del Popolo 4	63	24	0	121	0	(105)	(3)	103
Roma - Via Lima 4	7,276	0	0	0	0	(534)	(178)	6,742
Sondrio - Via C. Alessi 16	54	15	0	97	0	(76)	(3)	90
Terni - Via Beccaria 22	17	28	0	195	0	(111)	(3)	129
Trieste - Via Torrebianca 18	15	36	21	136	0	(41)	(5)	167
TORINO-CORSO FRANCIA 430	5,140	0	0	0	0	(359)	(125)	4,781
TORINO- VIA PASTEUR 6	2,933	0	0	0	0	(205)	(71)	2,728
Udine - Via Carducci 4	39	72	0	247	0	(175)	(5)	183
Varese - Via Mazzini 1	158	71	41	289	0	(221)	(9)	338
Vicenza - C.So Palladio 155	84	76	36	280	0	(101)	(11)	375
Total Buildings used by third parties	114,561	950	657	7,158	319	-27,276	-4,076	96,369
TOTAL	213,803	961	657	7,347	8,620	(53,943)	(5,384)	177,445

Statement of source and application of funds

(€/000)

	31/12/2019	31/12/2018
Net profit for the year	74,370	99,607
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	30,434	43,654
premium reserve	12,398	7,688
life business technical reserves	165,290	114,052
Increase (-) Decrease (+) in receivables from policyholders	-2,464	-4,016
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-20,225	-2,981
Net increase (-) decrease (+) in intangible assets	-6,711	5,145
Increase in specific provisions	728	2,435
Employees' leaving entitlement:		
accruals	2,602	2,535
utilisation	-2,886	-2,580
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-4,776	21,208
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	16,505	-16,158
Adjustments to securities	17,672	21,369
Adjustments to class D securities	-1,622	640
Cash flow from operating activities	281,314	292,598
Disposal of fixed assets	-	669
Subordinated loan	-	250,000
Sale of bonds and other fixed-interest securities	315,045	638,912
Sale of investments	174,511	35,226
Sale of unit trusts	25,411	31,421
Sale of class D	7,702	29,114
Repayment of loans and borrowings	310,680	4,688
Other financial disinvestments	-	2,000
Cash flow arising from disinvesting activities	833,349	992,030
Cash flow generated	1,114,663	1,284,628

Statement of source and application of funds

(€/000)

	31/12/2019	31/12/2018
Buildings	1,252	1,001
Fixed-interest securities	665,889	648,030
Investments	139,129	28,610
Unit trusts	130,386	153,991
Other financial investments	-	2,000
Class D investments	29,045	21,930
Loans to third parties	20,898	300,529
Previous year's dividend distributed	19,415	18,866
Total application of funds	1,006,014	1,174,957
Increase/decrease in liquid funds	108,649	109,671
TOTAL	1,114,663	1,284,628
Liquid funds at the beginning of the year	194,093	84,422
Liquid funds at the end of the year	6,721	194,093

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:

(€/000)

Position held	Period for which the position was hold	Remuneration	
		Period cost	Debt to the period
Directors	01.01 - 31.12.2019	3,429	144
Statutory auditors	01.01 - 31.12.2019	266	-
Total		3,695	144

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:

(€/000)

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	92,641	87,106	5,531	28,265	64,376	878	1,698	2,208

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 25 February 2019 show shareholders' equity of 42,453 thousand euro, including 12,434 thousand euro of net loss for the year.

Immobiliare Bilancia S.r.l.

Registered offices in Milan - Via Aldo Rossi 4; 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 25 February 2020 show shareholders' equity of 25,907 thousand euro, including the year's net loss of 600 thousand euro.

Immobiliare Bilancia Prima 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 trading business.

The draft financial statements reviewed by the Board of Directors on 25 February 2020 show shareholders' equity of 77,296 thousand euro, including the year's net loss of 228 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 25 February 2020 show shareholders' equity of 163,903 thousand euro, including the year's net profit of 5,231 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 25 February 2020 show shareholders' equity of 49,812 thousand euro, including the year's net loss 5,735 thousand euro.

Vittoria Properties S.r.l.

Registered offices Milan - Via Aldo Rossi 4; Share Capital Euro 100,000

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 25 February 2020 show shareholders' equity of 18,640 thousand euro, including the year's net loss of 527 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 25 February 2020 show shareholders' equity of 13,333 thousand euro, including the year's net loss of 407 thousand euro.

V.Z. Real Estate S.r.l.

Registered offices in Milan - Via Aldo Rossi 4; Share Capital Euro 100,000

Equity interest: 100%

Company operating in the real-estate development and trading business.

The draft financial statements reviewed by the Board of Directors on 25 February 2020 show shareholders' equity of 6,957 thousand euro, including the year's net loss of 118 thousand euro.

Valsalaria S.r.l.

Registered offices in Rome - Via Abruzzi 2/4; Share Capital Euro 30,600

Equity interest: 100%

Company operating in the real-estate development and trading business.

The draft financial statements reviewed by the Board of Directors on 25 February 2020 show shareholders' equity of 23 thousand euro, including the year's net loss of 12 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 22 March 2019 show shareholders' equity of 969 thousand euro, including the year's net profit of 87 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		Equity	Profit (loss) for the year	Ownership %	balance sheet	
	Office	Share Capital				value	
Vittoria Immobiliare S.p.A.	Milano	42,419	42,453	12,434	100	45,758	
Immobiliare Bilancia S.r.l.	Milano	6,650	25,907 -	600	100	27,562	
Immobiliare Bilancia Prima S.r.l.	Milano	3,000	77,296 -	228	100	76,661	
Vittoria Properties S.r.l.	Milano	8,000	18,640 -	527	100	19,666	
Interbilancia S.r.l.	Milano	80	1,203 -	85	100	138	
Vaimm Sviluppo S.r.l.	Milano	3,000	49,812 -	5,735	100	58,686	
Vittoria Hub S.r.l.	Milano	10	10	-	100	10	
Acacia 2000 S.r.l.	Milano	370	163,903	5,231	100	175,329	
V.R.G. Domus S.r.l.	Torino	800	13333	-407	100	15935	
VZ Real Estate S.r.l.	Torino	100	6957	118	100	6664	
Valsalaria S.r.l.	Roma	31	23	-12	100	178	

Associated Companies							(€/000)
Denomination	Registered		Equity	Profit (loss) for the year	Ownership %	balance sheet	
	Office	Share Capital				value	
Yarpa S.p.A.	Genova	30,000	46,980	2,598	29	8,856	
Touring Vacanze S.r.l.	Milano	12,900	15,110	211	46	6,814	
Touring Digital S.r.l.	Milano	800	1,289 -	460	45	90	

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., Immobiliare Bilancia Prima 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 VP Sviluppo 2015 S.r.l.;
- The Company terminated (due to the loss of control requirement) the option for said regime with former subsidiaries Gestimmobili S.r.l. and Interimmobili S.r.l.;
- The Company opted for said regime with the subsidiary VZ RE S.r.l.

With reference to the year 2019, 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., Immobiliare Bilancia S.r.l., Vaimm Sviluppo S.r.l. VP Sviluppo 2015 S.r.l. and Valsalaria S.r.l.

During the year, said option failed (due to the loss of control requirement) for the subsidiaries Gestimmobili S.r.l., Interimmobili S.r.l.

During 2009, the Company was subject to a tax inspection by the Italian Tax Authorities for the fiscal years 2004, 2005 and 2006, which resulted in ensued disputes related to IRES, IRAP and IVA.

Between 2009 and 2011, notices of higher tax assessments for all three years under inspection were served, and fines and interest were ascertained and requested for an overall amount of 101 thousand euro; as regards VAT, the higher tax rate, the fines and interest amount to 387 thousand euro.

The company has settled its tax obligations related to IRES and IRAP for all three years. As for VAT, it has appealed against the assessments for the three years.

The company obtained a favourable judgement in the first and second instance in relation to the three years (2004, 2005 and 2006), and appeals of the Tax Authorities with the Supreme Court of Cassation are pending. During 2019, it availed itself of the so-called "closure of pending litigation", thereby closing out the litigations, on the basis of the low lump-sum payment required in this case for the completion of this procedure.

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). The Company offset dedicated provisions for risks and charges for the coverage of risks arising from this assessment procedure and litigation, for a total amount, for both years under inspection, of 925 thousand euro.

