



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 100th year

2021 Annual Report & Accounts

(Translation from the Italian original which remains the definitive version)

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Board of Directors

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

Board of Statutory Auditors

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

GENERAL MANAGEMENT

Matteo CAMPANER	Joint General Manager
Luca ARENSI Paolo NOVATI	Co-General Manager Co-General Manager
Enzo VIGHI	Deputy General Manager

INDEPENDENT AUDITOR

KPMG 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			
	31/12/2021	31/12/2020	Δ %
Non Life business			
Gross Written Premiums - direct Non Life business	1,263.4	1,221.4	3.44%
(1) - Loss Ratio (retained)	60.6%	58.0%	2.6
(2) - Combined Ratio (retained)	87.5%	84.3%	3.2
(3) - Expense Ratio (retained)	26.5%	26.1%	0.4
Non Life business technical balance (before transferral of technical profits from investments)	150.7	189.1	(20.3)%
Ordinary net investment income	5.6	2.7	n.s.
Next extraordinary income from investment	7.2	(3.0)	n.s.
Other income and expenses	(32.4)	(49.8)	(35.0)%
Taxes	(41.0)	(45.2)	(9.2)%
Non Life business net technical balance	90.1	93.9	(4.0)%
Life business			
Gross Written Premiums - direct Life business	327.3	222.5	47.1%
(4) Annual Premium Equivalent (APE)	45	29.5	52.5%
Segregated fund performance: Rendimento Mensile	3.58%	2.92%	0.66
Segregated fund performance: Obiettivo Crescita	3.07%	3.11%	(0.04)
Segregated fund performance: Valore Crescente	4.08%	4.03%	0.05
Segregated funds assets	1,655.0	1,477.3	12.0%
Index/Unit - linked and Pension funds assets	195.5	113.8	71.8%
Life business technical balance	1.6	7.4	(78.4)%
Life business net technical balance	11.9	14.8	(19.2)%
Total Agencies	480	472	8
Average number of employees	538	535	3
Investments with the risk borne by the Company	4,092.6	3,821.8	7.1%
Overhead costs as a % of GWP - direct business	7.5%	8.2%	(0.7)
Total net ordinary and extraordinary income from investments with risk borne by the Company	73.9	55.9	32.2%
Profit (loss) before taxation	148.1	159.8	(7.3)%
Net profit (loss)	102.1	108.6	(6.0)%
Shareholders' equity	736.5	664.9	10.8%
ROE	14.6%	17.6%	(3.0)
Dividend per share	0.47	0.47	0.0%

Legend

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

Dear Shareholders,

The 100th FY financial statements that are submitted for your approval show a net income of 102,051 thousand euro, down by 6.0% compared to the outcome of 2020 year (108,624 thousand euro) which had benefited in the Non-Life business from a lower claims rate linked to the well-known national lockdown situation and which gradually returned to normal levels during 2021.

This year represents a special year: on 21 September 2021 Vittoria Assicurazioni celebrated the Centenary of its foundation; an important milestone, the result of the work done over the years with the people who have contributed to the Company's great results, in a technologically innovative present and an increasingly sustainable future.

2021 is also the year that sees Vittoria Assicurazioni win the award for Italian Excellence of Insurance Companies and record a 3.5% increase in Non-Life premium volume, equal to 1,263,544 thousand euro (1,221,405 thousand euro at 31 December 2020), and a 47.1% increase in Life business (amounting to 327,260 thousand euro compared to 222,486 thousand euro at 31 December 2020). The loss ratio and combined ratio are 60.6% and 87.5%, respectively (58.0% and 84.3% in the previous year), ratios that are still below "pre-pandemic" values (as of 31 December 2019, they were 65.1% and 89.7%, respectively).

The result for the year benefited from 14,077 thousand euro before tax, due to the extraordinary capital gain realized on the sale to AC Milan of building "C" at the Portello Business Park.

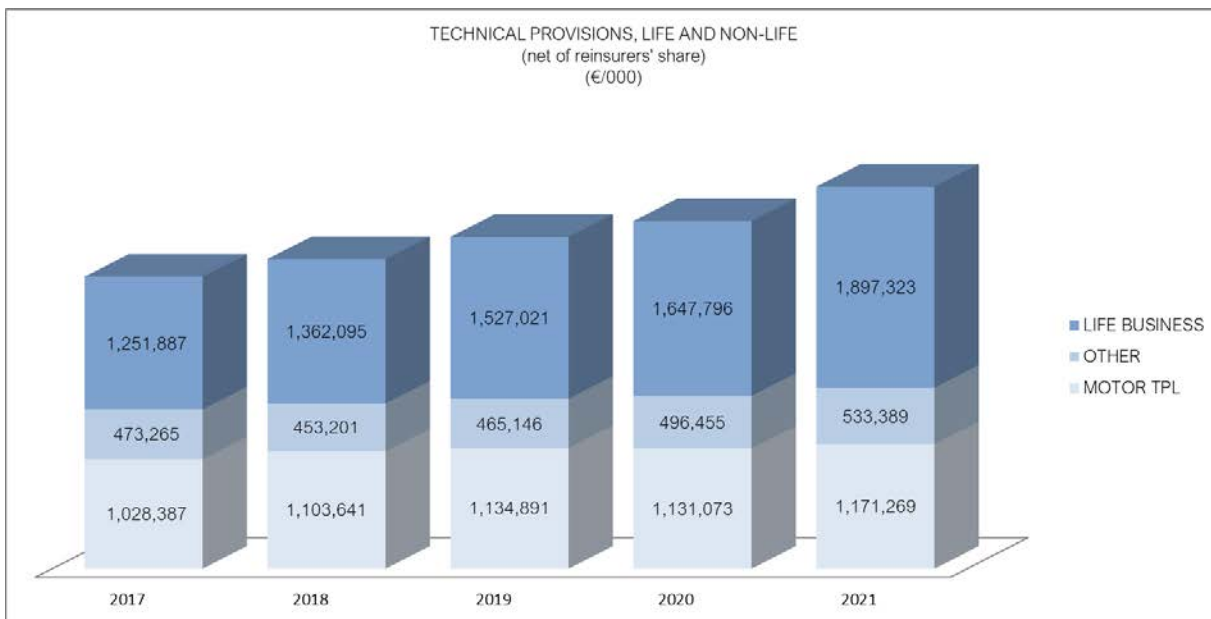
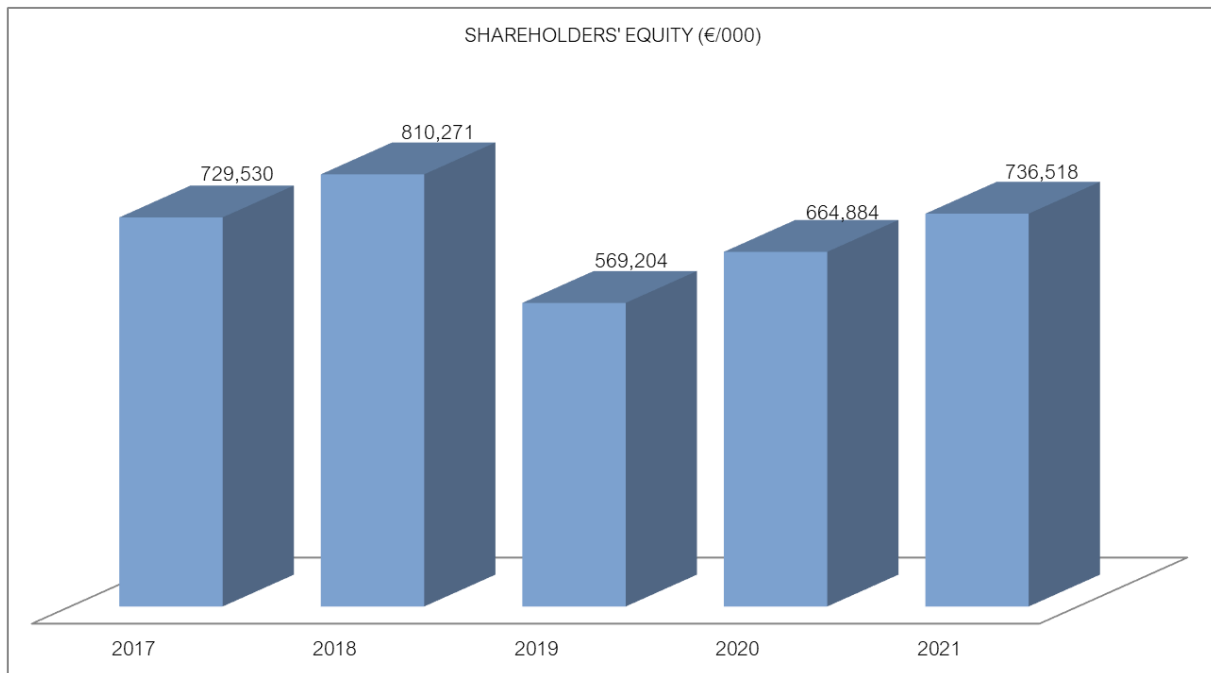
Investments, detailed in the chapter "Investment assets", totalled 4,288,153 thousand euro (+9.0% compared to 31 December 2020).

Group's shareholders' equity* (IAS/IFRS accounting standards) totalled 842,671 thousand euro, up by 10.1% compared to the shareholders' equity of 765,743 thousand euro recorded as at 31 December 2020.

Group's net profit totalled 101,313 thousand euro (-8.6% compared with the net profit of 110,883 thousand euro in the previous year).

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

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



Strategic objectives

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

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

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

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

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

Review of operating performance

The following table compares, for each line, written premiums in FYs 2021 and 2020 and their contribution to the total portfolio mix:

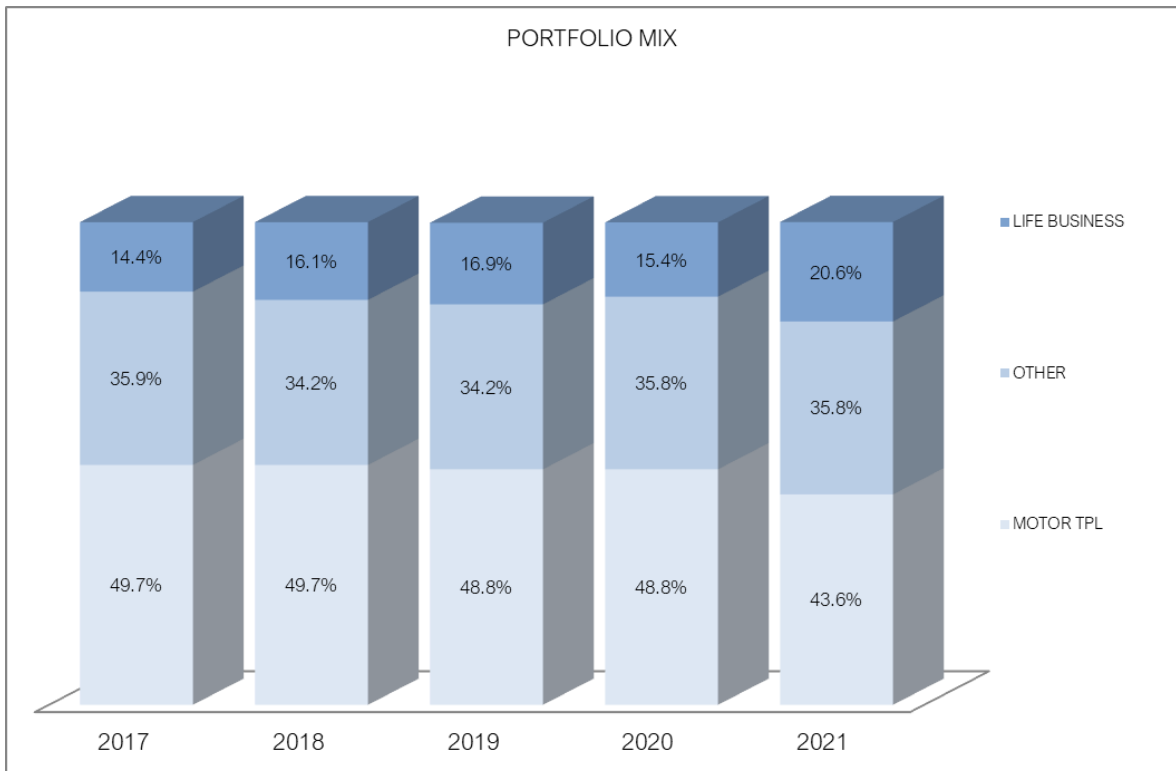
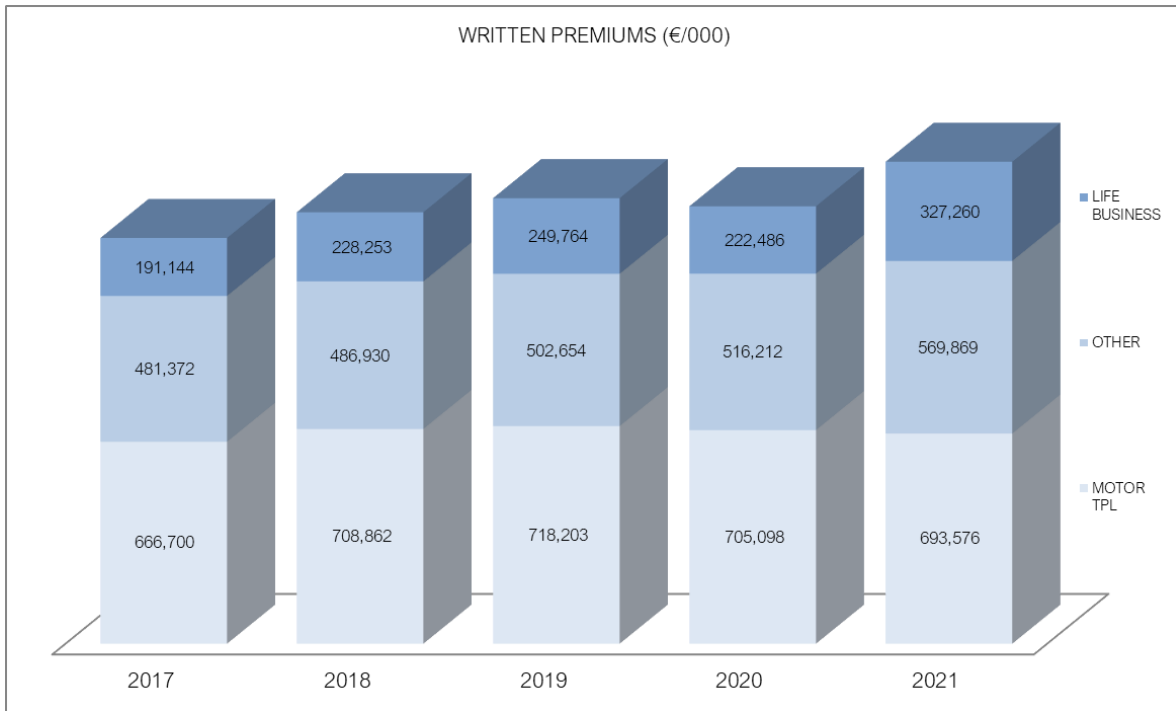
COMPARISON BETWEEN GROSS WRITTEN PREMIUMS IN 2021 AND 2020 DIRECT AND INDIRECT BUSINESS