Milan, 7 April 2020

The Board of Directors

Proforma Financial Statements FY2019

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 6,672,508</p> <p style="padding-left: 40px;">b) non-life businesses 4 0 5 6,672,508</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 7,508,790</p> <p>C. INVESTMENTS</p> <p style="padding-left: 20px;">I - Land and buildings</p> <p style="padding-left: 40px;">1. Operating buildings 11 81,076,421</p> <p style="padding-left: 40px;">2. Buildings used by third parties 12 96,368,814</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 0 16 177,445,234</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: 80px;">a) parent companies 17 0</p> <p style="padding-left: 80px;">b) subsidiaries 18 417,713,991</p> <p style="padding-left: 80px;">c) related companies 19 0</p> <p style="padding-left: 80px;">d) associated companies 20 15,760,174</p> <p style="padding-left: 80px;">e) other companies 21 29,722,140 22 463,196,305</p> <p style="padding-left: 40px;">2. Bonds issued by:</p> <p style="padding-left: 80px;">a) parent companies 23 0</p> <p style="padding-left: 80px;">b) subsidiaries 24 0</p> <p style="padding-left: 80px;">c) related companies 25 0</p> <p style="padding-left: 80px;">d) associated companies 26 0</p> <p style="padding-left: 80px;">e) other companies 27 0 28 0</p> <p style="padding-left: 40px;">3. Loans to:</p> <p style="padding-left: 80px;">a) parent companies 29 0</p> <p style="padding-left: 80px;">b) subsidiaries 30 10,600,000</p> <p style="padding-left: 80px;">c) related companies 31 0</p> <p style="padding-left: 80px;">d) associated companies 32 590,000</p> <p style="padding-left: 80px;">e) other companies 33 0 34 11,190,000 35 474,386,305</p> <p style="text-align: right; padding-right: 20px;">to carry forward</p>	<p>1 0</p> <p>10 14,181,297</p> <p>14,181,297</p>
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Previous year

			181	0	
	182	0			
183	6,224,421				
184	0	185	6,224,421		
	186	0			
	187	0			
	188	0			
	189	1,246,075	190	7,470,496	
	191	81,883,937			
	192	99,693,811			
	193	0			
	194	0			
	195	0	196	181,577,748	
197	0				
198	464,225,486				
199	0				
200	15,980,452				
201	29,523,924	202	509,729,862		
203	0				
204	0				
205	0				
206	0				
207	0	208	0		
209	0				
210	10,000,000				
211	0				
212	590,000				
213	0	214	10,590,000	215	520,319,862
		to carry forward			7,470,496

BALANCE SHEET

ASSETS

		Current year	
		brought forward	14,181,297
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	614,751,526
3. Bonds and other fixed-interest securities			
a) listed	41	2,326,160,837	
b) unlisted	42	994,232	
c) convertible bonds	43	0	44
			2,327,155,069
4. Loans			
a) secured loans	45	12,668,081	
b) loans on policies	46	387,957	
c) other loans	47	2,829,520	48
			15,885,558
5. Shares in investment pools		49	0
6. Deposits with banks		50	3,000,000
7. Other financial investments		51	0
			52
			2,960,792,153
IV - Deposits with ceding companies		53	0
			54
			3,612,623,692
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I - Investments relating to index-linked policies			
		55	65,581,522
II - Investments relating to pension fund management			
		56	25,784,255
			57
			91,365,777
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
I - NON-LIFE BUSINESSES			
1. Premium reserve	58	11,831,932	
2. Claims reserve	59	61,390,327	
3. Profit participation and reimbursement reserve	60	0	
4. Other technical reserves	61	0	62
			73,222,259
II - LIFE BUSINESSES			
1. Mathematical reserves	63	2,977,226	
2. Complementary insurance premium reserve	64	0	
3. Reserve for payable amounts	65	1,705,471	
4. Profit participation and reimbursement reserve	66	0	
5. Other technical reserves	67	42,491	
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	0	69
			4,725,187
			70
			77,947,446
		to carry forward	3,796,118,212

Previous year

	brought forward		7,470,496
216	0		
217	0		
218	0	219	0
		220	510,390,215
221	1,976,175,538		
222	657,056		
223	0	224	1,976,832,594
225	2,251,604		
226	512,399		
227	3,503,431	228	6,267,434
		229	0
		230	3,378,728
		231	0
		232	2,496,868,971
		233	0
		234	3,198,766,580
		235	44,602,839
		236	23,798,568
		237	68,401,407
		238	13,272,406
		239	42,645,884
		240	0
		241	0
		242	55,918,290
		243	2,602,959
		244	0
		245	1,879,455
		246	0
		247	34,544
		248	0
		249	4,516,959
		250	60,435,249
	to carry forward		3,335,073,732

BALANCE SHEET

ASSETS

		Current year	
		brought forward	3,796,118,212
E. RECEIVABLES			
I - Receivables relating to direct insurance due from:			
1. Policyholders			
a) premiums for the year	71	62,610,118	
b) premiums for previous years	72	1,191,509	73
			63,801,627
2. Insurance brokers and agents			
			74
			103,398,133
3. Current account companies			
			75
			12,850,708
4. Amounts to be recovered from policyholders and third parties			
			76
			30,691,464
			77
			210,741,933
II - Receivables relating to reinsurance due from:			
1. Insurance and reinsurance companies			
			78
			10,612,812
2. Reinsurance brokers and agents			
			79
			0
			80
			10,612,812
III. - Other receivables			
			81
			68,857,163
			82
			290,211,908
F. OTHER ASSETS			
I - Tangible assets and inventory:			
1. Office furniture and machines and internal transport systems			
			83
			4,719,259
2. Registered chattel property			
			84
			252,588
3. Plant and equipment			
			85
			1,021,022
4. Inventory and other assets			
			86
			11,029
			87
			6,003,899
II - Liquid funds			
1. Bank and postal accounts			
			88
			6,717,692
2. Cheques on hand and cash-in-hand			
			89
			3,472
			90
			6,721,164
III - Own shares or quotas			
			91
			0
IV - Other assets			
1. Suspense reinsurance accounts			
			92
			0
2. Sundry assets			
			93
			63,942,775
			94
			63,942,775
			95
			76,667,837
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest			
			96
			26,271,397
2. Rent instalments			
			97
			639,159
3. Other prepayments and accrued income			
			98
			8,175,076
			99
			35,085,631
TOTAL ASSETS			100
			4,198,083,589

Previous year

	brought forward		3,335,073,731
251	60,432,137		
252	905,824	253	61,337,961
		254	95,988,324
		255	6,831,102
		256	26,059,402
		257	190,216,790
		258	1,777,909
		259	0
		260	1,777,909
		261	62,751,772
		262	254,746,471
		263	4,873,040
		264	118,498
		265	864,858
		266	147,669
		267	6,004,065
		268	202,127,293
		269	13,599
		270	202,140,892
		271	0
		272	0
		273	69,938,203
		274	69,938,203
		275	278,083,159
		276	23,973,091
		277	0
		278	10,754,603
		279	34,727,694
		280	3,902,631,055

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	12,938,289	
V	- Statutory reserves	105	0	
VI	- Reserve for own shares	106	0	
VII	- Other reserves	107	382,905,413	
VIII	- Retained earnings or losses carried forward	108	0	
IX	- Net profit (loss) for the year	109	74,369,775	
X	- Negative reserve for own shares	401	0	110 569,204,072
B. SUBORDINATED LIABILITIES				111 250,000,000
C. TECHNICAL RESERVES				
I - NON-LIFE BUSINESSES				
1.	Premium reserve	112	421,743,704	
2.	Claims reserve	113	1,242,862,941	
3.	Profit participation and reimbursement reserve	114	0	
4.	Other technical reserves	115	408,603	
5.	Equalisation reserves	116	8,244,307	117 1,673,259,555
II - LIFE BUSINESSES				
1.	Mathematical reserves	118	1,413,998,710	
2.	Complementary insurance premium reserve	119	56,717	
3.	Reserve for payable amounts	120	20,132,264	
4.	Profit participation and reimbursement reserve	121	0	
5.	Other technical reserves	122	6,191,631	123 1,440,379,322 124 3,113,638,877
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	65,581,522	
II	- Reserves arising from pension fund management	126	25,784,255	127 91,365,777
	to carry forward			4,024,208,726

Previous year

	281	67,378,924	
	282	12,464,698	
	283	18,192,709	
	284	12,848,486	
	285	0	
	286	0	
	287	309,345,977	
	288	0	
	289	94,018,741	
	501	0	290 514,249,536
			291 250,000,000
292		411,467,330	
293		1,193,321,441	
294		0	
295		408,603	
296	297	7,563,216	1,612,760,589
298		1,271,593,482	
299		60,684	
300		20,496,248	
301		0	
302	303	6,059,989	1,298,210,404
			304 2,910,970,993
	305	44,602,839	
	306	23,798,568	307 68,401,407
to carry forward			3,743,621,936

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
	brought forward		4,024,208,726
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1	Pension and similar provisions	128	0
2	Provision for taxation	129	2,979,690
3	Other provisions	130	23,825,402
		131	26,805,092
F. DEPOSITS FROM REINSURERS			
			132
			6,190,419
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1	Insurance brokers and agents	133	6,316,612
2	Current account companies	134	2,203,785
3	Guarantee deposits and premiums paid by policyholders	135	1,539,588
4	Guarantee funds in favour of policyholders	136	1,323,263
		137	11,383,249
II - Payables arising from reinsurance business due to:			
1	Insurance and reinsurance companies	138	11,184,990
2	Reinsurance brokers and agents	139	0
		140	11,184,990
III - Bond issues			
		141	0
IV - Due to banks and other financial institutions			
		142	7,118,531
V - Secured debts			
		143	0
VI - Sundry loans and other financial payables			
		144	0
VII - Employees' leaving entitlement			
		145	2,545,956
VIII - Other sums payable			
1	Policyholders' tax due	146	25,920,751
2	Other sums payable to taxation authorities	147	13,078,221
3	Social security charges payable	148	3,720,588
4	Sundry payables	149	26,713,278
		150	69,432,838
IX - Other liabilities			
1	Suspense reinsurance accounts	151	0
2	Commissions on premiums under collection	152	15,421,613
3	Other liabilities	153	16,965,793
		154	32,387,407
		155	134,052,970
	to carry forward		4,191,257,207
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	13,025
		159	6,826,381
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			4,198,083,589

Previous year

	brought forward			3,743,621,936
		308	0	
		309	9,475,035	
		310	20,018,018	311 29,493,053
				312 6,339,560
	313	6,398,770		
	314	3,049,798		
	315	1,337,882		
	316	1,613,777	317 12,400,228	
	318	8,067,191		
	319	0	320 8,067,191	
		321	0	
		322	0	
		323	0	
		324	0	
		325	2,830,266	
	326	24,206,435		
	327	5,400,050		
	328	2,955,083		
	329	29,925,515	330 62,487,083	
	331	0		
	332	14,441,499		
	333	16,108,386	334 30,549,885	335 116,334,652
	to carry forward			3,895,789,200
		336	6,813,356	
		337	0	
		338	28,498	339 6,841,854
				340 3,902,631,054

PROFIT AND LOSS ACCOUNT

		Current year
I. NON-LIFE BUSINESS TECHNICAL ACCOUNT		
1	PREMIUMS, NET OF OUTWARDS REINSURANCE	
	a) gross premiums accounted for	1 1,220,946,268
	b) (-) outwards reinsurance premiums	2 57,108,895
	c) Change in gross premium reserve	3 10,276,374
	d) Change in reinsurer premium reserve	4 -1,440,474
		5 1,152,120,525
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)	6
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE	7 7,280,182
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE	
	a) Amounts paid	
	aa) Gross amount paid	8 785,372,618
	bb) (-) reinsurers' share	9 47,136,743
		10 738,235,875
	b) Change in recoveries, net of reinsurers' share	
	aa) Gross amount recovered	11 20,004,956
	bb) (-) reinsurers' share	12 455,377
		13 19,549,580
	c) Change in claims reserve	
	aa) Gross amount	14 49,534,926
	bb) (-) reinsurers' share	15 18,738,197
		16 30,796,729
		17 749,483,024
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	20 187,053,365
	b) Other acquisition costs	21 48,771,405
	c) Change in commissions and other acquisition costs to be amortised	22
	d) Premium collection commissions	23 10,673,983
	e) Other administrative costs	24 41,562,377
	f) (-) Profit participation and other commissions received by reinsurers	25 7,429,168
		26 280,631,962
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	27 9,070,262
9	CHANGE IN EQUALISATION RESERVES	28 681,091
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)	29 119,534,367

Previous year

		111	1,195,907,293			
		112	45,872,106			
		113	6,917,086			
		114	-130,608	115	1,142,987,493	
				116	6,199,438	
				117	6,427,954	
	118	775,034,558				
	119	33,881,697	120	741,152,862		
	121	15,551,905				
	122	-504,827	123	16,056,732		
	124	45,588,509				
	125	-1,911,731	126	47,500,240	127	772,596,369
				128		
				129		
		130	181,159,844			
		131	47,771,089			
		132				
		133	10,808,323			
		134	40,186,356			
		135	6,408,544	136	273,517,069	
				137	10,873,517	
				138	641,283	
				139	97,986,647	

PROFIT AND LOSS ACCOUNT

Current year

				Current year	
II. LIFE BUSINESS TECHNICAL ACCOUNT					
1	PREMIUMS, NET OF OUTWARDS REINSURANCE:				
	a) Gross premiums accounted for	30	249,763,824		
	b) (-) outwards reinsurance premiums	31	1,379,816	32	248,384,008
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	2,744,369		
	bb) other investments	36	52,284,222	37	55,028,590
	(of which: from group companies	38)		
	c) Adjustments to investment values	39			
	d) Profit on sale of investments	40	3,220		
	(of which: from group companies	41	)	42	55,106,810
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT			43	10,495,332
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			44	1,226,103
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:				
	a) Amounts paid				
	aa) Gross amount paid	45	111,161,284		
	bb) (-) reinsurers' share	46	307,164	47	110,854,120
	b) Change in reserve for amounts payable				
	aa) Gross amount	48	-363,984		
	bb) (-) reinsurers' share	49	-173,985	50	-190,000
				51	110,664,121
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE				
	a) Mathematical reserves:				
	aa) Gross amount	52	141,059,353		
	bb) (-) reinsurers' share	53	374,267	54	140,685,086
	b) Complementary insurance premium reserve:				
	aa) Gross amount	55	-3,967		
	bb) (-) reinsurers' share	56		57	-3,967
	c) Other technical reserves				
	aa) Gross amount	58	131,641		
	bb) (-) reinsurers' share	59	7,946	60	123,695
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management				
	aa) Gross amount	61	22,964,370		
	bb) (-) reinsurers' share	62		63	22,964,370
				64	163,769,185

Previous year

	140	228,253,097		
	141	1,324,887	142	226,928,210
	143			
(of which: from group companies	144)		
	145	2,737,021		
	146	47,872,766	147	50,609,787
(of which: from group companies	148)		
	149			
	150			
(of which: from group companies	151	)	152	50,609,787
			153	1,885,161
			154	1,040,101
	155	126,078,110		
	156	1,599,585	157	124,478,525
	158	-3,845,958		
	159	-1,157,169	160	-2,688,790
			161	121,789,735
	162	119,055,497		
	163	352,928	164	118,702,569
	165	-6,500		
	166		167	-6,500
	168	138,503		
	169	3,754	170	134,749
	171	-7,823,850		
	172		173	-7,823,850
			174	111,006,968

PROFIT AND LOSS ACCOUNT

		Current year
7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE	65
8	OPERATING COSTS:	
	a) Acquisition commissions	66 7,173,040
	b) Other acquisition costs	67 4,686,793
	c) Change in commissions and other acquisition costs to be amortised	68 448,087
	d) Premium collection commissions	69 728,358
	e) Other administrative costs	70 3,151,693
	f) (-) Profit participation and other commissions received by reinsurers	71 239,730
		72 15,052,068
9	CAPITAL AND FINANCIAL CHARGES:	
	a) Investment management charges and interest payable	73 11,405,982
	b) Adjustments to investment values	74 2,572,252
	c) Loss on sale of investments	75 789,134
		76 14,767,368
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 2,128,597
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	78 153,676
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)	79 2,944,779
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)	80 5,732,459
III. NON-TECHNICAL ACCOUNT		
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I.10)	81 119,534,367
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II.13)	82 5,732,459
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:	
	a) Income on equity investments	83 3,806,869
	(of which: from group companies	84 3,806,869)
	b) Income on other investments:	
	aa) land and buildings	85 3,382,735
	bb) other investments	86 30,603,075
	(of which: from group companies	87 33,985,811
	88 189,259)	
	c) Adjustments to investment values	89 213,060
	d) Profit on sale of investments	90 24,599
	(of which: from group companies	91)
		92 38,030,339

Previous year

		175	-63,488
		
	176	5,890,243	
	177	4,479,471	
		
	178	-11,658	
	179	710,799	
	180	5,191,550	
	181	238,110	182
	.....		16,045,610
	183	10,773,147	
	184	3,271,399	
	185	96,233	186
	.....		14,140,779
		187	6,731,098
		
		188	291,255
		
		189	2,817,960
		
		190	7,703,342
		
		191	97,986,647
		
		192	7,703,342
		
	193	16,340,616	
(of which: from group companies	194	16,340,616)	
		
	195	3,240,891	
	196	27,732,025	197
	.....		30,972,915
(of which: from group companies	198	556,647)	
		
	199		
	200	243,425	
		
(of which: from group companies	201		202
	.....		47,556,956

PROFIT AND LOSS ACCOUNT

		Current year
4	(+) INCOME ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (caption II) 12)	93 2,944,779
5	CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:	
	a) Investment management charges and interest payable	94 22,449,648
	b) Adjustments to investment values	95 15,312,074
	c) Loss on sale of investments	96 378,057
6	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)	98
7	OTHER INCOME	99 4,284,038
8	OTHER CHARGES	100 26,303,329
9	RESULT OF ORDINARY BUSINESS	101 106,082,875
10	EXTRAORDINARY INCOME	102 7,057,024
11	EXTRAORDINARY EXPENSE	103 839,528
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS	104 6,217,496
13	PROFIT (LOSS) BEFORE TAXATION	105 112,300,370
14	TAXATION ON PROFIT FOR THE YEAR	106 37,930,595
15	NET PROFIT (LOSS) FOR THE YEAR	107 74,369,775

Previous year

		203	2,817,960
204	19,817,341		
205	18,096,679		
206	234,881	207	38,148,902
		208	6,199,438
		209	4,172,205
		210	31,615,117
		211	84,273,654
		212	40,755,214
		213	2,161,012
		214	38,594,202
		215	122,867,856
		216	28,849,115
		217	94,018,741

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Previous year

			181
182			
184			
186			
187			
188			
189	1,246		190 1,246
191	63,001		
192	64,079		
193			
194			
195		196 127,080	
197			
198	416,577		
199			
200	15,980		
201	27,024	202 459,581	
203			
204			
205			
206			
207		208	
209	300,000		
210	10,000		
211			
212	590		
213		214 310,590	215 770,171
	to carry forward		1,246

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current year	
		brought forward			6,771
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	346,185	
	3. Bonds and other fixed-interest securities				
	a) listed	41	1,179,163		
	b) unlisted	42	667		
	c) convertible bonds	43	44	1,179,830	
	4. Loans				
	a) secured loans	45	12,668		
	b) loans on policies	46			
	c) other loans	47	2,830	48	15,498
	5. Shares in investment pools		49		
	6. Deposits with banks		50	1,000	
	7. Other financial investments		51	52	1,542,513
IV	- Deposits with ceding companies		53	54	2,108,821
D bis.	REINSURERS' SHARE OF TECHNICAL RESERVES				
	I - NON-LIFE BUSINESSES				
	1. Premium reserve		58	11,832	
	2. Claims reserve		59	61,390	
	3. Profit participation and reimbursement reserve		60		
	4. Other technical reserves		61	62	73,222
		to carry forward			2,188,814

Previous year

	brought forward		1,246
216			
217			
218	219		
	220	275,666	
221	998,930		
222	114		
223	224	999,044	
225	2,252		
226			
227	3,503	228	5,755
		229	
		230	1,000
		231	
		232	1,281,465
		233	
		234	2,178,716
		238	13,272
		239	42,646
		240	
		241	
		242	55,918
	to carry forward		2,235,880