	(€/000)				
	31/12/2021	31/12/2020	YoY change %	% of total book 2021 2020	
<u>Domestic direct business</u>					
Life business					
I Whole- and term life	251,520	192,763	30.5	15.8	13.3
III Unit-linked policies	71,958	26,308	173.5	4.5	1.8
IV Health (long-term care)	1,525	1,241	22.9	0.1	0.1
V Capitalisation	28	89	-68.5	0.0	0.0
VI Pension and supplementary pension funds	2,229	2,085	6.9	0.1	0.1
Total Life business	327,260	222,486	47.1	20.5	15.3
Non-Life business					
Accident	102,421	98,949	3.5	6.5	7.0
Health	17,322	16,008	8.2	1.1	1.1
Fire and natural events	88,948	74,509	19.4	5.6	5.2
Miscellaneous damage	55,505	47,407	17.1	3.5	3.3
General TPL (third-party liability)	85,804	77,576	10.6	5.4	5.4
Pecuniary losses	15,820	14,593	8.4	1.0	1.0
Legal protection	8,104	7,288	11.2	0.5	0.5
Total non-marine lines (exc. specialty and motor)	373,924	336,330	11.2	23.6	23.5
Railway rolling stock	35	26	34.6	0.0	0.0
Aircraft hulls	1	1	0.0	0.0	0.0
Marine hulls	2,022	1,897	6.6	0.1	0.1
Cargo insurance	3,007	2,369	26.9	0.2	0.2
Aviation TPL	1	1	0.0	0.0	0.0
Credit insurance	11	-119	n.v	0.0	0.0
Bond insurance	3,584	3,448	3.9	0.2	0.2
Total specialty lines	8,661	7,623	13.6	0.5	0.5
Third-party motor liability	693,576	705,098	-1.6	43.6	48.8
Third-party marine liability	1,258	1,169	7.6	0.1	0.1
Motor vehicle hulls	153,198	140,668	8.9	9.6	9.7
Support and assistance	32,828	30,422	7.9	2.1	2.1
Total motor lines	880,860	877,357	0.4	55.4	60.7
Total Non-Life business	1,263,445	1,221,310	3.5	79.5	84.7
Total direct business	1,590,705	1,443,796	10.2	100.0	100.0
<u>Domestic indirect business</u>					
Non-Life business	99	95	4.2	0.0	0.0
Total indirect business	99	95	4.2	0.0	0.0
Grand Total	1,590,804	1,443,891	10.2	100.0	100.0

With regard to the Italian insurance market, it is noted that premiums as up to 30 September 2021 (latest Ania Trends data) show, compared to the same period of last year, an increase in Life business of 10.8% and a increase in Non-Life business of 2.8% (-3.6% 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 FY2021 are summarised in the following table, where they are compared with data of the previous FY2020:

LIFE Business - 2021 Results - Net of reinsurance								(€'000)	
	2021 Results			2020 Results			Change	%	
	Segregated funds	Linked e pension funds	Total	Segregated funds	Linked e pension funds	Total			
Premium Income	251,244	74,188	325,432	192,503	28,393	220,896	104,536	47.3	
Other technical Income/(Costs)	-100	2,438	2,338	-327	1,441	1,114	1,224	109.9	
Change in Technical Provisions	-177,193	-78,521	-255,714	-93,893	-22,764	-116,657	-139,057	119.2	
Claims paid	-101,035	-9,640	-110,675	-115,296	-5,996	-121,292	10,617	-8.8	
Overheads	-16,054	-4,715	-20,769	-14,359	-1,870	-16,229	-4,540	28.0	
Ordinary and Extraordinary Investment net income	61,245	15,086	76,330	51,958	1,008	52,965	23,365	44.1	
Operating Profit before Tax	18,107	-1,164	16,942	20,586	212	20,797	-3,855	-18.5	

In FY2021 segregated funds achieved the returns shown in the following table. The rate of return allocated to policyholders complies with the specific contractual terms stipulated:

	2021		2020	
	Rate of return	Total Assets	Rate of return	Total Assets
Vittoria Rendimento Mensile *	3.58%	739,031	2.92%	748,094
Vittoria Valore Crescente *	4.08%	73,960	4.03%	76,554
Vittoria Obiettivo Crescita *	3.07%	488,810	3.11%	448,122
Vittoria Previdenza **	3.02%	187,423	3.02%	161,477
Vittoria Obiettivo Rendimento *	3.15%	165,768	2.59%	43,104

* Observation period: 01/01/2021 - 31/12/2021

** Observation period: 01/10/2020 - 30/09/2021

Premiums

The Premiums for direct Life business amounted to 327,260 thousand euro, compared to 222,486 thousand euro in the previous year (+47.1%) and are broken down as follows:

	(€'000)				
	Year 31/12/2021	Year 31/12/2020	YoY change %	% of total book	
				2021	2020
Annual premiums	82,918	71,013	16.8	25.3	31.9
Single premiums	244,342	151,473	61.3	74.7	68.1
Total Life business	327,260	222,486	47.1	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)		
	31/12/2021	31/12/2020	YoY change %
Claims	21,749	14,873	46.2
Accrued capital sums & annuities	18,627	44,397	(58.0)
Surrenders	60,213	54,457	10.6
Total	100,588	113,726	(11.6)

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 9,546 thousand euro vs. 5,961 thousand euro in FY2020.

Technical performance

Premiums increased by 47.1% compared to 31 December 2020 thanks to the improved performance of all intermediaries. The trend in settlements shows an increase in surrenders and claims, more than offset by a reduction in maturities.

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 - 2021 Results		(€/000)		
Line of business				
Code	Description	2021 Technical result	2020 Technical result	YoY Change %
01	Accident	32,476	31,868	1.9
02	Health	52	2,668	n.s.
03	Land motor vehicle hulls	33,087	22,440	47.4
04	Railway rolling stock	11	-7	n.s.
05	Aircraft hulls	8	1	n.s.
06	Marine hulls	(452)	(747)	(39.5)
07	Cargo insurance	291	111	162.2
08	Fire and natural events	550	(5,364)	n.s.
09	Miscellaneous damage	(7,574)	(6,631)	14.2
10	Motor TPL	50,647	98,891	(48.8)
11	Aviation TPL	(1)	(5)	n.s.
12	Marine TPL	328	351	(6.6)
13	General TPL	18,563	21,743	(14.6)
14	Credit insurance	695	1,508	(53.9)
15	Bond insurance	-910	499	n.s.
16	Pecuniary losses	11,852	11,556	2.6
17	Legal protection	2,846	2,718	4.7
18	Support and assistance	8,236	7,529	9.4
Total Non-Life businesses		150,705	189,129	(20.3)

Technical performance

Technical management trend shows a decrease compared to the previous year, mainly due to the motor lines.

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

NON-MARINE BUSINESSES

Premiums of non-marine line of business increased by 11.2% compared to the previous year. The number of policies in the portfolio of the Lob was increased by 4.8% compared to the previous year.

The technical result is positive, in line with the previous year, despite a higher incidence of major claims.

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

Accident: premiums recorded an increase of 3.5%. The technical result remained positive, an improvement on the previous year, despite the higher number of major claims relating to road accidents resulting from the resumption of traffic.

Disease: premiums shows an increase of 8.2%. The technical performance, although positive, was down on the previous year due to an increase in the claims rate, which was also due to a greater demand for medical services than in the previous year, which was characterised by greater difficulty in accessing facilities following the pandemic.

Fire and natural events: premiums increased by 19.4%, partly due to increased collaboration with the broker channel on industrial risks.
The technical result was positive, an improvement on the previous year.

Miscellaneous damages: premiums, including the risk of theft, hail and damage to electronic and technological equipment, recorded an increase of 17.1% compared to previous year. The negative result was affected by the incidence of claims from atmospheric events and the increase in the claims rate also resulting from increased use of homes following lockdown periods.

General Third-Party Liability: premiums increased by 10.6% compared with the previous year. The technical balance remained positive, down on 2020 due to a higher incidence of serious claims compared with the previous year, linked to the resumption of work activities by small-medium enterprises with reference also to the construction and road works sectors.

Miscellaneous financial losses: written premiums showed an increase of 8.4%. The line maintains a positive technical result, in line with the previous year.

Legal protection: written premiums increased by 11.2%. The line maintains a positive technical result, in line with the previous year.

SPECIALTY BUSINESSES

Premiums increased by 13.6% thanks to the positive contribution of Cargo Insurance and Marine Hulls lines.
The technical result is slightly negative.

In particular:

Watercraft (sea, lake, and river) hulls and railway rolling stock: premiums increased by 6.6%, partly due to the development of the channel through brokers specialising in the sector. The technical result is negative but better than the previous year, as it was still affected by the claims rate of medium-high amounts affecting policies that had already been in the portfolio for some time.

Cargo (goods in transit): written premiums increased by 26.9% thanks to the development of actions on transport companies that were already customers for the Motor Lob. The technical result is positive, an improvement on the previous year.

Credit: the Lob includes exclusively the risks relating to the Salary-Backed Loans which continues the management of the ongoing portfolio and the launch of development resumption initiatives.
The technical result is positive.

Surety: written premiums increased by 3.9%, due to the continuation of the rigorous underwriting policy and market uncertainties in the world of procurement. The technical is negative following a major claim affecting a large part of the market and the related default of a major energy distribution company.

MOTOR BUSINESSES

In 2021, the Covid-19 pandemic once again affected the dynamics of the Motor business, although to a lesser extent than in the previous year due to more limited lockdown periods.

The positive technical result is down on the previous year due to the upturn in traffic and the consequent increase in the frequency of claims.

Premiums increased by 0.4%.

In particular:

Land motor vehicle hulls: premiums increased by 8.9%, linked to the dynamics of the Motor TPL Lob, with a clearly improved technical result strongly due in part to the effects of the tariff measures implemented to better manage risks arising from atmospheric phenomena.

Third-party liability for land motor vehicles and for watercraft (sea, lake, and river): the technical result remained positive, but down sharply on the previous year, partly due to the increase in the claims rate resulting from the increase in traffic and partly due to the reduction in the average premium paid by policyholders, a market phenomenon.

Although there was an increase in the number of contracts in the portfolio, this reduction in the average premium led to a decrease in total premiums written in this line of business (-1.6%).

Assistance: premiums increased by 7.9% and the technical result is positive moderately improving.

Claims

Reported claims

The following chart, concerning the number of reported claims, has been prepared using data from positions opened during the year; data are compared with those for 2020:

	Number of Reported claims		YoY Change %	Number of Reported claims without consequences		YoY Change %	Number of Reported claims closed		YoY Change %
	31/12/2021	31/12/2020		31/12/2021	31/12/2020		31/12/2021	31/12/2020	
Accident	10,362	9,016	14.93%	2,429	1,948	24.68%	4,761	4,259	11.78%
Health	5,158	3,763	37.07%	759	424	79.08%	3,711	2,737	35.60%
Fire and natural events	8,881	10,318	-13.93%	1,865	2,122	-12.11%	5,733	6,780	-15.45%
Miscellaneous damage	24,932	23,262	7.18%	4,131	3,689	12.00%	18,720	17,404	7.56%
General TPL (third-party liability)	9,321	8,664	7.58%	2,544	2,241	13.53%	4,670	4,550	2.65%
Pecuniary losses	382	284	34.51%	94	75	25.33%	228	171	33.33%
Legal protection	303	582	-47.94%	34	71	-52.11%	42	130	-67.69%
Total non-marine lines	59,340	55,890	6.17%	11,856	10,570	12.17%	37,864	36,031	5.09%
Marine hulls	139	150	-7.47%	14	15	-6.67%	53	57	-7.02%
Cargo insurance	472	310	52.57%	37	34	9.01%	190	138	37.76%
Credit insurance	72	147	-51.02%	13	46	-71.74%	3	18	-83.33%
Bond insurance	39	42	-7.57%	7	9	-22.22%	4	2	100.00%
Total specialty lines	722	650	11.20%	71	104	-31.44%	250	215	16.30%
Third-party motor liability	133,889	112,452	19.06%	19,818	16,020	23.70%	87,773	75,191	16.73%
Third-party marine liability	77	100	-23.00%	24	21	14.29%	23	46	-50.00%
Motor vehicle hulls	57,579	49,541	16.22%	2,302	1,989	15.74%	44,133	40,377	9.30%
Support and assistance	71,067	60,830	16.83%	153	252	-39.29%	64,258	52,802	21.70%
Total motor lines	262,612	222,923	17.80%	22,297	18,282	21.96%	196,187	168,416	16.49%
Total Non-Life businesses	322,674	279,463	15.46%	34,224	28,956	18.19%	234,301	204,662	14.48%

Motor TPL received no. 93,173 reports of claim events to be managed as originator (+18.5% compared to 31 December 2020) and the total cost, net of the recovery of the lump-sum paid by the debtor companies, amounted to 65,241 thousand euro (+19.1% compared to 31 December 2020).

Claims paid

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

	(€/000)									
	Claims paid 31/12/2021			Claims recovered from reinsurers	Claims paid 31/12/2020			Claims recovered from reinsurers	Change gross claims %	Change claims recovered from reinsurers %
	Current year	Previous years	Total		Current year	Previous years	Total			
Accident insurance	10,612	18,064	28,676	60	8,620	18,369	26,989	28	6.3	114.3
Health insurance	5,842	3,890	9,732	8	4,234	2,633	6,867	68	41.7	(88.2)
Fire and natural events	21,668	21,653	43,321	13,687	20,178	24,094	44,272	10,327	(2.2)	32.5
Miscellaneous damages	30,768	8,076	38,844	3,102	26,226	8,224	34,450	588	12.8	427.6
Third-party general liability	7,081	15,207	22,288	(3)	5,610	13,275	18,885	227	18.0	n.v.
Pecuniary losses	305	(1,432)	(1,127)	45	242	(855)	(613)	31	n.v.	45.2
Legal protection	17	305	322	278	37	471	508	438	(36.6)	(36.5)
Total non-marine businesses	76,293	65,763	142,056	17,177	65,147	66,211	131,358	11,707	8.1	46.7
Railway vehicles	0	11	11	0	0	0	0	0	n.v.	n.v.
Third-party aviation liability	0	(53)	(53)	(45)	0	0	0	0	n.s.	n.s.
Third-party marine liability	409	1,049	1,458	0	618	836	1,454	26	0.3	n.v.
Cargo insurance	252	621	873	5	240	579	819	(1.0)	6.6	n.v.
Third-party aviation liability	0	0	0	0	0	33	33	30	n.s.	n.v.
Credit insurance	0	(492)	(492)	0	39	(78)	(39)	0	n.s.	n.s.
Bond insurance	520	4,570	5,090	2,789	285	1,009	1,294	905	293.4	208.2
Total Special businesses	1,181	5,706	6,887	2,749	1,182	2,379	3,561	960	93.4	186.4
Third-party motor liability	213,904	261,368	475,272	532	184,049	284,184	468,233	188	1.5	183.0
Third-party marine liability	154	432	586	0	316	489	805	0	(27.2)	n.s.
Motor vehicle hulls	52,973	19,136	72,109	7,862	50,136	26,608	76,744	10,177	(6.0)	(22.8)
Support and assistance	7,484	2,035	9,519	8,290	8,685	3,202	11,887	10,340	(19.9)	(19.8)
Total motor businesses	274,515	282,971	557,486	16,684	243,186	314,483	557,669	20,705	(0.0)	-19.4
Total Non-Life businesses	351,989	354,440	706,429	36,610	309,515	383,073	692,588	33,372	2.0	9.7

The additional cost borne in the current year for the road-accident victim guarantee fund was 16,462 thousand euro compared to 16,702 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	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Accident insurance	60,01	60,26	67,60	63,55
Health insurance	84,35	81,95	80,58	60,09
Motor vehicle hulls	79,84	84,91	82,61	84,94
Fire and natural events	81,71	82,73	76,09	80,74
Miscellaneous damages - theft	89,99	88,92	89,22	87,98
Third-party motor liability	76,93	77,96	66,72	68,71
Third-party general liability	68,91	70,83	36,84	35,79

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 6.6 million euro (6.8 million euro as at 31 December 2020).