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

Current year

		brought forward	Current year		2,188,814	
E. RECEIVABLES						
I	- Receivables relating to direct insurance due from:					
	1. Policyholders					
a)	premiums for the year	71	57,478			
b)	premiums for previous years	72	1,141			
	2. Insurance brokers and agents	73	58,619			
	3. Current account companies	74	91,989			
	4. Amounts to be recovered from policyholders and third parties	75	12,851			
		76	30,691	77	194,150	
II	- Receivables relating to reinsurance due from:					
	1. Insurance and reinsurance companies	78	10,606			
	2. Reinsurance brokers and agents	79		80	10,606	
III	- Other receivables			81	53,438	
				82	258,194	
F. OTHER ASSETS						
I	- Tangible assets and inventory:					
	1. Office furniture and machines and internal transport systems	83	4,597			
	2. Registered chattel property	84	253			
	3. Plant and machinery	85	1,004			
	4. Inventory and other assets	86	11	87	5,865	
II	- Liquid funds					
	1. Bank and postal accounts	88	2,952			
	2. Cheques on hand and cash-in-hand	89	3	90	2,955	
III	- Own shares or quotas			91		
IV	- Other assets					
	1. Suspense reinsurance accounts	92	61,510			
	2. Sundry assets	93		94	61,510	
	of which: giro account with life business	901			70,330	
G. PREPAYMENTS AND ACCRUED INCOME						
	1. Interest			96	12,426	
	2. Rent instalments			97	639	
	3. Other prepayments and accrued income			98	7,935	
				99	21,000	
TOTAL ASSETS					100	2,538,338

Previous year

	brought forward			2,235,880
251	55,323			
252	906	253	56,229	
		254	82,177	
		255	6,831	
		256	26,059	257
				171,296
		258	427	
		259		260
				427
				261
				49,202
				262
				220,925
263	4,648			
264	118			
265	843			
266	148	267	5,757	
268	153,971			
269	14	270	153,985	
		271		
272	67,816			
273		274	67,816	275
903				227,558
		276	11,724	
		277		
		278	10,194	279
				21,918
				280
				2,706,281

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	327,544
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit/(loss) for the year	109	67,123
X	- Negative reserve for own shares	401	
		110	458,561
B. SUBORDINATED LIABILITIES			111 250,000
C. TECHNICAL RESERVES			
I	- NON-LIFE BUSINESSES		
	1. Premium reserve	112	421,744
	2. Claims reserve	113	1,242,863
	3. Profit participation and reimbursement reserve	114	
	4. Other technical reserves	115	409
	5. Equalisation reserves	116	8,244
		117	1,673,260
to carry forward			2,381,821

Previous year

	281	39,427	
	282	19,032	
	283	16,582	
	284	7,885	
	285		
	286		
	287	525,233	
	288		
	289	97,810	
	501		290 705,969
			291 250,000
292	411,467		
293	1,193,321		
294			
295	409		
296	7,563		297 1,612,760
to carry forward			2,568,729

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year			
		brought forward		2,381,821	
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES					
1.	Pension and similar provisions	128			
2.	Provision for taxation	129		2,818	
3.	Other provisions	130		20,991	
				131	
				23,809	
F. DEPOSITS FROM REINSURERS					
				132	
				3,171	
G. PAYABLES AND OTHER LIABILITIES					
I - Payables arising from direct insurance business due to:					
1.	Insurance brokers and agents	133		5,586	
2.	Current account companies	134		2,129	
3.	Guarantee deposits and premiums paid by policyholders	135		878	
4.	Guarantee funds in favour of policyholders	136		1,323	
				137	
				9,916	
II - Payables arising from reinsurance business due to:					
1.	Insurance and reinsurance companies	138		11,080	
2.	Reinsurance brokers and agents	139		140	
				11,080	
III - Bond issues					
				141	
IV - Due to banks and other financial institutions					
				142	
				7,119	
V - Secured debts					
				143	
VI - Sundry loans and other financial payables					
				144	
VII - Employees' leaving entitlement					
				145	
				2,397	
VIII - Other sums payable					
1.	Policyholders' tax due	146		25,473	
2.	Other sums payable to taxation authorities	147		8,205	
3.	Social security charges payable	148		3,559	
4.	Sundry payables	149		25,125	
				150	
				62,362	
IX - Other liabilities					
1.	Suspense reinsurance accounts	151			
2.	Commissions on premiums under collection	152		14,884	
3.	Other liabilities	153		14,953	
				154	
				29,837	
of which: giro account with life business				902	
H. ACCRUED EXPENSES AND DEFERRED INCOME					
1.	Interest	156		6,813	
2.	Rent instalments	157			
3.	Other accrued expenses and deferred income	158		13	
				159	
				6,826	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				160	
				2,538,338	

Previous year

brought forward			2,568,729
		308	
		309	5,816
		310	17,171
		311	22,987
			312
			3,702
313	4,850		
314	2,975		
315	734		
316	1,614	317	10,173
318	8,062		
319		320	8,062
		321	
		322	
		323	
		324	
		325	2,618
326	23,936		
327	2,018		
328	2,690		
329	26,808	330	55,452
331			
332	13,848		
333	13,869	334	27,717
904			
		336	6,813
		337	
		338	28
		339	6,841
		340	2,706,281

Previous year			
			181
182			
183	6,224		
186			
187			
188			
189			190 6,224
191	18,883		
192	35,615		
193			
194			
195		196 54,498	
197			
198	47,648		
199			
200			
201	2,500	202 50,148	
203			
204			
205			
206			
207		208	
209			
210			
211			
212			
213		214 215 50,148	
	to carry forward		6,224

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year	
		brought forward	
			7,410
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	268,566
	3. Bonds and other fixed-interest securities:		
	a) listed	41	1,146,998
	b) unlisted	42	327
	c) convertible bonds	43	44
	4. Loans		
	a) secured loans	45	
	b) loans on policies	46	388
	c) other loans	47	48
	5. Shares in investment pools		49
	6. Deposits with banks		50
	7. Other financial investments		51
			52
			1,418,279
IV	- Deposits with ceding companies		53
			54
			1,503,802
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I	- Investments relating to index-linked policies		55
			65,582
II	- Investments relating to pension fund management		56
			25,784
			57
			91,366
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	63	2,977
	2. Complementary insurance premium reserve	64	
	3. Reserve for amounts payable	65	1,705
	4. Profit participation and reimbursement reserve	66	
	5. Other technical reserves	67	42
	6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	69
			4,724
			1,607,302
		to carry forward	

Valori dell'esercizio precedente

	brought forward		6,224
216			
217			
218	219		
	220	234,724	
221	977,245		
222	543		
223	224	977,788	
225			
226	512		
227	228	512	
	229		
	230	2,000	
	231	232	1,215,024
		233	234
			1,319,670
		235	44,603
		236	23,799
		237	68,402
	243	2,603	
	244		
	245	1,879	
	246		
	247	35	
	248	249	4,517
	to carry forward		1,398,813

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year			
		brought forward		1,607,302	
E. RECEIVABLES					
I	- Receivables relating to direct insurance due from:				
	1. Policyholders				
	a) premiums for the year	71	5,132		
	b) premiums for previous years	72	51	73	5,183
	2. Insurance brokers and agents			74	11,409
	3. Current account companies			75	
	4. Amounts to be recovered from policyholders and third parties	76		77	16,592
II	- Receivables relating to reinsurance due from:				
	1. Insurance and reinsurance companies	78	7		
	2. Reinsurance brokers and agents	79		80	7
III	- Other receivables			81	15,419
F. OTHER ASSETS					
I	- Tangible assets and inventory:				
	1. Office furniture and machines and internal transport systems	83	123		
	2. Registered chattel property	84			
	3. Plant and machinery	85		17	
	4. Inventory and other assets	86		87	140
II	- Liquid funds				
	1. Bank and postal accounts	88	3,766		
	2. Cheques on hand and cash-in-hand	89		90	3,766
III	- Own shares or quotas			91	
IV	- OTHER ASSETS				
	1. Suspense reinsurance accounts	92	2,432		
	2. Sundry assets	93		94	2,432
	of which: giro account with non-life business	901		95	6,338
G. PREPAYMENTS AND ACCRUED INCOME					
	1. Interest			96	13,846
	2. Rent instalments			97	
	3. Other prepayments and accrued income			98	243
				99	14,089
TOTAL ASSETS				100	1,659,747

Previous year		brought forward		
				1,398,813
251	5,109			
252		253	5,109	
		254	13,811	
		255		
		256		257 18,920
		258	1,351	
		259		260 1,351
				261 13,873 262 34,144
		263	225	
		264		
		265	22	
		266		267 247
		268	40,108	
		269		270 40,108
				271
		272	2,122	
		273		274 2,120 275 42,477
		903		
				276 12,249
				277
				278 560 279 12,809
				280 1,488,249

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	5,053
V	- Statutory reserves	105	
VI	- Reserve for own shares	106	
VII	- Other reserves	107	55,361
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit (loss) for the year	109	7,247
X	- Negative reserve for own shares	401	110
			110,643
B. SUBORDINATED LIABILITIES			
			111
C. TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	118	1,413,999
	2. Complementary insurance premium reserve	119	57
	3. Reserve for amounts payable	120	20,132
	4. Profit participation and reimbursement reserve	121	
	5. Other technical reserves	122	6,192
			123
			1,440,380
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	65,582
II	- Reserves arising from pension fund management	126	25,784
		127	91,366
to carry forward			1,642,389

Previous year

	281	27,952	
	282	14,323	
	283	1,611	
	284	4,963	
	285		
	286		
	287	53,655	
	288		
	289	1,798	
	501		290 104,302
			291
298	1,271,593		
299	61		
300	20,496		
301			
302	6,060		303 1,298,210
	305	44,603	
	306	23,799	307 68,402
to carry forward			1,470,914