As a result of the deepening in relation to fraud risk, savings of 6.1 million euro were achieved for claims that have been defined without result (5.9 million euro as at 31 December 2020) and 0.5 million euro for claims definitively settled (0.8 million euro as at 31 December 2020), compared to the assessed value posted to technical provisions.

Claims reserve run-off – Retained risks

The claims reserve existing at the beginning of FY2020, compared with costs borne in the year for previous years' claim events - consisting of payments made and year-end reserving for claims yet to be paid – showed, for the only direct business, a surplus of 34,870 thousand euro, i.e. 2.9% of opening reserves, as highlighted in the following table:

Retained Risks	(€/000)		
	2021	2020	YoY change %
Claims reserve brought forward	1,199,449	1,181,471	1.5
Amounts paid in the year related to claims occurred in previous years	(350,203)	(375,371)	(6.7)
Balance of claims recovered or to be recovered by policyholders	15,915	6,853	132.2
Claims reserve carried forward	(830,291)	(806,736)	2.9
Aggregate profit (loss) development table	34,870	6,217	460.9
% of incidence on claims reserve brought forward	2.9	0.5	2.4

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 FY21 amounted to 1,828 thousand euro (1,590 thousand euro as at 31 December 2020).

Inward reinsurance

The Life business inward reinsurance refers to a traditional quota share treaty in run-off, which only records changes occurring in the related portfolio.

NON-LIFE BUSINESS

Outward reinsurance

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

The main treaties in place are the following:

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

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

Ceded premiums in FY21 amounted to 51,631 thousand euro (36,331 thousand euro as at 31 December 2020).

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 2021, by rating:

(€/000)

Rating	Current and Deposit accounts	Reinsurers' share of technical reserves	Total net balance sheet items	% of breakdown
AA+	-148	89	-59	0.0
AA	-170	431	260	0.5
AA-	-15,671	34,365	18,693	34.7
A+	1,636	18,900	20,536	38.2
A	1,074	3,314	4,388	8.1
A2	-877	3,383	2,506	4.7
A-	392	2,169	2,561	4.8
Not rated	-1,441	6,355	4,915	9.0
Total	-15,205	69,006	53,801	100.0

Commercial organisation

The development activity has resulted in the opening of 10 new agencies and the reorganization of other 27 and the closure of 2 agencies; as at 31 December 2021 Vittoria Assicurazioni was nationally present with 480 General Agencies (472 as at 31 December 2020) and 1,179 Sub-Agencies Professional (1,139 as at 31 December 2020).

The 2021 Training Plan was designed with a view to continuity with the proposals of previous years. However, a number of new initiatives have been included, designed using innovative needs analysis and delivery methods and responding to specific business needs with the intention of launching a new approach to training. This change is linked to the desire to define a training strategy that is consistent with the company's strategic objectives in order to guarantee a more effective supervision of training for the Parent Company's sales network.

The 2021 Training Plan was therefore structured so as to be perceived not only as a support for continuous professional updating, but above all as a lever for achieving the Parent Company's strategic objectives.

In fact, during 2021 the organisational model of Network Training was reviewed in order to be able to proceed with the elaboration of a 2022 training plan that would be able to propose a customised training offer and respond to business objectives.

A "clustering" model for the Network was therefore defined, the work of analysing needs was enhanced and a matrix was constructed to identify the methods of providing courses based on objectives.

Due to the continuation of the COVID-19 pandemic, all 2021 training was delivered remotely using webinars and/or e-learning.

As "blended" training, implemented using mixed modes, in-person and distance, and training monitoring will become increasingly important within training plans, during 2021 Network Training also redesigned its training portal to adapt it to current and future needs: iris, the new Parent Company Training portal, was therefore released on 10 January 2022.

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.

In the non-life business, a new product called "Linea Strada RCA Click&Drive" was launched for the purchase of temporary RCA coverage online through a reserved area.

The product "Vittoria con te - Casa e famiglia" (Vittoria with you - Home and family) also includes new guarantees for micro-mobility: assistance, accidents, third-party liability, and legal protection for accidents involving bicycles, electric scooters, hoverboards, and other electric vehicles.

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

- "Vittoria Formula Impiego 2021", a term life policy to indemnify the company providing the CQS loan;
- "Vittoria MultiAsset Selection Unico", a single-premium whole-life insurance policy with the option of making Additional Payments. A maximum of 40% of the premium can be allocated to the Vittoria Obiettivo Rendimento segregated fund and the unit component consists of investment funds or UCITS;
- "Vittoria InvestiMeglio Obiettivo Valore", a multi-branch whole life insurance policy with recurring premiums, which activates a capital accumulation plan (PAC) with scheduled payments. At the time of underwriting, the contract provides for a fixed allocation, which cannot be modified, of the invested premium, according to the following measure: 80% Internal Fund and 20% Separate Account.

Superbonus 110%

In support of energy and seismic upgrades, and in general those aimed at structural and aesthetic improvement of Italian real estate subject to tax relief (the so-called "Superbonus 110%" and other deductions related to building work) under the "Decreto Relaunch", as from 2021, the Company also proposes to purchase tax credits originating from such reliefs.

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 120,083 thousand euro vs. 118,121 thousand euro in 2020, with an increase of 1.7%.

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)		
	31/12/2021	31/12/2020	Change %
Personnel expenses	61,141	59,641	2.5
Other costs	55,634	52,201	6.6
Amortizations/Depreciations	3,308	6,279	-47.3
Gross Operating Costs	120,083	118,121	1.7
Percentage of Premiums Written	7.5%	8.2%	-0.7

The increase in the item "Other costs" is mainly due to the expenses related to the advertising campaign launched by the Company during the year, also following the Centenary celebration. The decrease in the item "Depreciations and amortisations" is due to the revision of the residual useful life of the Management application systems, which in the previous year led to greater amortization.

Overheads recorded an incidence on the overall insurance income of 7.5% (direct business) (8.2% as at 31 December 2020).

Operating costs – direct business

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

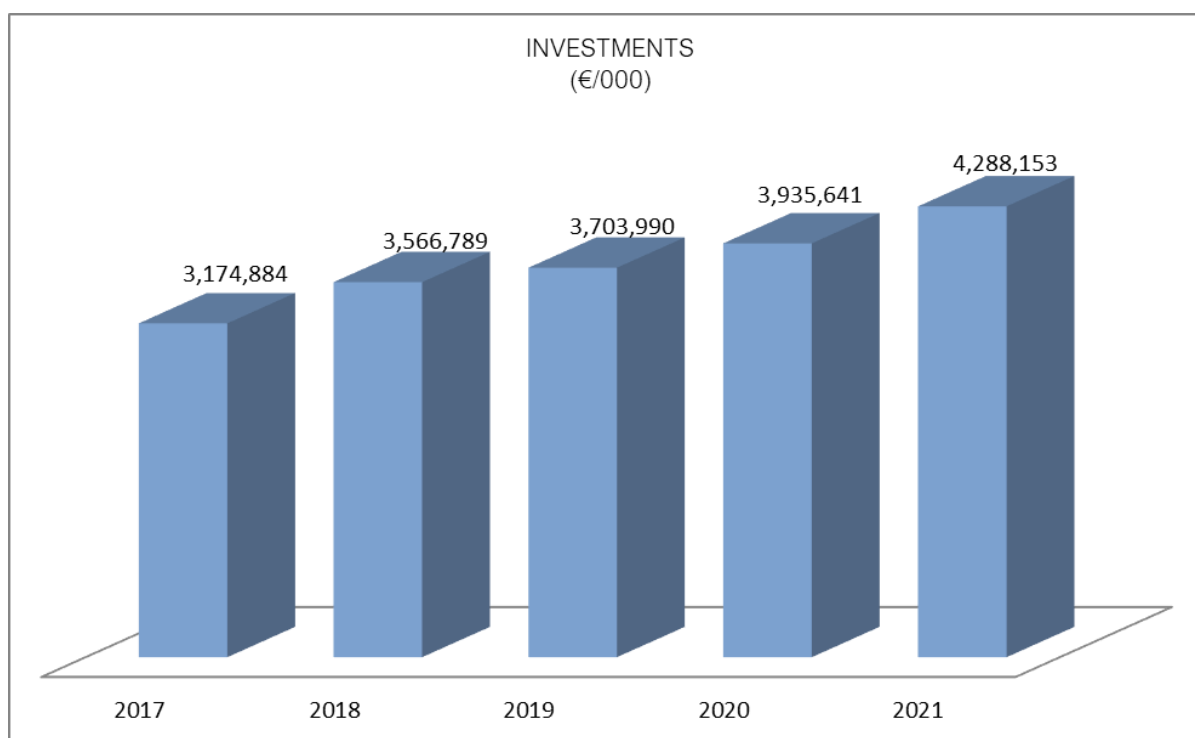
	(€/000)		
	31/12/2021	31/12/2020	Change %
Operating Costs, net of expenses transferred to acquisition, claims handling and investment management expenses (A)	90,296	84,802	6.5
- Acquisition and collection costs	229,389	210,222	9.1
- Other acquisition costs	19,103	26,561	-28.1
Total Acquisition Costs (B)	248,492	236,782	4.9
Total Overheads (A+B)	338,788	321,584	5.3
Percentage of Premiums Written	21.3%	22.3%	-1.0

Investments

Investments reached a value of 4,288,153 thousand euro with an increase of 9.0% YoY. Their breakdown is shown in the table below:

	(€/000)		
Investments	31/12/2021	31/12/2020	Change %
Land and buildings	145,604	176,348	-17.4
Investments in group and other companies			
- Equity investments	466,021	408,179	14.2
- Loans	840	4,120	-79.6
Other financial investments:			
- Equity investments	1,981	-	0.0
- OEIC Units	890,989	797,147	11.8
- Bonds and other fixed-interest securities	2,569,843	2,417,270	6.3
- Loans	17,348	15,781	9.9
- Deposits with banks	-	3,000	n.s
Total investments where the company bears the risk	4,092,626	3,821,845	7.1
Investments benefiting life policyholders bearing the risk	195,527	113,796	71.8
Total investments	4,288,153	3,935,641	9.0
Bank accounts and cash-in-hand	6,315	2,302	174.3

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



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

(€/000)			
	31/12/2021	31/12/2020	
Ordinary and extraordinary Income on investments (net of related costs)	Amount	Amount	Change %
Income on equity investments	3,196	7,359	(56.6)
Income (cost) on other investments:			
- land and buildings	(1,143)	537	(312.8)
- bonds and other fixed-interest securities	37,575	35,075	7.1
- income on OEIC Units	23,253	18,141	28.2
- interest on loans	211	230	(8.3)
- interest on deposits with ceding companies	(141)	(113)	24.8
- other financial investments	4	8	(50.0)
Total net income	62,955	61,237	2.8
Adjustments to investment values:			
- land and buildings	(3,141)	(4,830)	(35.0)
- equity investments	(3,601)	(11,340)	(68.2)
- OEIC Units	(262)	(30)	773.3
- bonds and other fixed-interest securities	(1,612)	(1,227)	31.4
Total net adjustments to investment values:	(8,616)	(17,427)	(50.6)
Ordinary profit (loss) on sale of investments:			
- OEIC Units	1,846	0	n.a.
- bonds and other fixed-interest securities	(951)	839	(213.3)
Total net profit on sale of investments	895	839	6.7
Total net ordinary income on investments where the company bears the risk	55,234	44,649	23.7
Extraordinary profit (loss) on sale of investments:			
- land and buildings	14,077	-	n.s.
- equity investments	(241)	(59)	308.5
- OEIC Units	1,077	(175)	(715.4)
- bonds and other fixed-interest securities	3,794	11,530	(67.1)
Total net extraordinary profit on sale of investments	18,707	11,296	65.6
Total net ordinary and extraordinary income on investments where the company bears the risk	73,941	55,945	32.2
Net income on investments benefiting life policyholders bearing the risk	15,074	996	1,414.2
Grand Total	89,015	56,941	56.3

Net income with risk borne by the Company increased from 55,945 thousand euro to 73,941 thousand euro (+32.2% compared to 31 December 2020). This result benefited from 14,077 thousand euro before tax, deriving from the extraordinary capital gain on the sale of building "C" at the Portello Business Park to AC Milan. Excluding this extraordinary income, the result would have amounted to 59,864 thousand euro, up 7% thanks to the contribution from bonds and other fixed income securities and investments in mutual funds.

Income and expense deriving from shares and holdings, net of adjustments to the value of shares and holdings, totaled 405 thousand euro. This result mainly includes dividends totaling 3,560 thousand euro and write-downs on real estate investments totaling 3,601 thousand euro. For further details, reference should be made to the movements reported in the paragraph regarding the equity portfolio.

Charges related to land and buildings amounted to 3,141 thousand euro and refer to the depreciation charge on operating buildings relating to the year, of which 1,332 thousand euro related to the company headquarters in the Portello area of Milan.

The weighted average return on "bonds and other fixed-income securities" goes from 2.3% as at 31 December 2020 to 1.5% as at 31 December 2021.

Real estate

The real estate at 31 December 2021 amounted to 145,604 thousand euro (176,348 thousand euro at 31 December 2020).

The items making up the balance are as follows:

- 78,563 thousand euro relating to the company's registered office building;
- 128 thousand euro relating to own use properties;
- 44,413 thousand euro for buildings in the Portello area located in Milan leased to third parties;
- 3,969 thousand euro relating to real estate for free loan to the Agencies;
- 18,531 thousand euro used by third parties.

The change compared to 31 December 2020 is primarily due to the depreciation for the period amounting to 3,141 thousand euro, 1,336 thousand euro of which is related to own-use properties and 1,805 thousand euro in real estate used by third parties; as at 31 December 2021, increases in fixed assets relating to the property of the Company's registered office building for 235 thousand euro and increases in fixed assets used by third parties for 27,939 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 873,747 thousand euro with recognition of net losses of 960 thousand euro.

Purchases were made for 1,152,287 thousand euro, of which 1,056,460 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 related to government and sub-sovereign issuers for 28,385 thousand euro were sold, 27,505 of which were allocated to the non-current segment, realizing net capital gains of 3,460 thousand euro, 3,474 of which were allocated to the non-current segment.

High yield corporate bonds were purchased for 23,063 thousand euro, of which 12,690 thousand euro were allocated to the long-term segment, and sales of 915 thousand euro were made, recording 23 thousand euro in capital gains.

Write-downs were accounted for on bonds allocated to the short-term portfolio for a total of 1,481 thousand euro.

Vittoria Assicurazioni has in place a forward sale transaction with the aim of hedging against both interest rate risk and credit risk, which involved part of the Italian government bonds allocated to the Life portfolio for a nominal value of 213,300 thousand euro.

It should be noted that as at 31 December 2021, 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.

Entities 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 2021 the suspension of the capital losses of these securities would have been 1,874 thousand euro.

OEIC Units

The main transactions relating to OEIC Units were as follows:

- payments of 33,210 thousand euro in equity ETFs including 17,058 thousand euro allocated to the long-term segment, and sales of 15,510 thousand euro were carried out, including 1,754 thousand euro relating to the long-term segment, generating capital gains of 2,115 thousand euro, including 268 thousand euro relating to the long-term segment;
- payments of 8,764 thousand euro in funds specializing in Infrastructure Equity entirely allocated to the non-current segment and repayments of 3,434 thousand euro;
- payments of 31,719 thousand euro in funds specialized in Private equity allocated to the non-current segment and repayments of 14,724 thousand euro recording net capital gains of 1,530 thousand euro;
- 20,505 thousand euro invested in Infrastructure Equity funds entirely allocated to the long-lived segment and redemptions of 103 thousand euros received
- payments of 12,279 thousand euro in funds specializing in direct lending of which 9,474 thousand euro allocated to the long-term segment and repayments of 6,734 thousand euro, recording losses of 38 thousand euro;
- 800 thousand euro invested in funds specializing in high-yield corporate investments allocated to the current segment and 4,000 thousand euro sold relating to the long-term segment due to a change in the fund's strategy, recording 668 thousand euro in capital losses;
- 13,657 thousand euro invested in funds specializing in infrastructure debt, entirely allocated to the long-term segment, and 1,849 thousand euro in redemptions received;
- 25,000 thousand euro invested in funds specializing in private debt and loans, including 20,000 thousand euro allocated to the long-term segment;
- 5,000 thousand euro invested in equity funds, including 3,000 euro allocated to the long-term segment with a long/short strategy;
- 10,000 thousand euro invested in funds specializing in Real Estate Investments, entirely allocated to the long-term segment, and received 1,034 thousand euro in redemptions, resulting in 15 thousand euro in capital losses;

Equity Portfolio

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

- 1,981 thousand euro invested in Italian equities;
- 15,000 thousand euro invested in Spac assicurativa Revo Spa;
- an equity investment of 1,500 thousand euro in Propensione S.p.A. was purchased;
- invested 9,945 thousand euro in Mediobanca S.p.A. for 1,000,000 shares that were added to those already present in the shareholders' agreement, bringing the number of such shares to 2,225,350, corresponding to an equity investment of 0.25%;
- Yam Invest N.V.: collected a dividend of 1,125 thousand euro.

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

- Vittoria Hub S.r.l.: 650 thousand euro paid into the newly established start-up incubator company;
- Touring Digital S.r.l.: paid in the tenths subscribed by way of a call for 270 thousand euro and sold the equity investment, recording a loss of 220 thousand euro;
- Immobiliare Bilancia Prima S.p.A.: paid in 42,660 thousand euro as a capital increase and recorded a write-down of 3,601 thousand euro. In December the partial spin-off was completed, via which the Company acquired control of the company, increasing its holding from 49% to 100%, with simultaneous reclassification from an associated undertaking to a subsidiary undertaking;
- Interbilancia S.r.l.: payment of 558 thousand euro for a capital increase;
- Vittoria Immobiliare S.p.A.: received 7,683 thousand euro as repayment of capital;
- Vittoria Properties S.r.l.: 3,800 thousand euro paid as capital increase;
- Acacia 2000 S.r.l.: 5,000 thousand euro received as repayment of equity reserves;

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

Securities portfolio breakdown

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

NON-LIFE PORTFOLIO

	(€/000)			
Investment nature	Amount 31/12/2021	% of breakdown	Amount 31/12/2020	% of breakdown
DEBT SECURITIES	1,224,898	68.0%	1,203,189	70.0%
Listed treasury bonds:	766,125	42.6%	719,342	42.0%
Fixed-interest rate	766,125	42.6%	719,342	41.8%
Listed corporate bonds:	241,482	13.4%	275,363	16.0%
Fixed-interest rate	209,224	11.6%	245,436	14.3%
Variable interest rate	32,258	1.8%	29,927	1.7%
Unlisted corporate bonds:	702	0.0%	703	0.0%
Fixed-interest rate	101	0.0%	101	0.0%
Variable interest rate	601	0.0%	602	0.0%
Bonds of supranational issuers:	216,589	12.0%	207,781	12.1%
Fixed-interest rate	211,496	11.7%	202,780	11.8%
Variable interest rate	5,093	0.3%	5,001	0.3%
of which				
Total fixed-interest securities	1,186,946	96.9%	1,167,659	97.0%
Total variable-interest securities	37,953	3.1%	35,530	3.0%
Total debt securities	1,224,898	100.0%	1,203,189	100.0%
of which				
Total listed securities	1,224,196	99.9%	1,202,486	99.9%
Total unlisted securities	702	0.1%	703	0.1%
Total debt securities	1,224,898	100.0%	1,203,189	100.0%
EQUITY INSTRUMENTS (*)	49,884	2.8%	24,927	1.5%
listed shares	35,300	2.0%	10,354	0.6%
unlisted equity instruments	14,584	0.8%	14,573	0.8%
OEIC UNITS	525,592	29.2%	491,422	28.5%
TOTAL	1,800,374	100.0%	1,719,538	100.0%

(*) excluding investments in participating interests

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

LIFE PORTFOLIO

(€'000)

Investment nature	Amount 31/12/2021	% of breakdown	Amount 31/12/2020	% of breakdown
DEBT SECURITIES	1,344,945	78.2%	1,214,081	79.6%
Listed treasury bonds:	817,338	47.6%	824,846	54.1%
Fixed-interest rate	817,338	47.6%	824,846	54.1%
Listed corporate bonds:	389,104	22.6%	315,158	20.6%
Fixed-interest rate	146,416	8.5%	146,922	9.6%
Variable interest rate	242,688	14.1%	168,236	11.0%
Unlisted corporate bonds:	-	0.0%	109	0.0%
Variable interest rate	-	0.0%	109	0.0%
Bonds of supranational issuers:	138,502	8.0%	73,969	4.8%
Fixed-interest rate	133,667	7.8%	69,119	4.5%
Variable interest rate	4,835	0.3%	4,849	0.3%
of which				
Total fixed-interest securities	1,097,421	81.6%	1,040,887	85.7%
Total variable-interest securities	247,523	18.4%	173,195	14.3%
Total debt securities	1,344,945	100.0%	1,214,081	100.0%
of which				
Total listed securities	1,344,945	100.0%	1,213,972	100.0%
Total debt securities	1,344,945	100.0%	1,213,972	100.0%
EQUITY INSTRUMENTS (*)	10,981	0.6%	7,500	0.4%
listed shares	1,981	0.1%	-	0.0%
unlisted equity instruments	9,000	0.5%	7,500	0.5%
OEIC UNITS	365,397	21.2%	305,725	20.0%
TOTAL	1,721,322	100.0%	1,527,306	100.0%

(*) excluding investments in participating interests

The Life fixed-income securities portfolio has a duration of 6.4 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	574,441	48.4%	
1<X<5	478,005	40.3%	
5<X<10	134,499	11.3%	
Total	1,186,946	100.0%	

Variable - interest securities				(€/000)
Type of rate	Indexation	Amount	% of breakdown	
Fixed to floater	3 months Euribor	11,579	30.5%	
Fixed to CMS	Euroswap 1Y	4,551	12.0%	
Fixed to CMS	Euroswap 5Y	5,086	13.4%	
Variable	3 months Euribor	9,065	23.9%	
Variable	other	7,672	20.2%	
Total		37,953	100.0%	

LIFE PORTFOLIO

Fixed - interest securities			(€/000)
Maturity	Amount	% of breakdown	
< 1 year	189,221	17.2%	
1<X<5	301,397	27.5%	
5<X<10	377,515	34.4%	
more	229,289	20.9%	
Total	1,097,421	100.0%	

Variable - interest securities				(€/000)
Type of rate	Indexation	Amount	% of breakdown	
Fixed to CMS	Euroswap 1Y	2,197	0.9%	
Fixed to CMS	Euroswap 5Y	126,642	51.2%	
Fixed to CMS	Euroswap 10Y	7,609	3.1%	
Fixed to floater	3 months Euribor	108,531	43.8%	
Variable	6 months Euribor	1,674	0.7%	
Variable	Euroswap 10Y	871	0.4%	
Total		247,523	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 2021 nearly all corporate bonds held by the Company were rated as investment grade.

(€'000)

Rating	Amounts	% of breakdown
AAA	610,799	23.8%
AA+ / AA-	662,906	25.8%
A+ / A-	177,126	6.9%
BBB+ / BBB- (*)	1,059,125	41.2%
Total investment grade	<u>2,509,957</u>	<u>97.7%</u>
Non investment grade	59,184	2.3%
Not rated	702	0.0%
Total	2,569,843	100.0%

(*) of which 508,628 relating to Italian government bonds.

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

As at 31 December 2021, these investments amounted to 195,527 thousand euro (113,796 thousand euro as at 31 December 2020).

Of the total 46,525 thousand euro related to unit-linked policies linked to funds outside the company, 119,606 thousand euro to unit-linked policies linked to the company's internal funds, and 29,396 thousand euro to the Vittoria Formula Lavoro open-ended pension fund. Overall net return was positive and totalled 15,074 thousand euro (996 thousand euro as at 31 December 2020).

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)	
Non – Life portfolio	+100BP	-100BP
Fixed-rate debt securities	(21,472)	22,624
Life portfolio		
Fixed-rate debt securities	(72,359)	82,981

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

	(€/000)	
Non – Life portfolio	+100BP	-100BP
Floating-rate debt securities	(895)	1,210
Life portfolio		
Floating-rate debt securities	35,955	14,377

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

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

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

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

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

The **Spread Risk**: is the possible adverse change in the level and volatility of credit spreads. Vittoria Assicurazioni is exposed to the spread risk in reference to bonds, to finance, to mutual debt funds, non-residential mortgages and loans. Financing to subsidiaries or associates is included in this type of risk. This risk can be mitigated by hedging instruments, such as forward sales of securities held in October 2020 and still in progress.

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 2021, as noted in the tables in the previous section "Investment, Cash & Cash Equivalents and Property - Securities portfolio breakdown", more than 90% of financial assets held was listed on a regulated market.

In addition, the Company's investment policy establishes the creation of a liquidity "buffer" that can never be less than 300,000 thousand euro and that is normally more than double, also considering the fact that the "buffer" calculation includes securities with a maturity of less than 2 years and normally listed on the market. It should be noted that the Company has invested approximately 391,000 thousand euro (market value as of 31 December 2021) in alternative funds (Infrastructure Debt, Infrastructure Equity, Private Equity and Dutch Mortgage Loans funds) with limited or no liquidity and that they represent less than 10% of the Company's total assets. In any case, the restriction is extended for a maximum period of 15 years (related, however, only to Infrastructure Equity funds) and it is usually possible, even if not guaranteed, to sell the units on the secondary unlisted market and/or by taking advantage of the "windows" offered by the management company.

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

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

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

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

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

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

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

Risk Management Process

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

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

Risk identification

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

Risks are identified by the different company functions through:

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

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

Risk assessment

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

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

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

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

This includes the ORSA process.

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

Risk monitoring

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

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

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

The risk monitoring process is structured into three phases:

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

Risk treatment

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

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

Some attenuation/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.

In 2021, the Company continued to pay great attention to people and their health, putting in place all possible prevention and protection measures to ensure safety in the workplace and using agile work alternated with presence in the Company.

Relations with the Supervisory Authority

Also in 2021, due to the continuing volatility of the financial markets and the macroeconomic situation, IVASS asked the Companies and the Italian Groups (including the Parent Company Yafa S.p.A.) an extraordinary monthly update (until the end of the year, and still ongoing) of the solvency position. Quarterly monitoring of the liquidity situation was also requested, with an indication of the stocks and flows expected in the following month and quarter.

IVASS has also requested some specific in-depth analysis from the Company on the following issues:

- details on variable remuneration and dividends to be paid during the year (again, due to market volatility and the macroeconomic context), followed by requests for additions to the Remuneration Policy to be approved shortly;
- information on investment properties (exposure, economic performance, governance and risk assessment) and on the Investment, ALM and Liquidity Policy;
- more details in the information on the 2020 Distribution Network Control Report.

The Company responded to the above requests in a timely manner.

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 of euro	amounts in millions
Solvency Capital Requirement	601
Minimum Capital Requirement	271
Solvency II Own Funds (net of dividend to be distributed in 2022)	1,174

Company's own funds belong to Tier 1 for 907 million euro, to Tier 2 for 266 million euro and to Tier for 1 million euro.

Own funds covering MCR belong to Tier 1 for 907 million euro and to Tier 2 for 54 million euro for a total of 961 million euro.

The Solvency Ratio (ratio between Own Funds and SCR) is 195.4%.
The Minimum Capital Ratio (ration between Own Funds and MCR) is 355.4%.

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

Consolidated Non-Financial Statement for 2021 FY

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

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

Management and coordination

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

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

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

As at 31 December 2021, within the scope of aforementioned Regulation, Vittoria Assicurazioni S.p.A. exercises management and coordination activities on the following companies:

Real estate companies

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

Service companies

Interbilancia S.r.l. – Milan
Vittoria Hub S.r.l. – Milan
Aspevi ACLI S.r.l. – Rome

Intragroup and related-party transactions

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

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

(€/000)					
	Parents	Subsidiaries	Associated	Total as at 31/12/2021	Total as at 31/12/2020
Investments	-	391,468	15,670	407,138	375,753
Loans	-	-	840	840	4,120
Receivables and other assets	-	10,773	18,016	28,789	24,874
Total Assets	-	402,241	34,526	436,767	404,747
<i>Liabilities</i>					
Payables and other liabilities	-	1,801	811	2,612	1,597
Total Liabilities	-	1,801	811	2,612	1,597
	Parents	Subsidiaries	Associated	Total as at 31/12/2021	Total as at 31/12/2020
Dividends	30,338	-	206	30,544	16,792
Adjustments values	-	2,201	1,400	3,601	11,340
Revenues for services and business	70	-	465	535	384
Costs for services and business	183	207	1,792	2,182	1,791
Commissions	-	-	18,726	18,726	14,324
Net income on investments	-	32	343	375	278

Loans receivable from associated companies refer to the company Aspevi Milano S.r.l. for 840 thousand euro.

Receivables and other assets mainly refer to remittances to be received from the associated companies Aspevi Firenze S.r.l., Aspevi Roma S.r.l. and Aspevi Milano S.r.l. and to the receivable from the subsidiary Immobiliare Bilancia Prima S.p.a. for 10,636 thousand euro following real estate transactions with the same.

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

Dividends from parent companies refer to the dividend from Yafa Holding for 30,338 thousand euro. The dividend from associated companies refers to the dividend collected from Yarpa for 206 thousand euro.

Value adjustments related to subsidiaries, as previously reported, refer to the write-downs on the real-estate company Immobiliare Bilancia Prima.

The commissions were paid to the associated Aspevi Firenze S.r.l., Aspevi Roma S.r.l. e Aspevi Milano S.r.l.