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

	Current year	
	brought forward	
		1,642,389
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES		
1. Pension and similar provisions	128	
2. Provision for taxation	129	162
3. Other provisions	130	2,835
		131 2,997
F. DEPOSITS FROM REINSURERS		132 3,020
G. PAYABLES AND OTHER LIABILITIES		
I - Payables arising from direct insurance business due to:		
1. Insurance brokers and agents	133 730	
2. Current account companies	134 75	
3. Guarantee deposits and premiums paid by policyholders	135 662	
4. Guarantee funds in favour of policyholders	136	137 1,467
II - Payables arising from reinsurance business due to:		
1. Insurance and reinsurance companies	138 105	
2. Reinsurance brokers and agents	139	140 105
III - Bond issues		141
IV - Due to banks and other financial institutions		142
V - Secured debts		143
VI - Sundry loans and other financial payables		144
VII - Employees' leaving entitlement		145 149
VIII - Other sums payable		
1. Policyholders' tax due	146 448	
2. Other sums payable to taxation authorities	147 4,873	
3. Social security charges payable	148 161	
4. Sundry payables	149 1,588	150 7,070
IX - Other liabilities		
1. Suspense reinsurance accounts	151	
2. Commissions on premiums under collection	152 538	
3. Other liabilities	153 2,012	154 2,550
of which: giro account with non-life business	902	155 11,341
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 1,659,747

Previous year

brought forward		1,470,914
	308	
	309	243
	310	2,847
	311	3,090
	312	2,638
313	1,549	
314	75	
315	604	
316	317	2,228
318	5	
319	320	5
	321	
	322	
	323	
	324	
	325	213
326	271	
327	3,378	
328	261	
329	2,739	330
		6,649
331		
332	593	
333	1,919	334
		2,512
904		335
		11,607
	336	
	337	
	338	339
		340
		1,488,249

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2019

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	119,534 ²¹	5,734	125,268
Income on investments	+ 2	38,030		38,030
Capital and financial charges	- 3	38,140		38,140
Income on investments transferred from the life business technical account	+ 4		2,945	2,945
Income on investments transferred to the non-life business technical account	- 5			
Operating result	6	119,425 ²⁶	8,679	128,104
Other income	+ 7	3,214 ²⁷	1,070	4,284
Other expense	- 8	25,942 ²⁸	361	26,303
Extraordinary income	+ 9	5,586 ²⁹	1,471	7,057
Extraordinary expense	- 10	769 ³⁰	70	839
Profit (loss) before taxation	11	101,512 ³¹	10,789	112,301
Taxation on profit for the year	- 12	34,389 ³²	3,542	37,931
Net profit (loss) for the year	13	67,123 ³³	7,247	74,370

Year 2019

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	+	1 131,361	31 224,699
Increase of the year	+	2 9,069	32 1,252
for: acquisitions or increases		3 9,069	33 1,252
write-backs		4	34
revaluations		5	35
other variations		6	36
Decrease of the year	-	7 101	37
for: sales or decreases		8 101	38
permanent write-downs		9	39
other variations		10	40
Gross closing book value (a)		11 140,329	41 225,951
Amortisation and depreciation:			
Opening book value	+	12 123,891	42 43,121
Increase of the year	+	13 2,257	43 5,384
for: amortisation/depreciation charge of the year		14 2,257	44 5,384
other variations		15	45
Decrease of the year	-	16	46
for: disposals		17	47
other variations		18	48
Closing book value (b) (*)		19 126,148	49 48,505
Book value (a - b)		20 14,181	50 177,446
Current value			51 238,290
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 2019

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	+	1 509,730	21	41 310,590
Increase of the year	+	2 139,129	22	42 9,600
for: acquisitions, subscriptions or lending		3 75,366	23	43 9,600
write-backs		4	24	44
revaluations		5		
other variations		6 63,763	26	46
Decrease of the year:	-	7 185,663	27	47 309,000
for: sales or repayments.....		8 227	28	48 309,000
write-downs		9 11,152	29	49
other variations		10 174,284	30	50
Book value		11 463,196	31	51 11,190
Current value		12 508,363	32	52
Total revaluations		13		
Total write-downs.....		14 11,152	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. - 26-28 Rives de Clausen - L-2165 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.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
17	d	NQ	4	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	b	NQ	4	VP SVILUPPO 2015 S.r.l. unipersonale - Via Ignazio Gardella n.2 - 20149 Milano	242
27	d	NQ	9	TOURING DIGITAL S.r.l. - Corso Italia n.10 - 20122 Milano	242
28	e	NQ	7	CONSORZIO SERVIZI ASSICURATIVI - Via Don Carlo Gnocchi 37/b - 20148 Milano	242
29	b	NQ	2	INTERIMMOBILI S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
30	e	NQ	2	CONSULTINVEST S.p.A. - Piazza Grande n.33 - 41121 Modena	242
31	e	NQ	3	BCC CARATE BRIANZA - Via Cusani 6 - 20841 Carate Br	242
32	e	NQ	3	BANCA POPOLARE PUGLIESE Soc.Coop. per Azioni - via Provinciale Matino, 5 - 73052 Parabita	242
33	e	NQ	2	CAMFIN INDUSTRIAL S.p.A. - Viale Sarca n.222 - 20126 Milano	242
34	b	NQ	4	VALSALARIA S.r.l. - Via Abruzzi 2/4 - 00187 Roma	242
35	b	NQ	4	V.R.G. DOMUS S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
36	b	NQ	4	V.Z. Real Estate S.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
37	e	NQ	2	MERCURE HOLDING SCA - avenue Emile Reuter 24 - L-2420 Lussemburgo	242
38	b	NQ	9	VITTORIA HUB S.r.l. - Via Ignazio Gardella 6 - 20149 Milano	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)	Direct %	Indirect %	Total %
42,419	261,818	42,453	12,434	25.09		25.09
42,419	261,818	42,453	12,434	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
6,670	1,292,608,915			0.29		0.29
2,051	79,416			0.13		0.13
530	1,039,000			0.76		0.76
9,963	7,663,600			3.91		3.91
80	80,000	971	-85	100.00		100.00
6,650	6,650,000	25,907	-600	67.48		67.48
6,650	6,650,000	25,907	-600	32.52		32.52
12,900	12,900,000	15,262	151	46.00		46.00
8,000	8,000,000	18,640	-527	100.00		100.00
3,000	3,000,000	77,296	-228	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
21,305	825,136			0.22		0.22
43,206	1,673,366			0.11		0.11
7,179	71,791			0.70		0.70
15,041	601,637			0.33		0.33
100	100,000			6.45		6.45
370	369,718	163,903	5,231	100.00		100.00
3,000	3,000,000	49,812	-5,735	100.00		100.00
2,000	2,000,000					
2,400	2,400,000	201	-488	45.00		45.00
362	362,000			0.11		0.11
100	100,000					
26,000	26,000,000			9.62		9.62
5,189	100,487			0.01		0.01
186,302	62,100,620			0.13		0.13
380,000	380,000,000			4.25		4.25
31	30,600	23	-12	100.00		100.00
800	800,000	13,333	-407	100.00		100.00
100	100,000	6,957	118	100.00		100.00
5,481	548,096,101			0.43		0.43
10	10,000	10		100.00		100.00

(**) To be compiled only for subsidiary and associated companies

Assets - Changes in investments in group and other companies: equity investments

Number	Type	(3)	Name	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
(1)	(2)					
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 Melchiorre Gioia 124 - 20125 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. - 26-28 Rives de Clausen - L-2165 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.r.l. - Via Aldo Rossi 4 - 20149 Milano			30,988
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	105,000	50,264	32,775
25	b	D	VAIMM SVILUPPO S.r.l. - Via Aldo Rossi 4 - 20149 Milano			
			Total C.II.1			
	a		Parent companies			
	b		Subsidiaries			
	c		Related companies			
	d		Associated companies			
	e		Other companies			
			Total D.I			
			Total 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.2)
Even if it is only a portion, the investment should be identified with the same number

Year **2019**

Decrease of the year			Book value (4)		Acquisition cost	Current value
Sales		Other decreases	Quantity	Amount		
Quantity	Amount					
		17,566	65,703	11,483	19,192	9,976
		52,434	196,115	34,275	50,938	29,778
			9,999	21	516	21
			551,140	3,540	3,540	9,369
			1,596,959		7,134	
			1,225,350	10,354	11,203	12,026
			3,800	41	41	41
			100	3	3	3
			7,879	4	4	4
			300,000	1	3,001	1
			80,000	138	138	1,795
			4,487,398	18,599	18,599	17,694
			2,162,602	8,963	8,963	8,527
			5,934,000	6,814	10,365	7,004
			8,000,000	19,666	20,516	18,935
		11,923	3,000,000	76,661	76,661	73,607
			8,567,945	8,856	8,856	11,754
			11,828,094	6,594	6,594	54,794
			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
		40,000	369,718	175,329	175,329	171,249
		8,873	3,000,000	49,812	64,386	49,812

(4) Insert (*) if stated with the equity method (only for types b and c)