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

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

Performance in the first months of the 2022 financial year and business outlook

In 2022, the Company will continue to closely monitor developments in the ongoing health emergency.

The company's performance in the first months of the 2022 financial year is positive and in line with the approved plan objectives.

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	90,126,488
Net profit of Life Business	euro	11,924,321
Total (equal to 1.5769 per share)	euro	102,050,809

Dear Shareholders,

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

to each of the 64,717,464 shares making up the entire share capital, a dividend of 0.47 euro will be recognized for total 30,417,208 euro (unchanged with respect to the previous year).

Remaining 71,633,601 euro, which we propose to allocate to increase the Non-Life available reserve for 59,709,280 euro and to the Life available reserve for 11,924,321 euro.

If our proposal will be shared and approved by you, the dividend will be paid as from 5 May 2022 at the depositary intermediaries, with detachment of coupon number 40 on 03 May 2022.

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, 23 February 2022

Financial Statements
as at and for the year
ended 31 December 2021

BALANCE SHEET

ASSETS

		Current year	
A. SHARE CAPITAL PROCEEDS TO BE RECEIVED			1
of which: called-up		2	0
B. INTANGIBLE ASSETS			
1. Acquisition commissions to be amortised			
a) life businesses	3	8,389,047	
b) non-life businesses	4	0	5
		8,389,047	
2. Other acquisition costs		6	0
3. Start-up and capital costs		7	0
4. Goodwill		8	0
5. Other deferred costs		9	13,360,368
			10
			21,749,415
C. INVESTMENTS			
I - Land and buildings			
1. Operating buildings	11	78,690,169	
2. Buildings used by third parties	12	63,726,296	
3. Other buildings	13	0	
4. Other property rights	14	0	
5. Assets under construction and payments on account	15	3,187,294	16
			145,603,759
II - Investments in group and other companies:			
1. Equity investments in:			
a) parent companies	17	0	
b) subsidiaries	18	391,468,043	
c) related companies	19	0	
d) associated companies	20	15,669,727	
e) other companies	21	58,883,637	22
		466,021,407	
2. Bonds issued by:			
a) parent companies	23	0	
b) subsidiaries	24	0	
c) related companies	25	0	
d) associated companies	26	0	
e) other companies	27	0	28
		0	
3. Loans to:			
a) parent companies	29	0	
b) subsidiaries	30	0	
c) related companies	31	0	
d) associated companies	32	839,859	
e) other companies	33	0	34
		839,859	35
			466,861,266
		to carry forward	
			21,749,415

Previous year

			181	0	
	182	0			
183	7,048,872				
184	0	185	7,048,872		
	186	0			
	187	0			
	188	0			
	189	3,124,371	190	10,173,243	
	191	80,025,801			
	192	93,374,529			
	193	0			
	194	0			
	195	2,947,715	196	176,348,045	
197	0				
198	342,827,966				
199	0				
200	32,924,730				
201	32,426,751	202	408,179,446		
203	0				
204	0				
205	0				
206	0				
207	0	208	0		
209	0				
210	0				
211	0				
212	4,120,000				
213	0	214	4,120,000	215	412,299,446
	to carry forward				10,173,243

BALANCE SHEET

ASSETS

Current year

		brought forward			21,749,415
C. INVESTMENTS (continues)					
III - Other financial investments:					
1. Equity investments					
a) Listed shares	36	1,980,695			
b) Unlisted shares	37	0			
c) Quotas	38	0	39	1,980,695	
2. OEIC units			40	890,988,764	
3. Bonds and other fixed-interest securities					
a) listed	41	2,569,141,533			
b) unlisted	42	701,436			
c) convertible bonds	43	0	44	2,569,842,968	
4. Loans					
a) secured loans	45	11,303,696			
b) loans on policies	46	248,947			
c) other loans	47	5,795,304	48	17,347,947	
5. Shares in investment pools			49	0	
6. Deposits with banks			50	0	
7. Other financial investments			51	0	52
IV - Deposits with ceding companies					53
					0
					54
					4,092,625,400
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT					
I - Investments relating to index-linked policies					55
					166,130,550
II - Investments relating to pension fund management					56
					29,396,283
					57
					195,526,833
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES					
I - NON-LIFE BUSINESSES					
1. Premium reserve	58	13,136,775			
2. Claims reserve	59	52,554,725			
3. Profit participation and reimbursement reserve	60	0			
4. Other technical reserves	61	0	62	65,691,499	
II - LIFE BUSINESSES					
1. Mathematical reserves	63	4,058,129			
2. Complementary insurance premium reserve	64	0			
3. Reserve for payable amounts	65	13,031			
4. Profit participation and reimbursement reserve	66	0			
5. Other technical reserves	67	55,270			
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68	0	69	4,126,430	70
					69,817,929
					to carry forward
					4,379,719,576

Previous year

	brought forward		10,173,243
216	0		
217	0		
218	0	219	0
		220	797,146,925
221	2,416,459,232		
222	810,699		
223	0	224	2,417,269,931
225	12,785,783		
226	350,173		
227	2,645,068	228	15,781,024
		229	0
		230	3,000,000
		231	0
		232	3,233,197,880
		233	0
		234	3,821,845,371
		235	86,862,492
		236	26,933,038
		237	113,795,529
		238	12,150,985
		239	51,503,914
		240	0
		241	0
		242	63,654,899
		243	3,497,200
		244	0
		245	13,384
		246	0
		247	48,818
		248	0
		249	3,559,402
		250	67,214,300
	to carry forward		4,013,028,445

BALANCE SHEET

ASSETS

		Current year	
		brought forward	4,379,719,576
E. RECEIVABLES			
I - Receivables relating to direct insurance due from:			
1. Policyholders			
a) premiums for the year	71	72,847,765	
b) premiums for previous years	72	3,202,111	73 76,049,876
2. Insurance brokers and agents			
	74	140,904,858	
3. Current account companies			
	75	7,860,468	
4. Amounts to be recovered from policyholders and third parties			
	76	30,037,158	77 254,852,360
II - Receivables relating to reinsurance due from:			
1. Insurance and reinsurance companies			
	78	5,216,841	
2. Reinsurance brokers and agents			
	79	0	80 5,216,841
III. - Other receivables			
			81 118,493,200 82 378,562,401
F. OTHER ASSETS			
I - Tangible assets and inventory:			
1. Office furniture and machines and internal transport systems			
	83	4,507,803	
2. Registered chattel property			
	84	217,045	
3. Plant and equipment			
	85	1,041,327	
4. Inventory and other assets			
	86	11,029	87 5,777,203
II - Cash and Cash equivalents			
1. Bank and postal accounts			
	88	6,310,573	
2. Cheques on hand and cash-in-hand			
	89	4,043	90 6,314,616
III - Own shares or quotas			
			91 0
IV - Other assets			
1. Suspense reinsurance accounts			
	92	0	
2. Sundry assets			
	93	96,683,203	94 96,683,203 95 108,775,022
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest			
			96 23,647,975
2. Rent instalments			
			97 0
3. Other prepayments and accrued income			
			98 9,503,743 99 33,151,718
TOTAL ASSETS			100 4,900,208,717

Previous year

	brought forward		4,013,028,444
251	67,196,131		
252	1,818,890	253	69,015,021
		254	126,977,483
		255	9,487,979
		256	26,548,855
		257	232,029,337
		258	7,907,976
		259	0
		260	7,907,976
		261	93,930,835
		262	333,868,148
		263	4,507,107
		264	163,686
		265	1,146,189
		266	11,029
		267	5,828,010
		268	2,298,418
		269	3,677
		270	2,302,094
		271	0
		272	0
		273	76,369,668
		274	76,369,668
		275	84,499,773
		276	27,077,068
		277	0
		278	10,874,426
		279	37,951,494
		280	4,469,347,859

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
A. SHAREHOLDERS' EQUITY			
I - Subscribed share capital or equivalent fund		101	67,378,924
II - Share premium reserve		102	13,418,961
III - Revaluation reserves		103	18,192,709
IV - Legal reserve		104	13,475,785
V - Statutory reserves		105	0
VI - Reserve for own shares		106	0
VII - Other reserves		107	522,000,851
VIII - Retained earnings or losses carried forward		108	0
IX - Net profit (loss) for the year		109	102,050,809
X - Negative reserve for own shares		401	0
		110	736,518,040
B. SUBORDINATED LIABILITIES			
			111
			250,000,000
C. TECHNICAL RESERVES			
I - NON-LIFE BUSINESSES			
1. Premium reserve	112	447,830,018	
2. Claims reserve	113	1,312,306,078	
3. Profit participation and reimbursement reserve	114	0	
4. Other technical reserves	115	408,603	
5. Equalisation reserves	116	9,804,601	
	117	1,770,349,299	
II - LIFE BUSINESSES			
1. Mathematical reserves	118	1,683,324,499	
2. Complementary insurance premium reserve	119	49,695	
3. Reserve for payable amounts	120	15,469,088	
4. Profit participation and reimbursement reserve	121	0	
5. Other technical reserves	122	7,078,509	
	123	1,705,921,791	124
			3,476,271,090
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	166,130,550
II - Reserves arising from pension fund management		126	29,396,283
		127	195,526,833
to carry forward			4,658,315,963

Previous year

	281	67,378,924	
	282	13,418,961	
	283	18,192,709	
	284	13,300,612	
	285	0	
	286	0	
	287	443,969,373	
	288	0	
	289	108,623,860	
	501	0	290 664,884,439
			291 250,000,000
292	430,843,427		
293	1,250,951,115		
294	0		
295	408,603		
296	8,979,684	297 1,691,182,829	
298	1,509,329,692		
299	50,569		
300	21,646,999		
301	0		
302	6,531,770	303 1,537,559,030	304 3,228,741,859
		305 86,862,492	
		306 26,933,038	307 113,795,529
to carry forward			4,257,421,827

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
	brought forward		4,658,315,963
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1	Pension and similar provisions	128	0
2	Provision for taxation	129	1,364,171
3	Other provisions	130	52,546,492
			131
			53,910,663
F. DEPOSITS FROM REINSURERS			
			132
			6,872,559
G. PAYABLES AND OTHER LIABILITIES			
I - Payables arising from direct insurance business due to:			
1.	Insurance brokers and agents	133	7,297,665
2.	Current account companies	134	4,854,187
3.	Guarantee deposits and premiums paid by policyholders	135	1,726,144
4.	Guarantee funds in favour of policyholders	136	0
		137	13,877,996
II - Payables arising from reinsurance business due to:			
1.	Insurance and reinsurance companies	138	13,549,348
2.	Reinsurance brokers and agents	139	0
		140	13,549,348
III - Bond issues			
		141	0
IV - Due to banks and other financial institutions			
		142	11,238,482
V - Secured debts			
		143	0
VI - Sundry loans and other financial payables			
		144	0
VII - Employees' leaving entitlement			
		145	2,267,159
VIII - Other sums payable			
1.	Policyholders' tax due	146	28,991,237
2.	Other sums payable to taxation authorities	147	3,765,617
3.	Social security charges payable	148	4,065,834
4.	Sundry payables	149	37,733,387
		150	74,556,075
IX - Other liabilities			
1.	Suspense reinsurance accounts	151	0
2.	Commissions on premiums under collection	152	21,692,835
3.	Other liabilities	153	37,070,922
		154	58,763,757
			155
			174,252,818
	to carry forward		4,893,352,003
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	43,358
		159	6,856,714
			160
			4,900,208,717
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			

Previous year

	brought forward			4,257,421,827
		308	0	
		309	1,899,944	
		310	50,183,896	311 52,083,840
				312 6,388,983
	313	3,435,830		
	314	5,584,643		
	315	1,782,404		
	316	0	317 10,802,877	
	318	11,170,121		
	319	0	320 11,170,121	
		321	0	
		322	7,697,102	
		323	0	
		324	0	
		325	2,183,915	
	326	27,354,631		
	327	19,268,447		
	328	3,930,169		
	329	33,396,043	330 83,949,290	
	331	0		
	332	13,932,692		
	333	16,887,592	334 30,820,284	335 146,623,588
	to carry forward			4,462,518,239
		336	6,813,356	
		337	0	
		338	16,263	339 6,829,619
				340 4,469,347,859

PROFIT AND LOSS ACCOUNT

		Current year
I. NON-LIFE BUSINESS TECHNICAL ACCOUNT		
1	PREMIUMS, NET OF OUTWARDS REINSURANCE	
	a) gross premiums accounted for	1 1,263,544,432
	b) (-) outwards reinsurance premiums	2 51,630,790
	c) Change in gross premium reserve	3 16,986,591
	d) Change in reinsurer premium reserve	4 985,789
		5 1,195,912,840
2	(+) INCOME ON INVESTMENTS TRANSFERRED FROM NON-TECHNICAL ACCOUNT (Caption III.6)	6 3,743,179
3	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE	7 3,190,510
4	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND OUTWARDS REINSURANCE	
	a) Amounts paid	
	aa) Gross amount paid	8 722,015,877
	bb) (-) reinsurers' share	9 36,610,438 10 685,405,439
	b) Change in recoveries, net of reinsurers' share	
	aa) Gross amount recovered	11 19,033,059
	bb) (-) reinsurers' share	12 -1,480,396 13 20,513,455
	c) Change in claims reserve	
	aa) Gross amount	14 61,328,341
	bb) (-) reinsurers' share	15 1,025,521 16 60,302,820
		17 725,194,805
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	20 210,261,389
	b) Other acquisition costs	21 54,937,835
	c) Change in commissions and other acquisition costs to be amortised	22
	d) Premium collection commissions	23 6,209,736
	e) Other administrative costs	24 46,250,295
	f) (-) Profit participation and other commissions received by reinsurers	25 6,048,851
		26 311,610,405
8	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	27 10,768,440
9	CHANGE IN EQUALISATION RESERVES	28 824,917
10	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 1)	29 154,447,963

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	327,259,810		
	b) (-) outwards reinsurance premiums	31	1,827,619	32	325,432,191
2	INCOME ON INVESTMENTS:				
	a) Income on equity investments	33	317,625		
	(of which: from group companies	34	185,625)		
	b) Income on other investments:				
	aa) land and buildings	35	1,685,693		
	bb) other investments	36	59,829,187	37	61,514,880
	(of which: from group companies	38)		
	c) Adjustments to investment values	39	7,380		
	d) Profit on sale of investments	40	2,015,407		
	(of which: from group companies	41)	42	63,855,292
3	INCOME AND NON-REALISED CAPITAL GAINS RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS BEARING THE RISK AND INVESTMENTS STEMMING FROM PENSION FUND MANAGEMENT			43	19,587,965
4	OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE			44	2,453,671
5	CHARGES RELATING TO CLAIMS, NET OF OUTWARDS REINSURANCE:				
	a) Amounts paid				
	aa) Gross amount paid	45	116,897,847		
	bb) (-) reinsurers' share	46	45,591	47	116,852,255
	b) Change in reserve for amounts payable				
	aa) Gross amount	48	-6,177,911		
	bb) (-) reinsurers' share	49	-353	50	-6,177,558
				51	110,674,697
6	CHANGE IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF OUTWARDS REINSURANCE				
	a) Mathematical reserves:				
	aa) Gross amount	52	174,004,124		
	bb) (-) reinsurers' share	53	560,929	54	173,443,195
	b) Complementary insurance premium reserve:				
	aa) Gross amount	55	-874		
	bb) (-) reinsurers' share	56		57	-874
	c) Other technical reserves				
	aa) Gross amount	58	546,739		
	bb) (-) reinsurers' share	59	6,452	60	540,287
	d) Technical reserves where investment risk is borne by policyholders and reserves arising from pension fund management				
	aa) Gross amount	61	81,731,303		
	bb) (-) reinsurers' share	62		63	81,731,303
				64	255,713,912

Previous year

		140	222,486,080			
		141	1,590,189	142	220,895,892	
		143	75,000			
(of which: from group companies		144	75,000)			
	145	2,762,138				
	146	53,016,571	147	55,778,709		
(of which: from group companies		148)			
	149					
	150	961,263				
(of which: from group companies		151)	152	56,814,972	
				153	6,274,212	
				154	1,499,941	
	155	118,801,180				
	156	716,425	157	118,084,755		
	158	1,514,735				
	159	-1,692,087	160	3,206,822	161	121,291,577
	162	94,419,369				
	163	519,974	164	93,899,395		
	165	-6,149				
	166		167	-6,149		
	168	340,140				
	169	6,327	170	333,812		
	171	22,429,752				
	172		173	22,429,752	174	116,656,811

PROFIT AND LOSS ACCOUNT

		Current year
7	REVERSALS AND PROFIT PARTICIPATION, NET OF OUTWARDS REINSURANCE	65
8	OPERATING COSTS:	
	a) Acquisition commissions	66 13,577,033
	b) Other acquisition costs	67 4,141,153
	c) Change in commissions and other acquisition costs to be amortised	68 1,340,175
	d) Premium collection commissions	69 687,757
	e) Other administrative costs	70 4,069,560
	f) (-) Profit participation and other commissions received by reinsurers	71 366,444
		72 20,768,885
9	CAPITAL AND FINANCIAL CHARGES:	
	a) Investment management charges and interest payable	73 11,215,647
	b) Adjustments to investment values	74 2,624,758
	c) Loss on sale of investments	75 365,143
		76 14,205,548
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 4,513,557
11	OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	78 116,028
12	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (caption III.4)	79 3,728,696
13	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption III. 2)	80 1,607,797
III. NON-TECHNICAL ACCOUNT		
1	RESULT OF NON-LIFE BUSINESS TECHNICAL ACCOUNT (Caption I.10)	81 154,447,963
2	RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Caption II.13)	82 1,607,797
3	INCOME ON INVESTMENTS IN NON-LIFE BUSINESS:	
	a) Income on equity investments	83 3,242,402
	(of which: from group companies	84 3,242,402)
	b) Income on other investments:	
	aa) land and buildings	85 2,898,945
	bb) other investments	86 25,693,285
	(of which: from group companies	87 28,592,230
	88 157,573)	
	c) Adjustments to investment values	89
	d) Profit on sale of investments	90 76,746
	(of which: from group companies	91)
		92 31,911,378

Previous year

		175	
	176	7,655,415	
	177	3,769,487	
	178	376,365	
	179	636,001	
	180	4,863,054	
	181	318,564	182
			16,229,028
	183	12,303,793	
	184	2,513,514	
	185	68,205	186
			14,885,512
			187
			5,278,685
			188
			385,982
			189
			3,066,142
			190
			7,691,279
			191
			191,154,768
			192
			7,691,279
	193	7,611,410	
(of which: from group companies	194	7,611,410)	
	195	3,464,759	
	196	28,350,577	197
			31,815,336
(of which: from group companies	198	58,428)	
	199		
	200	67,479	
(of which: from group companies	201)	202
			39,494,225

PROFIT AND LOSS ACCOUNT

		Current year
4	(+) INCOME ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (caption II) 12)	93 3,728,696
5	CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:	
	a) Investment management charges and interest payable	94 19,497,699
	b) Adjustments to investment values	95 5,997,922
	c) Loss on sale of investments	96 831,756
6	(-) INCOME ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (caption I . 2)	97 26,327,377
7	OTHER INCOME	98 3,743,179
8	OTHER CHARGES	99 1,920,034
9	RESULT OF ORDINARY BUSINESS	100 34,663,382
10	EXTRAORDINARY INCOME	101 128,881,929
11	EXTRAORDINARY EXPENSE	102 20,157,332
12	RESULT OF EXTRAORDINARY ORDINARY BUSINESS	103 964,845
13	PROFIT (LOSS) BEFORE TAXATION	104 19,192,487
14	TAXATION ON PROFIT FOR THE YEAR	105 148,074,416
15	NET PROFIT (LOSS) FOR THE YEAR	106 46,023,607
		107 102,050,809

		Previous year
		203 3,066,142
		204 21,740,458
		205 14,913,290
		206 121,318
		207 36,775,067
		208 2,025,951
		209 3,629,499
		210 54,557,821
		211 151,677,074
		212 11,845,107
		213 3,701,774
		214 8,143,333
		215 159,820,407
		216 51,196,548
		217 108,623,859

EXPLANATORY NOTES TO FINANCIAL STATEMENTS

Dear Shareholders,
along with the Balance Sheet and Income Statement for the financial year ending on 31 December 2021, we hereby submit for your approval these Explanatory Notes which, pursuant to Article 2423 of the Italian Civil Code, are an integral part of the year-end financial statements.

Format and content of year-end financial statements

The financial statements, drawn up in euro, are submitted in the specific format envisaged for insurance companies as required by the Italian Legislative Decree no. 209 of 7 September 2005 “Private Insurance Company Code”. For items not covered by the aforementioned Decree or by its implementation orders, the provisions of the Italian Civil Code and those of Italian Legislative Decree no. 173 of 26 May 1997 apply, as amended following the transposition of Directive 2009/138/EC, Solvency II and Directive 2013/34/EU, Accounting.

Specifically, in compliance with ISVAP Regulation no. 22 of 4 April 2008, the financial statements have been prepared as follows:

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

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

Part A – Accounting policies

Part B – Information on the balance sheet and income statement

Part C – Other information and cash flow statement

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

In order to provide more complete information, it has been considered, as already done in previous years, also to present the reclassified balance sheet and income statement. The items in the reclassified balance sheet are shown net of reinsurance effects.

Reclassified balance sheet

(€/000)

ASSETS	31/12/2021	31/12/2020
Investments		
Land and buildings	145,604	176,348
Investments in group and other companies		
- Equity investments	466,021	408,179
- Loans	840	4,120
Other financial investments:		
- Equity investments	1,981	-
- OEIC units	890,989	797,147
- Bonds and other fixed-interest securities	2,569,843	2,417,270
- Loans	17,348	15,781
- Other financial investments	-	3,000
Deposits with ceding companies	-	-
Investments benefiting life policyholders	195,527	113,796
Total investments	4,288,153	3,935,641
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	76,050	69,015
- Insurance brokers and agents	140,905	126,977
- Current account companies	7,860	9,488
- Amounts to be recovered from policyholders and third parties	30,037	26,549
Receivables relating to reinsurance business	5,217	7,908
Other receivables	118,493	93,931
Total receivables	378,562	333,868
Intangible assets	21,749	10,173
Tangible assets and inventory	5,777	5,828
Cash and cash equivalents	6,315	2,302
Other assets	96,682	76,370
Prepayments and accrued income	33,152	37,951
TOTAL ASSETS	4,830,390	4,402,133

Reclassified balance sheet

(€/000)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2021	31/12/2020
Shareholders' equity		
- Share capital	67,379	67,379
- Share premium reserve	13,419	13,419
- Revaluation reserves	18,193	18,193
- Legal reserve	13,476	13,301
- Other reserves	522,001	443,969
- Net profit (loss) for the year	102,051	108,624
Total shareholders' equity	736,519	664,885
Subordinated liabilities	250,000	250,000
Technical reserves, net of reinsurance		
- Premium reserve	434,693	418,692
- Claims reserve	1,259,751	1,199,447
- Mathematical reserves	1,679,266	1,505,832
- Reserve for amounts payable	15,456	21,634
- Other technical reserves	17,286	15,922
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	195,527	113,796
Total technical reserves	3,601,979	3,275,323
Payables		
Deposits from reinsurers	6,873	6,389
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	7,298	3,436
- Current account companies	4,854	5,585
- Guarantee deposits and premiums paid by policyholders	1,726	1,782
Payables arising from reinsurance business	13,549	11,170
Due to banks and other financial institutions	11,238	7,697
Other sums payable	74,556	83,949
Total payables	120,094	120,008
Provisions for contingencies and other charges	53,911	52,084
Employees' leaving entitlement	2,267	2,184
Other liabilities	58,763	30,819
Accrued expenses and deferred income	6,857	6,830
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,830,390	4,402,133

Reclassified individual profit and loss account

(€/000)

	31/12/2021	31/12/2020
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	327,260	222,486
(-) Charges relating to claims	110,720	120,316
technical reserves	256,281	117,183
(+) Other technical captions, net	2,338	1,114
(-) Operating costs	21,135	16,548
net of the portion transferred to the non-technical account	45,921	38,616
policyholders bear the risk - Class D	15,074	996
Direct insurance result	2,456	9,165
Outwards reinsurance result	-849	-1,721
Retained direct insurance result	1,608	7,444
Result of life business technical account	1,608	7,444
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	1,263,445	1,221,310
(-) Change in premium reserve	16,986	9,098
(-) Charges relating to claims	764,322	704,857
(+) Other technical captions, net	-7,578	-4,524
(-) Operating costs	317,653	305,037
Direct insurance result	156,907	197,794
Outwards reinsurance result	-5,480	-7,984
Retained direct insurance result	151,427	189,811
Indirect and retroceded insurance result	104	54
Total retained direct insurance result	151,531	189,865
(-) Change in equalisation reserves	825	735
(+) Income on investments transferred		
from the non-technical account	3,743	2,026
Result of non-life business technical account	154,449	191,155
Result of technical account	156,057	198,599
(+) Income on non-life business investments net of the		
portion transferred to the technical account	1,841	940
(+) Income on investments transferred		
from the life business technical account	3,729	3,066
(+) Other income	1,920	3,629
(-) Other charges	34,664	54,559
Result of ordinary business	128,882	151,677
(+) Extraordinary income	20,157	11,845
(-) Extraordinary expense	965	3,702
Profit (loss) before taxation	148,075	159,820
(-) Taxation on profit for the year	46,024	51,197
Net profit (loss)	102,051	108,624

Part A

Accounting policies

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

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

Technical insurance captions

Classification of risks by business line

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

NON-LIFE Premiums and related premium reserves are allocated to the various Non-Life Business lines analytically for each guarantee; operating costs and technical income are allocated to the various Non-Life Business lines through appropriated drivers. Costs relating to claims are directly allocated to the individual lines if they refer to transactions relating to an individual event, since allocations are made on the basis of the type of cover involved in a claim. Costs common to several claims are allocated to the various officially defined lines according to the weight of indemnities paid during the financial year. Costs borne for claims in the current and previous financial years are allocated commensurate with the indemnities paid in the different years concerned. Only for the Motor TPL (third-party liability) line, the impact of the number of claims occurring in the year is also taken into account.

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

Gross premiums

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

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

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

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

NON-LIFE/
LIFE

Operating costs

Operating costs include:

Acquisition commissions

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

Other acquisition costs

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

Changes in commissions and other acquisition costs to be amortised

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

Premium collection commissions

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

Other administrative costs

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

Commissions and profit participation received by reinsurers

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

Premium reserve

NON-LIFE

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

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

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

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

Also, the Company assesses the need to establish the reserve for unexpired risks to cover risks incumbent upon the company after the balance sheet date, as required by the Italian Legislative Decree no. 209 of 7 September 2005. The reserve for unexpired risks has been determined by adopting the empirical calculation method, based on the forward-looking value of the ratio claims/earned premiums of the current generation, according to criteria set forth by paragraph no.7 of Annex. 15 to ISVAP Regulation no.

22/2008, possibly normalized to consider non-recurring events. This criterion provides that the provision is made if and to the extent that the total amount of the alleged cost of expected claims – with respect to portfolio policies – is estimated to exceed the reserve for unearned premiums plus premiums outstanding, net of acquisition costs due for deferred-premium policies.

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

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

Other technical reserves

NON-LIFE

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

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

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

Equalisation reserves

NON-LIFE

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

The item includes:

- the offsetting reserve for credit insurance envisaged by paragraph 39 of Annex. 15 to ISVAP regulation no. 22/2008, amended and supplemented by IVASS regulatory order no. 53/2016;
- the equalisation reserve for risks of natural disasters; in the absence of the issuance of the Regulation of the Ministry for the Economic Development, provided for by paragraph 37 of the Insurance Company Code, provisions of Ministerial Decree no. 705 of 19 November 1996 are applied to the calculation. Equalisation reserving for FY2020, by business line, is shown in Appendix 25 to the Explanatory Notes.

Costs relating to claims paid

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

Recoverables

NON-LIFE	<p>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.</p> <p>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.</p>
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Claims reserve

NON-LIFE	<p>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).</p>
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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.

For the year ended 31 December 2021, the Company, in the process of developing the actuarial statistical methodologies for the determination of the reserves for the Motor TPL line of business, has also considered the impacts arising from the government measures aimed at containing the pandemic.

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

Mathematical reserves and other technical reserve

LIFE

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

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

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

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

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

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

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

Reversals and profit participation

NON-LIFE/
LIFE

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

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

Other technical costs

NON-LIFE/
LIFE

Other technical costs include:

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

Other technical income

NON-LIFE/
LIFE

Other technical income includes:

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

Transfer of investment income

NON-LIFE/
LIFE

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

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

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

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

Inward reinsurance

NON-LIFE/
LIFE

The Inward life reinsurance is recorded on an accruals basis.

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

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

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

Retrocession

NON-LIFE/
LIFE

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

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

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

NON-LIFE LIFE

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

Other acquisition costs (excluding commissions)

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

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

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

Other administrative expenses (personnel costs and miscellaneous administrative expenses)

This category includes, in accordance with article no. 53 of Legislative Decree no. 173/97, all the remaining expenses not allocated to acquisition and liquidation costs. For this category of costs, the distinction between the two businesses is also made by using direct criteria for all cost centres directly attributable to the non-life business or the life business, or by using the earned premiums (calculated using the same criteria adopted for other acquisition costs) as an allocation drive.

Investment captions

C I – Land and buildings

In compliance with Article no. 15, paragraph no. 2, of Italian Legislative Decree no. 173 of 26 May 1997, land and buildings are considered to be assets for enduring, long-term use, except in the case of buildings available for sale. They are recorded at acquisition cost and, in the case of limited use over time, subject to a systematic amortization process in relation to the residual possibility of use; this value may also be adjusted to take into account the permanent losses in value from the market value. The value of the building is separated from the value of land on which they stand, that is not subject to depreciation.

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

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

Market value

Measurement is based on the market value of each plot of land and building, taken from independent appraisals, which are drawn up taking into account, for property leased, the contractual lease payments required while for the head office, an estimated fee has been calculated on the basis the current market conditions. The appraisals

also include the estimate of financial variables, such as the discount rate. Where available, the market value comes from the offers received from market operators.

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

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

Furthermore, the following conditions were taken into account:

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

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

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

Also for the year ended December 31, 2021, the process of estimating the market value of real estate assets, among other variables, had to consider the exceptional macroeconomic situation resulting from the Covid-19 health emergency.