Società **VITTORIA ASSICURAZIONI S.P.A.**

Assets - Changes in investments in group and other companies: equity investments

Numbe (1)	Type (2)	Name (3)	Increase of the year		
			Acquisitions		Other increases
			Quantity	Amount	
26	b	D VP SVILUPPO 2015 S.r.l. unipersonale - Via Ignazio Gardella n.2 - 20149 Milano			
27	d	D TOURING DIGITAL S.r.l. - Corso Italia n.10 - 20122 Milano			
28	e	D CONSORZIO SERVIZI ASSICURATIVI - Via Don Carlo Gnocchi 37/b - 20148 Milano			
29	b	D INTERIMMOBILI S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			
30	e	V CONSULTINVEST S.p.A. - Piazza Grande n.33 - 41121 Modena			
31	e	D BCC CARATE BRIANZA - Via Cusani 6 - 20841 Carate Br			
32	e	D BANCA POPOLARE PUGLIESE Soc.Coop. per Azioni - via Provinciale Matino, 5 - 73052 Parabita			
33	e	D CAMFIN INDUSTRIAL S.p.A. - Viale Sarca n.222 - 20126 Milano			
34	b	D VALSALARIA S.r.l. - Via Abruzzi 2/4 - 00187 Roma	30,600	178	
35	b	D V.R.G. DOMUS S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	800,000	15,935	
36	b	D V.Z. Real Estate S.r.l. - Via Aldo Rossi 4 - 20149 Milano	100,000	6,664	
37	e	D MERCURE HOLDING SCA - avenue Emile Reuter 24 - L-2420 Lussemburgo	2,356,000	2,314	
38	b	V VITTORIA HUB S.r.l. - Via Ignazio Gardella 6 - 20149 Milano	10,000	10	
		Total C.II.1		75,365	63,763
	a	Parent companies			
	b	Subsidiaries		73,051	63,763
	c	Related companies			
	d	Associated companies			
	e	Other companies		2,314	
		Total D.I			
		Total 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 numbe

Decrease of the year			Book value (4)		Acquisition cost	Current value
Sales		Other decreases	Quantity	Amount		
Quantity	Amount					
2,000,000		51,840				
		220	1,080,000	90	987	90
			400			
100,000	227	463	2,500,000	2,500	2,500	2,500
			10	1	1	1
			81,300	201	201	201
		2,058	16,136,007	2,491	4,549	2,491
			30,600	178	178	159
			800,000	15,935	15,935	15,773
			100,000	6,664	6,664	6,777
		58	2,356,000	2,256	2,256	2,256
			10,000	10	10	10
	227	185,435		463,196	520,974	508,363
	227	183,099		417,713	457,509	404,092
		220		15,760	20,208	18,848
		2,116		29,721	43,257	85,422

(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 shares 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
1. Equity investments:					
a) listed shares	21	41	61	101	
b) unlisted shares	22	42	62	102	
c) quotas	23	43	63	103	
2. Unit trust units	24	44	64	104	
3. Bonds and other fixed-interest securities	25	355,338	65	346,185	105
a) listed government securities	26	1,142,451	66	1,179,830	106
a2) other listed securities	27	863,926	67	872,954	107
b) unlisted government securities	28	277,858	68	306,208	108
b2) other unlisted securities	29	667	69	667	109
c) convertible bonds	30	667	70	667	110
5. Shares in investment pools	31	51	71	111	
7. Other financial investments	32	52	72	112	
	33	53	73	113	

II - Life business:

	Investment portfolio		Trading portfolio	Total	
	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	264,820	185	268,566	225
a) listed government securities	146	1,224,402	186	1,147,325	226
a2) other listed securities	147	856,864	187	879,897	227
b) unlisted government securities	148	267,102	188	267,102	228
b2) other unlisted securities	149	327	189	327	229
c) convertible bonds	150	327	190	327	230
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	505.411,41	1.828.175,81	101	
Increase of the year:	22	130.386,42	660.523,82	102	
for: acquisitions	23	98.668,43	652.667,83	103	
write-backs	24	44		104	
transfers from the trading portfolio.....	25	45		105	
other variations	26	31.718,46	7.856,86	106	
Decrease of the year:	27	25.999,47	221.954,87	107	
for: sales	28	10.704,48	165.374,88	108	
write-downs	29	589,49		109	
transfers to the trading portfolio	30	50		110	
other variations	31	14.706,51	56.580,91	111	
Book value	32	609.798,52	2.266.744,92	112	
Current value	33	620.159,53	2.380.755,93	113	

Year 2019

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	6,267	21 3,000
Increase of the year	+ 2	11,298	22
for: lending	3	10,973	
write-backs	4	325	
other variations	5		
Decrease of the year:	- 6	1,680	26
for: repayments	7	1,680	
write-downs.....	8		
other variations	9		
Book value	10	15,885	30 3,000

Company **Vittoria Assicurazioni S.p.A.**Year **2019**

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	60,589 25	40,802 45	55,461 65	41,763
IV. Other financial investments:				
1. Equity investments	2,406 26	80 46	2,455 66	80
2. Bonds and other fixed-interest securities	146 27	366 47	158 67	365
3. Bank deposits	28	48	68	
4. Other financial investments	29	49	69	
V. Other assets	-722 30	-415 50	-580 70	-415
VI. Liquid funds	3,162 31	3,769 51	2,447 71	3,769
.....	32	52	72	
.....	33	53	73	
Total	65,581 34	44,602 54	59,941 74	45,562

Company **Vittoria Assicurazioni S.p.A.**Year **2019**

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	1.823	64	1.863
3. Unit trust units	25	20.590	65	18.839
4. Bank deposits	26		66	
5. Other financial investments	27		67	
III. Other assets	28	305	68	305
IV. Liquid funds	29	1.080	69	1.080
	30		70	
	31		71	
Total	32	23.798	72	22.087

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2019

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	1 419,732	11 405,622	21 14,110
Reserve for current risks:	2 2,012	12 5,845	22 -3,833
Book value	3 421,744	13 411,467	23 10,276
Claims reserve:			
Reserve for claims settlement and direct expenses	4 1,095,836	14 1,048,929	24 46,907
Reserve for settlement costs	5 62,857	15 60,854	25 2,003
IBNR reserve	6 84,170	16 83,538	26 632
Book value	7 1,242,863	17 1,193,321	27 49,542

Company VITTORIA ASSICURAZIONI S.p.A.Year 2019Liabilities - 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 1,404,329	11 1,261,914	21 142,415
Premiums carried forward	2 7,466	12 7,743	22 -277
Mortality risk reserve	3 9	13 6	23 3
Integration reserves	4 2,194	14 1,931	24 263
Book value	5 1,413,998	15 1,271,594	25 142,404
Profit participation and reimbursement reserve.....	6	16	26

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2019

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	6,058	21	20,018	31 2,829
Accruals of the year	+ 2		22	9,966	32 2,602
Other increases	+ 3		23		33
Utilisation of the year	- 4	3,080	24	4,053	34 671
Other decreases	- 5		25	2,106	35 2,215
Book value	6		26 2,978	23,825	36 2,545

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

Company VITTORIA ASSICURAZIONI S.p.A.Year 2019

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	17,526
Total	15	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	56,590
Total	22	56,590
V. Assets pertaining to pension funds managed in favour and on behalf of third parties	23	24,026
VI. Securities held by third parties	24	2,435,319
Total	25	2,459,345

Commitments for derivative transactions

Derivative	Current year				Previous year			
	Purchase		Sale		Purchase		Sale	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Futures:								
on shares								
on bonds								
on currencies								
on exchange rates								
other								
Options:								
on shares								
on bonds								
on currencies								
on exchange rates								
other								
Swaps:								
on currencies								
on exchange rates								
other								
Other transactions								
Total	0	0	0	0	0	0	0	0

Notes: - Include only derivative transactions existing at the balance sheet date which imply a commitment for the company; where the derivative does not exactly match one of the above captions or rebates to more than one caption, it should be included in the one more related.
no offsetting is allowed if not related to purchase/sale transactions relating to the same derivative category (same contents, maturity, underlying asset, etc.).

-Derivatives involving two currency swaps should be stated only once, referring to the currency to be purchased. Derivatives involving both interest rate and currency swaps should only be included in currency swaps.
Derivatives relating to interest rate swaps are classified as "purchase" or "sale", depending on whether or not they imply the fixed rate purchase or sale.

(1) Derivatives which involve or may involve capital forward exchanges should be stated at their regulated price; all other derivatives should be stated at their nominal value

(2) Indicate fair value of derivatives

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	110.598 2	107.854 3	32.855 4	38.885 5	-530
Third-party motor liability (class 10)	6	718.203 7	716.407 8	564.375 9	131.993 10	-1.852
Hull insurance for motor vehicles (class 3)	11	134.819 12	132.099 13	86.888 14	37.761 15	9.932
Marine, aviation and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16	4.317 17	4.028 18	2.798 19	1.093 20	-507
Fire and miscellaneous damages (classes 8 and 9)	21	125.346 22	119.389 23	99.992 24	39.008 25	14.505
Third-party general liability (class 13)	26	73.979 27	71.959 28	26.942 29	24.274 30	-777
Credit and bond insurance (classes 14 and 15)	31	3.520 32	8.892 33	-6.069 34	1.046 35	-4.906
Pecuniary losses (class 16)	36	14.048 37	14.608 38	-6.374 39	3.934 40	-49
Legal protection (class 17)	41	6.742 42	6.481 43	612 44	1.912 45	-1.033
Support and assistance (class 18)	46	29.285 47	28.859 48	12.855 49	8.150 50	-485
Total direct insurance	51	1.220.857 52	1.210.576 53	814.874 54	288.056 55	14.298
Indirect insurance	56	89 57	93 58	29 59	6 60	
Total domestic portfolio	61	1.220.946 62	1.210.669 63	814.903 64	288.062 65	14.298
Foreign portfolio	66	67	68		70	
Total	71	1.220.946 72	1.210.669 73	814.903 74	288.062 75	14.298

Company VITTORIA ASSICURAZIONI S.p.A.Year 2019

Summarised life business premiums and reinsurance balance

	Direct insurance		Indirect insurance		Total
Gross premiums:	1	249,764	11	21	249,764
a) 1. individual policies	2	242,713	12	22	242,713
2. group policies	3	7,050	13	23	7,050
b) 1. periodic premiums	4	70,492	14	24	70,492
2. single premiums	5	179,272	15	25	179,272
c) 1. non-profit participation contracts.....	6	13,866	16	26	13,866
2. profit participation contracts.....	7	215,480	17	27	215,480
3. contracts where the investment risk is borne by policyholders and pension fund	8	20,418	18	28	20,418
Reinsurance balance	9	-625	19	29	-625

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2019

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	3,807	41	75	81	3,882
Dividends and other income on equity investments in other companies.....	2				82	
Total	3	3,807	43	75	83	3,882
Income on investments in land and buildings	4	3,383	44	2,744	84	6,127
Income on other investments:						
Income on bonds issued by group companies.....	5		45		85	
Interest on loans to group companies	6	189	46		86	189
Income on unit trust units	7	9,721	47	11,031	87	20,752
Income on bonds and other fixed-interest securities	8	20,550	48	41,228	88	61,778
Interest on loans	9	143	49	25	89	168
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	30,603	54	52,284	94	82,887
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	213	59		99	213
Other financial investments.....	20		60		100	
Total	21	213	61		101	213
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	25	66	3	106	28
Profit on sale of other financial investments.....	27		67		107	
Total	28	25	68	3	108	28
TOTAL	29	38,031	69	55,106	109	93,137

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2019

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	3 211
Other financial investments	4 47
- of which: bonds..... 5 9	
Other assets	6
Total	7 258
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	10 712
Profit on sale of other financial investmentsi	11 115
- of which: bonds	12
Other income.....	13 216
Total	14 1,044
Non-realised capital gains	15 5,884
TOTAL.....	16 7,185

II. Investments relating to pension fund management

	Amount
Income on:	
Investments in group companies.....	21
Other financial investments	22 149
- of which: bonds..... 23 14	
Other assets	24 58
Total	25 207
Profit on sale of investments	
Profit on sale of investments in group companies	26
Profit on sale of other financial investments.....	27 772
- of which: bonds	28
Other income.....	29
Total	30 772
Non-realised capital gains	31 2,330
TOTAL	32 3,309

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2019

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	1 456	31 61	457
Charges relating to investments in land and buildings.....	2 4,226	32 1,160	5,386
Bond charges	3 17,364	33 10,170	27,534
Charges relating to unit trust units.....	4 351	34 12	363
Charges relating to shares in investment pools	5	35 65	
Other financial investment charges	6	36 66	
Interest on deposits from reinsurers	7 52	37 63	115
Total	8 22,449	38 11,406	33,855
Adjustments to investment values:			
Land and buildings	9 3,427	39 1,958	5,384
Equity investments in group companies	10 11,152	40	11,152
Bonds issued by group companies	11	41 71	
Other equity investments.....	12	42 72	
Other bonds	13 734	43 73	734
Other financial investments	14	44 614	614
Total	15 15,313	45 2,572	17,885
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	18 378	48 789	1,167
Loss on sale of other financial investments	19	49 79	
Total	20 378	50 789	1,167
TOTAL	21 38,140	51 14,767	52,907

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2019

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 52
Other financial investments	4 6
Other assets	5 893
Total	6 951
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 29
Loss on sale of other financial investments	10
Other charges.....	11 2
Total	12 31
Non-realised capital losses	13 256
TOTAL	14 1,238

II. Investments relating to pension fund management

	Amounts
Management charges arising from:	
Investments in group companies	21
Other financial investments	22 884
Other assets.....	23
Total	24 884
Loss on sale of investments	
Loss on sale of investments in group companies	25
Loss on sale of other financial investments	26 8
Other charges	27
Total	28 8
Non-realised capital losses	29
TOTAL	30 892

	Class 01		Class 02	
	Accident insurance		Health insurance	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+ 1	95,540	1	15,058
Change in premium reserve (+ o -)	- 2	2,311	2	434
Charges relating to claims	- 3	23,920	3	8,935
Change in other technical reserves (+ or -) (1)	- 4		4	
Other technical captions, net (+ or -)	+ 5	-411	5	-114
Management fees	- 6	34,201	6	4,684
Direct insurance technical result (+ or -)	A	34,697	7	891
Outwards reinsurance result (+ or -)	B	-492	8	-38
Indirect insurance net result (+ o -)	C	1	9	
Change in equalisation reserve (+ o -)	D		10	
Income on investments transferred from non-technical account	E		11	
Result of technical account (+ or -) (A + B + C - D + E)		34,206	12	853

	Class 07		Class 08	
	Cargo insurance		Fire and natural events	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+ 1	1,850	1	64,850
Change in premium reserve (+ or -)	- 2	61	2	5,180
Charges relating to claims	- 3	679	3	50,851
Change in other technical reserves (+ or -) (1)	- 4		4	
Other technical captions, net (+ o -)	+ 5	-55	5	-751
Management fees	- 6	544	6	21,697
Direct insurance technical result (+ or -)	A	511	7	-13,629
Outwards reinsurance result (+ or -)	B	-27	8	10,084
Indirect reinsurance net result (+ o -)	C		9	1
Change in equalisation reserve (+ o -)	D	5	10	194
Income on investments transferred from non-technical account	E		11	
Result of technical account (+ or -) (A + B + C - D + E)		479	12,00	-3,738

	Class 13		Class 14	
	Third-party general liability		Credit insurance	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross premiums accounted for	+ 1	73,979	1	-235
Change in premium reserve (+ or -)	- 2	2,020	2	-1,582
Charges relating to claims	- 3	26,942	3	-2,762
Change in other technical reserves (+ or -) (1)	- 4		4	
Other technical captions, net (+ or -)	+ 5	-727	5	
Management fees	- 6	24,274	6	15
Direct insurance technical result (+ or -)	A	20,016	7	4,094
Outwards reinsurance result (+ or -)	B	-777	8	
Indirect reinsurance net result (+ o -)	C	50	9	
Change in equalisation reserve (+ o -)	D		10	
Income on investments transferred from non-technical account	E		11	
Result of technical account (+ or -) (A + B + C - D + E)		19,289	12	4,094

(1) This caption includes changes in "Other technical reserves" as well as changes in "Profit participation and reimbursement reserve"

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)
1 134,819	1 5	1 1	1 1,356
2 2,720	2 1	2	2 148
3 86,888	3	3	3 1,004
4	4	4	4
5 -100	5	5	5 -50
6 37,761	6 2	6	6 344
7 7,350	7 2	7 1	7 -190
8 9,932	8	8	8 -478
9	9	9	9
10 404	10	10	10
11	11	11	11
12 16,878	12 2	12 1	12 -668

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 60,496	1 718,203	1 1	1 1,103
2 777	2 1,795	2	2 79
3 49,141	3 564,375	3	3 1,115
4	4	4	4
5 -421	5 1,331	5	5 -1
6 17,310	6 131,993	6 4	6 200
7 -7,153	7 21,371	7 -3	7 -292
8 4,422	8 -1,852	8 -1	8 -2
9 1	9	9	9
10 77	10	10	10
11	11	11	11
12 -2,807	12 19,519	12 -4	12 -294

Class 15 Bond insurance (name)	Class 16 Pecuniary losses (name)	Class 17 Legal protection (name)	Class 18 Support and assistance (name)
1 3,754	1 14,048	1 6,742	1 29,285
2 -3,791	2 -560	2 261	2 426
3 -3,306	3 -6,374	3 612	3 12,855
4	4	4	4
5 -428	5 -9	5 -12	5 -44
6 1,030	6 3,934	6 1,912	6 8,150
7 9,393	7 17,039	7 3,945	7 7,810
8 -4,906	8 -49	8 -1,033	8 -485
9	9	9	9 5
10	10	10	10
11	11	11	11
12 4,487	12 16,990	12 2,912	12 7,330

Company VITTORIA ASSICURAZIONI S.p.A.

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	228,129		18,386
Charges relating to claims	87,795		2,625
Change in mathematical and other technical reserves (+ or -) (*)	156,998		21,034
Other technical captions, net (+ or -)	-87		870
Management fees	13,295		1,525
Income on investments net of the portion transferred to the non-technical account (**)	35,638		5,890
Direct insurance result gross of outwards reinsurance (+ or -) A	5,592		-38
Outwards reinsurance result (+ or -) B	-455		
Indirect insurance net result (+ or -) C			
Result of technical account (+ or -) (A + B + C)	5,137		-38
	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	1,042	175	2,032
Charges relating to claims	51	19,283	1,044
Change in mathematical and other technical reserves (+ or -) (*)	281	-17,324	3,161
Other technical captions, net (+ or -)	-2		291
Management fees	126	231	116
Income on investments net of the portion transferred to the non-technical account (**)	-41	1,893	2,382
Direct insurance result gross of outwards reinsurance (+ or -) A	541	-122	384
Outward reinsurance result B	-169		
Indirect insurance net result (+ or -) C			
Result of technical account (+ or -) (A + B + C)	372	-122	384

(*) 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

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	Indirect insurance risks Outwards reinsurance risks 4		Inwards reinsurance risks 3	Outwards reinsurance risks 4		
Premiums accounted for	249,764	11	1,380	21	31	41	248,384
Charges relating to claims.....	110,797	12	133	22	32	42	110,664
Change in mathematical and other technical reserves (+ or -) (*)	164,151	13	382	23	33	43	163,769
Other technical captions, net (+ or -)	1,072	14	24	34	34	44	1,072
Management fees.....	15,292	15	240	25	35	45	15,052
Income on investments net of the portion transferred to the non-technical account (**).....	45,761		26			46	45,761
Result of technical account (+ or -)	6,357	17	695	27	37	47	5,732