C II – Investments in Group companies and other investees

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

They are recorded at acquisition cost including accessory charges.

Group companies

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

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

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

Other investee companies

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

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

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

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

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

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

C III – Other financial investments

Equity investments

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

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

Foreign currency investments are converted into euro as follows:

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

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

Units in mutual investment funds

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

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

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

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

Bonds and other fixed income debt securities

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

Fixed-income securities are therefore classified as shown below:

Investment securities

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

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

Trading securities

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

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

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

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

Derivative financial instruments

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

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

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

Fair value of financial instruments

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

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

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

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

Investments benefiting policyholders that bear the risk

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

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

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

DI - unit-linked and index-linked investments

DII - investments arising from pension fund management.

Mortgages and loans

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

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

Other captions

Tangible assets

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

Intangible assets

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

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

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

LIFE

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

Receivables

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

Accrued, prepaid and deferred items

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

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

Subordinated liabilities

Payables belonging to this category are expressed at par value.

Payables

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

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

Reserve for employee severance indemnities

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

Provisions for risks and charges

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

Income taxes

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

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

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

Conversion into euro

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

Part B

Information on Balance Sheet and Income Statement

BALANCE SHEET

ASSETS

CLASS B – INTANGIBLE ASSETS	31/12/2021	31/12/2020	Change
	21,749	10,173	+11,576

Intangible assets are shown 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

	31/12/2021	31/12/2020	Change
	8,389	7,049	+1,340

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 323 thousand euro (420 thousand euro in the previous year) for the Life business.

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

	31/12/2021	31/12/2020	Change
	8,389	7,049	+1,340

Life business deferred acquisition commissions changed due to:

commissions on policies acquired in the year	+3,003
commissions for policies cancelled in the year	+64
annual amortization	-1,727

B.5 – Other deferred costs

	31/12/2021	31/12/2020	Change
	13,360	3,124	+10,236

Deferred expenses, stated in year-end accounts at cost, are shown net of the amortization. The item refers to a software, which recorded +10,236 thousand euro compared to 31 December 2020, due to acquisitions for 11,614 thousand euro and amortization for 1,378 thousand euro.

CLASS C - INVESTMENTS

	31/12/2021	31/12/2020	Change
	4,092,625	3,821,845	+270,780

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

	31/12/2021	31/12/2020	Change
	145,604	176,348	-30,744
<i>Of which:</i>			
C.I 1. Operating buildings	78,690	80,026	-1,336
C.I 2. Buildings used by third parties	63,726	93,375	-29,649
C.I 5. Assets under construction and payments on account	3,187	2,948	+239

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

	Operating buildings	Buildings used by third parties	Assets under construction and payments on account	Total
				(€/000)
Amount as at 31 December 2020	80,026	93,375	2,947	176,348
Acquisitions	-	-	240	240
Sales	-	(27,839)	-	(27,839)
Depreciation	(1,336)	(1,809)	-	(3,145)
Amount as at 31 December 2021	78,690	63,727	3,187	145,604

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

	31/12/2021	31/12/2020	Change
	466,861	412,299	+54,562

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

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

During 2021, a write-down of 3,600 thousand euro, as described in the Report on Operations.

Residual possible differences are within an acceptable range and are not assessed as an impairment loss.

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

	31/12/2021	31/12/2020	Change
	466,021	408,179	+57,842

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	31/12/2021	31/12/2020	Change
	391,468	342,828	+48,640

The investments in subsidiaries totalled 391,468 thousand euro, 28,636 thousand euro of which are allocated to the Life business and 362,832 thousand euro to the Non-life business.

C.II 1.d Associated companies	31/12/2021	31/12/2020	Change
	15,670	32,925	-17,255

The investments in subsidiaries totalled 15,670 thousand euro, totally allocated to the Non-life business.

C.II 1.e Other investee companies	31/12/2021	31/12/2020	Change
	58,884	32,427	+26,457

The item includes investments other than those in subsidiaries and associates, 9,000 thousand euro of which are allocated to the Life business and 49,884 thousand euro to the Non-life business.

C.II 3. Loans to group companies	31/12/2021	31/12/2020	Change
	840	4,120	-3,280

Of which:

C.II 3.d Associated companies	31/12/2021	31/12/2020	Change
	840	4,120	-3,280

The balance at December 31, 2021 related to two interest-bearing loans outstanding with the associate Aspevi Milano S.r.l. for 840 thousand euro (the residual term of the loan is more than one year and the current rate applied is 2%).

C.III Other financial investments

	31/12/2021	31/12/2020	Change
	3,480,160	3,233,198	+246,962

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 1.a Shares and quotas

	31/12/2021	31/12/2020	Change
	1,981	0	+1,981

C.III 2 OEIC Units

	31/12/2021	31/12/2020	Change
	890,989	797,147	+93,842

Investments in mutual funds are mainly long-term investments. These totalled 890,989 thousand euro and are allocated as follows: 365,397 thousand euro to the Life business and 525,592 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

	31/12/2021	31/12/2020	Change
	2,569,843	2,417,270	+152,573
<i>Of which:</i>			
C.III 3.a Listed	2,569,142	2,416,459	+152,683
C.III 3.b Not listed	701	811	-110

Investments in bonds and other fixed-income securities include short-term securities of 2,451,334 thousand euro and long-term securities of 118,509 thousand euro. These totalled 2,569,843 thousand euro and are allocated as follows: 1,224,898 thousand euro to the Non-life business and 1,344,945 thousand euro to the Life business.

As at 31 December 2021, 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 2021	Currency	Interest rate	Expiration date	Early redemption clauses
ABANCA CORP BAN	1,069,116	EUR	6.00%	20/10/2099	Call 20/01/2026
ABN AMRO	1,056,924	EUR	4.38%	22/09/2099	Call 22/09/2025
Achmea B.V.	6,622,271	EUR	6.00%	04/04/2043	Call 04/04/2023
Aegon NV	1,565,140	EUR	4.00%	25/04/2044	Call 25/04/2024
Aegon NV	1,049,876	EUR	4.00%	25/04/2044	Call 25/04/2024
Aegon NV	2,896,730	EUR	5.63%	15/10/2099	Call 15/04/2029
Aegon NV	5,172,757	EUR	5.63%	15/10/2099	Call 15/04/2029
AG INSURANCE SA	1,044,018	EUR	3.50%	30/06/2047	Call 30/06/2027
AGEAS	2,034,040	EUR	3.88%	10/06/2099	Call 10/12/2029
AGEAS	2,140,608	EUR	3.88%	10/06/2099	Call 10/12/2029
AGEAS	4,029,748	EUR	3.25%	02/07/2049	Call 02/07/2029
AIA GROUP LTD	2,499,532	EUR	0.88%	09/09/2033	Call 09/06/2028
Allianz SE	3,738,744	EUR	2.60%	30/04/2099	Call 30/10/2031
Allianz SE	2,564,658	EUR	2.60%	30/04/2099	Call 30/10/2031
Allianz SE	7,876,077	EUR	2.63%	30/04/2099	Call 30/10/2030
Allianz SE	3,015,813	EUR	2.63%	30/04/2099	Call 30/10/2030
Allianz SE	1,051,640	EUR	2.24%	07/07/2045	Call 07/07/2025
Allianz SE	6,700,363	EUR	3.10%	06/07/2047	Call 06/07/2027
Allianz SE	536,278	EUR	3.10%	06/07/2047	Call 06/07/2027
ARGENTUM (ZURIC	1,651,735	EUR	3.50%	01/10/2046	Call 01/10/2026
ARGENTUM (ZURIC	2,010,511	EUR	2.75%	19/02/2049	Call 19/02/2029
ARGENTUM (ZURIC	1,560,179	EUR	2.75%	19/02/2049	Call 19/02/2029
ASR NEDERLAND N	1,091,580	EUR	4.63%	19/10/2099	Call 19/10/2027
ASR NEDERLAND N	3,300,103	EUR	4.63%	19/10/2099	Call 19/10/2027
ASR NEDERLAND N	2,746,576	EUR	5.13%	29/09/2045	Call 29/09/2025
ASR NEDERLAND N	551,700	EUR	5.13%	29/09/2045	Call 29/09/2025
ASR NEDERLAND N	6,954,559	EUR	3.38%	02/05/2049	Call 02/02/2029
Ass.ni Generali	9,021,666	EUR	5.00%	08/06/2048	Call 08/06/2028
Ass.ni Generali	1,600,025	EUR	5.00%	08/06/2048	Call 08/06/2028
Ass.ni Generali	574,529	EUR	5.50%	27/10/2047	Call 27/10/2027
Ass.ni Generali	6,205,446	EUR	5.50%	27/10/2047	Call 27/10/2027
Ass.ni Generali	6,957,522	EUR	4.13%	04/05/2026	none
Ass.ni Generali	1,027,936	EUR	3.88%	29/01/2029	none
AXA SA	5,226,875	EUR	3.38%	06/07/2047	Call 06/07/2027
AXA SA	6,072,134	EUR	3.25%	28/05/2049	Call 28/05/2029
AXA SA	1,554,837	EUR	3.25%	28/05/2049	Call 28/05/2029
AXA SA	871,233	EUR	0.73%	29/10/2099	none
BANCA INTESA	2,003,997	EUR	3.75%	27/08/2099	Call 27/02/2025
BANCA INTESA	535,670	EUR	5.50%	01/09/2099	Call 01/03/2028

Debt securities with subordination clauses

(€000)

Beneficiary	Carrying value FY 2021	Currency	Interest rate	Expiration date	Early redemption clauses
Banco Bilbao Vi	1,550,975	EUR	3.50%	10/02/2027	none
BANCO SANTANDER	968,342	EUR	2.13%	08/02/2028	none
BANKINTER SA	1,137,720	EUR	6.25%	17/10/2099	Call 17/01/2026
BARCLAYS BANK P	1,013,105	EUR	6.63%	30/03/2022	none
Barclays Plc	978,352	EUR	2.00%	07/02/2028	Call 07/02/2023
BAYERISCHE LAND	996,050	EUR	1.00%	23/09/2031	Call 23/06/2026
Bcc Gran Sasso	100,000	EUR	6.00%	20/06/2023	none
BNP PARIBAS	2,222,466	EUR	2.25%	11/01/2027	none
BNP PARIBAS CAR	2,047,006	EUR	1.00%	29/11/2024	none
Caixabank SA	1,529,917	EUR	3.50%	15/02/2027	Call 15/02/2022
Caixabank SA	951,744	EUR	2.25%	17/04/2030	Call 17/04/2025
CM ARKEA	2,107,765	EUR	3.50%	09/02/2029	none
CM ARKEA	2,070,649	EUR	3.38%	11/03/2031	none
Cnp assurances	2,477,268	EUR	2.75%	05/02/2029	none
Cnp assurances	1,033,801	EUR	2.75%	05/02/2029	none
Cnp assurances	4,340,787	EUR	4.50%	10/06/2047	Call 10/06/2027
Cnp assurances	1,992,255	EUR	2.50%	30/06/2051	Call 30/12/2030
COOPERATIEVE RA	5,956,390	EUR	3.10%	29/12/2099	Call 29/06/2028
COOPERATIEVE RA	2,038,220	EUR	3.25%	29/12/2099	Call 29/12/2026
CREDEMMITA SPA	2,490,510	EUR	3.50%	18/02/2031	Call 18/11/2025
CREDEMMITA SPA	2,491,544	EUR	3.50%	18/02/2031	Call 18/11/2025
Credit Agr Ass	1,435,784	EUR	2.63%	29/01/2048	Call 29/01/2028
Credit Agr Ass	5,588,213	EUR	4.75%	27/09/2048	Call 27/09/2028
Credit Agr BK	2,500,020	EUR	4.00%	23/12/2099	Call 23/12/2027
Credit Agr BK	1,086,435	EUR	4.00%	23/12/2099	Call 23/12/2027
Credit Agr BK	715,655	EUR	2.63%	17/03/2027	none
Danica Pension	4,405,180	EUR	4.38%	29/09/2045	Call 29/09/2025
Deut.Pfandbrief	1,034,600	EUR	4.60%	22/02/2027	none
Deutsche Bk AG	469,999	EUR	6.00%	30/04/2099	Call 30/04/2022
Deutsche Bk AG	968,891	EUR	6.00%	30/04/2099	Call 30/04/2022
Deutsche Bk AG	6,836,359	EUR	4.50%	19/05/2026	none
ELM BV(HELVETIA	3,668,930	EUR	3.38%	29/09/2047	Call 29/09/2027
ENGIE SA	1,995,033	EUR	1.88%	02/07/2099	Call 02/01/2031
ERSTE GROUP BAN	4,218,624	EUR	4.25%	15/10/2099	Call 15/10/2027
ERSTE GROUP BAN	1,104,100	EUR	6.50%	15/10/2099	Call 15/04/2024
ETHIAS SA	1,594,721	EUR	5.00%	14/01/2026	none
ETHIAS SA	533,691	EUR	5.00%	14/01/2026	none
F VAN LANSCHOT	1,054,820	EUR	6.75%	01/10/2099	Call 01/04/2024
F VAN LANSCHOT	1,053,121	EUR	6.75%	01/10/2099	Call 01/04/2024
GRPM Ass Mut	7,080,549	EUR	3.38%	24/09/2028	none
GRPM Ass Mut	500,814	EUR	3.38%	24/09/2028	none
GRPM Ass Mut	504,763	EUR	2.13%	16/09/2029	none
GRPM Ass Mut	2,479,996	EUR	2.13%	16/09/2029	none
HANNOVER RE	2,476,941	EUR	1.13%	10/10/2039	Call 09/07/2029

Debt securities with subordination clauses

(€'000)