(*) 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 2019

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
Outwards reinsurance result (+ or -)		B
Indirect insurance net result (+ or -).....		C
Change in equalisation reserves (+ or -)		D
Income on investments transferred from non-technical account		E
Result of technical account (+ or -)		(A + B + C - D + E)

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
Outwards reinsurance result (+ or -)		B
Indirect insurance net result (+ or -)		C
Result of technical account (+ or -)		(A + B + C)

(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

I: Income

	1	2	Subsidiaries	Related companies	Associated companies	Other companies	Total
Income on investments							
Income on land and buildings	1	2	3	4	5	6	
Dividends and other equity investments.....	7	8	9	10	1,885	1,997	3,882
Bonds	13	14	15	16	17	18	
Loans.....	19	20	154	21	12	24	189
Income on other financial investments	25	26	27	28	29	30	
Interest on deposits with ceding companies.....	31	32	33	34	35	36	
Total	37	38	154	39	1,897	2,021	4,071
Income and non-realised capital gains relating to investments benefiting policy holders bearing the risk and investments stemming from pension fund management	43	44	45	46	47	48	
Other income							
Interest on receivables	49	50	51	52	53	54	
Recovery of administrative costs and charges	55	56	30	57	67	60	164
Other income and recoveries.....	61	62	63	64	65	3	3
Total	67	67	30	69	67	3	167
Profit on sale of investments (*)	73	74	75	76	77	78	
Extraordinary income	79	80	81	82	83	84	
TOTAL	85	86	184	87	1,964	2,024	4,238

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.....	128	129	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

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	1,220,725	5	249,764	15	1,470,489	25
in other EU countries	6	133	16	12	26	133
in non-EU countries	7	13	17	17	27	27
Total	1,220,725	8	249,764	18	1,470,489	28
						133

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2019

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	38,922	31	2,422	61	41,344
- Social security contributions	2	9,622	32	599	62	10,221
- Accruals to the employees' leaving entitlement and similar provisions	3	2,529	33	157	63	2,686
- Other personnel expenses.....	4	4,517	34	281	64	4,798
Total	5	55,590	35	3,459	65	59,049
Foreign portfolio:						
- Wages and salaries	6		36		66	
- Social security contributions.....	7		37		67	
- Other personnel expenses	8		38		68	
Total	9		39		69	
Total.....	10	55,590	40	3,459	70	59,049
Consultants' fees:						
Domestic portfolio	11	25,549	41	332	71	25,881
Foreign portfolio	12		42		72	
Total.....	13	25,549	43	332	73	25,881
Total personnel expenses.....	14	81,139	44	3,791	74	84,930

II: Allocation captions

	Non-life business		Life business		Total	
Investment management charges.....	15	2,060	45	64	75	2,124
Charges relating to claims	16	36,664	46	488	76	37,152
Other acquisition costs	17	18,279	47	1,644	77	19,923
Other administrative costs	18	23,751	48	1,581	78	25,332
Administrative and third party charges	19		49		79	
Other technical captions	20	386	50	15	80	401
Total	21	81,140	51	3,792	81	84,932

III: Average number of employees for the year

	Number	
Managers	91	27
White collars	92	508
Blue collars	93	
Other	94	
Total.....	95	535

IV: Directors and statutory auditors

	Number		Fees	
Directors	96	13	98	3,970
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 2019, 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.

In reporting the activities carried out, we expose the following.

With reference to the main events, it is noted that, on 13 February 2019, the Italian insurance regulatory authority Institute authorized the merger by incorporation of the parent Vittoria Capital S.p.A. in Vittoria Assicurazioni S.p.A. and approved the related changes to be made to the statute of the incorporating company. This merger became effective on 28 June 2019 with accounting effect from 1 January 2019. The accounting effects of the merger were:

- the elimination of the intercompany interest bearing loan of € 300,000 thousand and the respective interest portion;
- the decrease in the equity of Vittoria Assicurazioni as of January 1, 2019 (local-GAAP values), from 810,271 thousand euro to 514,250 thousand euro.

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 2019 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 193.1%;

- 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 2019 no. 12 meetings of the Board of Auditors were held, including all of no. 8 meetings in joint with the Control and Risk Committee; the Statutory Auditors attended all of no. 11 meetings of the Board of Directors;
- during the year under review, the Board has issued, pursuant to the law, the following opinions:
 - ✓ an opinion relating to the co-optation of a director pursuant to art. 2386, paragraph 1, of the civil code;
 - ✓ two opinions relating to the remuneration of Directors vested with particular offices pursuant to art. 2389, paragraph 3, of the civil code;
- after the end of the year and until the filing of this report, the Board of Statutory Auditors received adequate information on the measures and initiatives taken by the Company to deal with the crisis and the health emergency due to COVID 19. There were no other particularly significant events 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 2018 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 2019 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.

With regard to relations with the Supervisory Authority, it should be noted that, during 2019, the Company received an inspection visit from Ivass, which concerned the technical reserves of the Motor TPL Class and the Best Estimates for Solvency II purposes. The verification ended with some suggestions on governance and processes that the Company promptly accepted.

In May 2019, the Inspection activity by Covip ended. The findings highlighted by the Supervisory Body have initiated a plan to adapt the management processes of the Open Pension Fund. The complete execution of this plan is currently in line with the provisions.

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 2019 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 2019, 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 2019 financial year.

With reference to the activity carried out in view of the assignment of the statutory audit assignment for the 2021 - 2029 nine-year period, it should be noted that with the approval of the financial statements at 31 December 2020, the statutory audit assignment conferred for the 2012-2020 nine-year period from the Shareholders' Meeting of Vittoria Assicurazioni to the auditing firm Deloitte & Touche SpA.

In the second half of 2019, Vittoria Assicurazioni and the Board of Statutory Auditors started the process of selecting the new auditor for the 2021-2029 nine-year period ahead of the expiry of the mandate of Deloitte & Touche.

At the end of the selection process, in the meeting of 11 November 2019, the Board of Statutory Auditors approved the Recommendation requested pursuant to art. 16 of EU Regulation 537/2014, which was made available to the Company's Shareholders in view of the shareholders' meeting to approve the financial statements as of December 31, 2019. In the Recommendation, the Board of Statutory Auditors indicated two possible transfer alternatives and expressed its motivated preference for one of the two candidates.

With reference to the dividend distribution proposal, it is acknowledged that:

- EIOPA on 17 March 2020 issued a communication relating to the actions aimed at mitigating the effect of Covid-19 on the European insurance sector, containing the

- invitation to the Companies to follow prudent dividend distribution policies and to pay the variable components of the management remuneration;
- On 30 March 2020, IVASS asked the Companies, in light of the situation that arose due to Covid-19, to "adopt at individual and group level, extreme prudence in the distribution of dividends and other assets and in the payment of the variable component of the remuneration to corporate officers. "
 - EIOPA on 2 April 2020 issued a new communication, recommending that the payment of dividends and share buybacks be temporarily suspended, reconsidering this decision when the impact of Covid-19 becomes clearer.
- A similar prudential approach should also be applied to variable remuneration policies. EIOPA has expressed the expectation that the Companies will review their current remuneration policies and practices, in order to ensure that they reflect prudent capital planning and that they are compatible with the current economic situation. In this context, variable remuneration should be set at a prudent level and postponement should be considered.

These indications were analyzed by the Board of Directors on 7 April; on this occasion, the Administrative Body resolved to modify the proposal to distribute a dividend of 0.3 euro per share for the 2019 financial year, resolved at the previous meeting of 27 February 2020, before the epidemiological emergency from COVID- 19 occurred, proposing the reduction of the dividend to 0.2 euros per share at the next Shareholders' meeting.

As for the variable remuneration attributed to the Company's corporate representatives, in consideration of the non-significant amount compared to the remuneration as a whole, of the already envisaged deferral over several years for the disbursement of a significant portion, and considering that if future years should not achieve the necessary capital requirements, the same would not be paid, the Board of Directors has decided not to change the provisions of the remuneration policy in terms of payment of the variable component of the remuneration to company representatives.

Dear Shareholders,

taking into account the foregoing considerations, the Board sees no impediment to the approval of the financial statements at 31st December 2019, as prepared by the Board of Directors, and issues a favorable opinion on the proposal made for the allocation of profit of the year:

€362,322 to the legal reserve, €61,063,960 to available reserves and €12,943,493 as dividends.

Milan, 10th April 2020

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. ("Company"), which comprise the balance sheet as at December 31, 2019, 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, 2019 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, 2019, include "Land and buildings - Operating buildings" for 81.1 million euro, "Land and buildings - Buildings used by third parties" for 96.4 million euro, "Investments in group and other companies - Equity investments" for 463.2 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.

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 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, 2019.

Audit procedures as a response to key audit aspects

The audit procedures that we performed, where appropriate with the support of specialists 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;
- 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 approved financial statements of the real estate companies to check that there is no indication of impairment losses;
- 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, 2019, 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 909.9 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 numerousness 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 as well as the prospective assessment of the economic scenario.

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 relevance of the various elements used in estimating the claims reserve of MTPL, the high degree of uncertainty in assessing the variables and parameters used in developing the valuation methods for the statistical-actuarial control process 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, 2019.

Audit procedures as a response to key audit aspects

The audit procedures that we performed, where appropriate with the support of specialists 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;
- 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, 2019, 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, 2019 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, 2019 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, 2019. 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, 2019 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, 2019. 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, 2019 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 10, 2020

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 and payable amounts net of reinsurance		Investments	Capital income net of charges	Monetary revaluation reserves	Net profit	Equity reserves	Share capital fully paid-up
	Gross	Ceded	Retained	Retained						
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