Beneficiary	Carrying value FY 2021	Currency	Interest rate	Expiration date	Early redemption clauses
HELVETIA EUROPE	1,189,804	EUR	2.75%	30/09/2041	Call 30/06/2031
HSBC Holding PI	504,920	EUR	5.25%	16/09/2099	Call 16/09/2022
HSBC Holding PI	1,469,912	EUR	5.25%	16/09/2099	Call 16/09/2022
HSBC Holding PI	2,862,445	EUR	3.13%	07/06/2028	none
IBERCAJA BANCO	1,001,918	EUR	2.75%	23/07/2030	Call 23/07/2025
IBERDROLA INTL	2,054,459	EUR	1.88%	22/05/2099	Call 22/02/2023
INTESA SANPAOLO	2,933,880	EUR	4.13%	27/08/2099	Call 27/02/2030
INTESA SANPAOLO	516,070	EUR	6.25%	16/11/2099	Call 16/05/2024
INTESA SANPAOLO	6,011,777	EUR	6.25%	16/11/2099	Call 16/05/2024
LA BANQUE POSTA	1,880,200	EUR	3.00%	20/11/2099	Call 20/11/2028
La Mondiale	1,084,730	EUR	4.38%	24/10/2099	Call 24/04/2029
La Mondiale	2,196,003	EUR	4.38%	24/10/2099	Call 24/04/2029
La Mondiale	1,276,707	EUR	5.05%	17/12/2099	Call 17/12/2025
LB BADEN-WUERTT	668,770	EUR	3.63%	16/06/2025	none
MUNCHENER RUECK	1,091,153	EUR	3.25%	26/05/2049	Call 26/05/2029
NATWEST GROUP P	986,740	EUR	1.04%	14/09/2032	Call 14/06/2027
NN Group NV	1,613,179	EUR	4.63%	08/04/2044	Call 08/04/2024
NN Group NV	8,190,189	EUR	4.63%	13/01/2048	Call 13/01/2028
NN Group NV	1,638,463	EUR	4.63%	13/01/2048	Call 13/01/2028
PERMANENT TSB G	1,019,840	EUR	3.00%	19/08/2031	Call 19/05/2026
POSTE ITALIANE	2,975,075	EUR	2.63%	24/06/2099	Call 24/03/2029
SAMPO Oyj	2,016,435	EUR	3.38%	24/05/2049	Call 23/05/2029
SANTANDER INTL	923,750	EUR	4.38%	14/10/2099	Call 14/01/2026
SANTANDER INTL	2,979,119	EUR	4.38%	14/10/2099	Call 14/01/2026
SANTANDER INTL	1,865,180	EUR	3.63%	21/12/2099	Call 21/03/2029
SCOR SE	3,203,791	EUR	3.63%	27/05/2048	Call 27/05/2028
Skandinaviska E	398,445	EUR	0.75%	03/11/2031	Call 03/11/2026
SOCIETE GENERAL	2,113,473	EUR	4.00%	07/06/2023	none
Standard Charte	708,040	EUR	3.63%	23/11/2022	none
Standard Charte	1,495,888	EUR	3.63%	23/11/2022	none
SWISS RE FINANC	200,019	EUR	2.71%	04/06/2052	Call 04/06/2032
SWISS RE FINANC	1,517,578	EUR	2.53%	30/04/2050	Call 30/04/2030
TALANX AG	9,734,582	EUR	2.25%	05/12/2047	Call 05/12/2027
UniCredit S.p.A	6,120,404	EUR	3.88%	03/12/2099	Call 03/06/2027
Uniq Insurance	8,656,137	EUR	6.00%	27/07/2046	Call 27/07/2026
VITTORIA ASSICU	571,923	EUR	5.75%	11/07/2028	none
VITTORIA ASSICU	454,892	EUR	5.75%	11/07/2028	none
XLIT LTD	997,759	EUR	3.25%	29/06/2047	Call 29/06/2017
ZURICH FINANCE	975,910	EUR	1.60%	17/12/2052	Call 17/09/2032
Totale	300,084,813				

As at 31 December 2021, the Company holds no. 122 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 off 1,175,350 thousand euro and decrease depending on reimbursements and sales for 1,001,453 thousand euro;
- adjustment for negative trading margins for 19,603 thousand euro;
- decreasing adjustment at fair value of short-term investments for 1,612 thousand euro.

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

The change is due to:

- increase depending of purchase of 8 thousand euro and decrease depending on reimbursements for 109 thousand euro;
- negative adjustment due to issue and trading discounts for 8 thousand euro.

The following table provides information relating to the fair value of financial instruments as at 31 December 2021, as required by Article 2427-bis of the Italian Civil Code.

		(€/000)	
	Account class	Carrying value FY 2021	Fair value (*)
Investments and Other investee companies		466,861	531,164
- Equity investments in other investee companies <i>of which carried at a value higher than fair value</i>	C.II.1	466,021 -	530,324 -
- Loans to other investee companies	C.II.3.e)	840	840
Other financial investments		3,480,160	3,607,100
- Equity investments	C.III.1	1,981	2,022
- OEIC Units <i>of which carried at a value higher than fair value</i>	C.III.2	890,989 424,483	932,826 411,043
- Bonds and other fixed-income securities <i>of which carried at a value higher than fair value</i>	C.III.3	2,569,843 821,018	2,654,904 815,462
- Loans	C.III.4	17,348	17,348

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 2021 of 61,762 thousand euro) and Banca Passadore (fair value at 31 December 2021 amounting to 10,251 thousand euro).

Operations involving repurchase agreements

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

C.III 4 Loans

	17,348	15,781	+1,567
<i>Of which:</i>			
C.III 4.a Secured loans	11,304	12,786	-1,482
C.III 4.b Loans against insurance policies	249	350	-101
C.III 4.c Other loans	5,795	2,645	+3,150

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

C.III 4.a Secured loans

	31/12/2021	31/12/2020	Change
	11,304	12,786	-1,482

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

The minimum interest rate applied to mortgages is 0.60%.

The amount of mortgage with a residual duration of more than 1 year and 5 years is 2,045 thousand euro and 2,000 thousand euro, respectively.

C.III 4.b Loans against insurance policies

	31/12/2021	31/12/2020	Change
	249	350	-101

These are loans granted to company Life policyholders. Due to 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

	31/12/2021	31/12/2020	Change
	5,795	2,645	+3,151

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

The minimum interest rate applied to loans is 0.17% 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 2,184 thousand euro and 1,506 thousand euro.

C.III 6 Other financial investments

	31/12/2021	31/12/2020	Change
	0	3,000	-3,000

The item in 2020 consisted of two term deposits, allocated to the Non-Life business for 1,000 thousand euro and allocated to the Life business for 2,000 thousand euro.

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

	31/12/2021	31/12/2020	Change
	195,527	113,796	+81,731

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

	31/12/2021	31/12/2020	Change
	166,131	86,862	+79,269

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

Unit Linked portfolio	+79,269
- increases for purchases and subscriptions of financial instruments	+77,516
- decreases due to sales of securities, redemptions and switches	-11,902
- profit/loss from internal fund management	+9,990
- adjustment to current value	+3,302
- liquidity waiting to be invested	+362

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

	31/12/2021	31/12/2020	Change
	29,396	26,933	+2,463

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

- balance of social security management (net collection)	+861
- gain/loss for pension fund management	+1,603

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

31/12/2021	31/12/2020	Change
69,818	67,214	+2,604

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:

	31/12/2021	31/12/2020	Change
			(€/000)
D Bis. I Non - Life business	65,692	63,655	+ 2,037
<i>Of which:</i>			
Premium reserve	13,137	12,151	+ 986
Claims reserve	52,555	51,504	+ 1,051
D Bis. II Life business	4,126	3,559	+ 567
<i>of which:</i>			
Mathematical reserves	4,058	3,497	+ 561
Reserve for payable amounts	13	13	- 0
Other technical reserves	55	49	+ 6

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

CLASS E – RECEIVABLES

31/12/2021	31/12/2020	Change
378,562	333,868	+44,694

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

The changes compared to 31 December 2020 are detailed in the following categories:

E.I Receivables relating to direct insurance transaction

	31/12/2021	31/12/2020	Change
	254,852	232,029	+22,823
Towards:			
E.I.1 Policyholders	76,050	69,015	+7,035
E.I.2 Insurance agents and brokers	140,905	126,977	+13,929
E.I.3 Insurance companies - current accounts	7,860	9,488	-1,628
E.I.4 Policyholders and third parties for recoverables	30,037	26,549	+3,488

In particular:

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

	31/12/2021	31/12/2020	Change
	76,050	69,015	+7,035
<i>Of which:</i>			
E.I 1.a For current years' premiums	72,848	67,196	+5,652
E.I 1.b For previous years' premiums	3,202	1,819	+1,383

Receivables due from policyholders are shown net of related adjustment provisions, which, as at 31 December 2021, amounted 11,139 thousand euro (12,638 thousand euro as at 31 December 2020), 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

	31/12/2021	31/12/2020	Change
	140,905	126,977	+13,927

Amounts receivable from insurance agents and brokers are shown net of the related provision which, as at 31 December 2021 amounted to 31,861 thousand euro (22,652 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 25,431 thousand euro for Non-life business and for 6,430 thousand euro for Life business.

The item includes 30,909 thousand euro for the recovery of the portfolio against leaving indemnities paid in the past to intermediaries who have ceased their activities and currently in reimbursement. Of the remaining receivables, amounting to 119,205 thousand euro, 2,133 thousand euro remained uncollected at 31 January 2021.

In addition, the total amount includes receivables toward subsidiary companies, in particular, Aspevi Firenze S.r.l. and Aspevi Milano S.r.l. for 17,971 thousand euro.

The amounts of receivables with a residual duration of more than 1 year and 5 years are 25,579 thousand euro and 14,727 thousand euro, respectively.

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

	31/12/2021	31/12/2020	Change
	7,860	9,488	-1,628

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

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

	31/12/2021	31/12/2020	Change
	30,037	26,549	+3,488

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

E.II - Receivables relating to reinsurance business

	31/12/2021	31/12/2020	Change
1. Insurance and reinsurance companies	5,217	7,908	-2,691

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

E.III – Other receivables

	31/12/2021	31/12/2020	Change
	118,493	93,931	+24,562

This item is shown net of related bad-debt provisions of 3,866 thousand euro relating to Non-life business (4,025 thousand euro in the previous year).

The most significant items forming “Other receivables” are:

- Receivables from Tax Authorities for 72,562 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;
- Credits for IRES and IRAP advances totaling 9,684 thousand euro;
- Receivables from subsidiary companies for 10,677 thousand euro.

CLASS F – OTHER ASSETS

	31/12/2021	31/12/2020	Change
	108,775	84,500	+24,275

Of which:

F. I Tangible assets and inventory

	31/12/2021	31/12/2020	Change
	5,777	5,828	-51
F. I.1 Office, furniture & machinery, and internal transport systems	4,508	4,507	+1
F. I.2 Registered chattels	217	164	+53
F. I.3 Plant and equipment	1,041	1,146	-105
F. I.4 Inventory and other assets	11	11	+0

Assets related to item F.I Tangible assets and inventory are stated at cost less cumulative depreciation. The change is due to the purchases during the year for 1,950 thousand euro and depreciation for 1,926 thousand euro and net dismissals for 75 thousand euro.

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

	31/12/2021	31/12/2020	change
Furniture	2,520	2,839	-319
Fittings	680	773	-93
Ordinary office machinery	1,216	837	379
Electronic office machinery	92	58	34
Total	4,508	4,507	1

Operations of financial lease

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

F. II Cash & cash equivalents

	31/12/2021	31/12/2020	Change
	6,315	2,302	+4,013

The total amount is made up of 6,311 thousand euro by bank deposits and post office current accounts and 4 thousand euro by cheques and cash in hand.

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

F. IV Other assets

	31/12/2021	31/12/2020	Change
	96,683	76,370	+20,313

The main items forming this item are shown below:

- deferred tax assets relating to previous years' taxable items for 63,131 thousand euro relating to the temporary tax adjustments made in the financial year or in the previous years (61,164 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 7,209 thousand euro;
- sums relating to margins posted as collateral on forward sales contracts for government securities signed with certain counterparties, amounting to 20,370 thousand euro.

CLASS G – ACCRUED INCOME & PREPAID EXPENSES

	31/12/2021	31/12/2020	Change
	33,152	37,951	-4,799
G.1 Interest	23,648	27,076	-3,428
G.3 Other accrued income & prepaid expenses	9,504	10,874	-1,370

G.1 Interest

This refers mainly to interest totalling on fixed-income government securities, totalling 9,798 thousand euro as at 31 December 2021 (16,914 thousand euro in the previous year) and interest on bonds amounting to 7,967 thousand euro (8,089 thousand euro in the previous year). Lastly, the item includes 5,829 thousand euro relating to the accrual of capital gains to be paid to policyholders of the Segregated Fund Rendimento Mensile, which will be realised upon maturity of the forward sale transaction on securities as described in the Report on Operations.

G.3 Other accrued income & prepaid expenses

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

BALANCE SHEET

LIABILITIES

CLASS A – SHAREHOLDERS' EQUITY

	31/12/2021	31/12/2020	Change
	736,518	664,884	+71,634

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

	(€000)						
	Share capital	Legal reserve	Share premium	Revaluation reserve	Available reserve	Net profit for the year	Total
Dividend distribution	-	-	-	-	-	-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	139,487	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	-	-	59,407	-59,578	-
2018 net profit	-	-	-	-	-	99,607	99,607
Balance as at 31/12/2018	67,379	12,849	33,355	18,193	578,888	99,608	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
Dividend distribution	-	-	-	-	-	12,944	-12,944
Allocation to earnings reserve 2019	-	362	-	-	61,064	-61,426	-
2019 net profit	-	-	-	-	-	108,624	108,624
Balance as at 31/12/2020	67,379	13,301	13,419	18,193	443,968	108,625	664,884
Dividend distribution	-	-	-	-	-	30,417	-30,417
Allocation to earnings reserve 2020	-	175	-	-	78,032	-78,207	-
2020 net profit	-	-	-	-	-	102,051	102,051
Balance as at 31/12/2021	67,379	13,476	13,419	18,193	522,001	102,052	736,518

As at 31 December 2021, 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 31/12/2021	Possibility of utilization (*)	Available amount	Summary of utilisation in the previous 3 financial years	
				to cover losses	for other reasons
Share capital	67,379				
Equity reserves					
Share premium reserves	13,419	A, B, C	13,419		
Revaluation reserves (2)					
Revaluation reserve - Law 147/2013	7,254	A, B, C	7,254		
Revaluation reserve - Law 185/2008	10,939	A, B, C	10,939		
Earnings reserves					
Legal reserve	13,476	B	-		
Other available reserves	522,001	A, B, C	522,001		
Net profit for the year	102,051	A, B, C	102,051		
Total shareholders' equity	736,518		655,663		
Residual distributable portion			655,663		

(*) A: for capital increases

B: to cover losses

C: for distribution to shareholders

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

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

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

(€/000)

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

CLASS B – SUBORDINATED LIABILITIES

31/12/2021	31/12/2020	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

31/12/2021	31/12/2020	Change
3,476,271	3,228,742	+247,529

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

	31/12/2021	31/12/2020	Change
	1,770,349	1,691,183	+79,166
C.I.1 - Premium reserve	447,830	430,843	+16,987
C.I.2 - Claims reserve	1,312,306	1,250,951	+61,356
C.I.4 - Other technical reserve	409	409	+0
C.I.5 - Equalisation reserve	9,805	8,980	+825

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:

	31/12/2021	31/12/2020	Change
For directly insured risks	447,797	430,811	+ 16,986
For inwardly insured risks	33	32	+ 1
Gross reserves	447,830	430,843	+ 16,987
Reinsurers' share	13,137	12,151	+ 986
Net reserves	434,693	418,692	+ 16,001

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	32,847		0		32,847
02 - Health	6,118		0		6,118
03 - Land motor vehicle hulls	56,398				56,398
04 - Railway rolling stock	8				8
06 - Marine hulls	672	140	0		812
07 - Cargo insurance	837				837
08 - Fire and natural events	53,486		0		53,487
09 - Miscellaneous damage	21,507	250	0		21,758
10 - Motor TPL	221,853				221,853
12 - Marine TPL	527				527
13 - General TPL	29,980		24		30,004
14 - Credit insurance	150				150
15 - Bond insurance	5,247				5,247
16 - Pecuniary losses	4,969				4,969
17 - Legal protection	2,706				2,706
18 - Support and assistance	10,098		9		10,107
Total premium reserve	447,407	390	33	-	447,830

Unexpired risk reserve

Unexpired risk reserve as at 31 December 2021 is referred to 9 Line of business - Miscellaneous damage and to 6 line – Marine hulls 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:

	31/12/2021	31/12/2020	Change
For directly insured risks	1,311,527	1,250,146	+ 61,381
For inwardly insured risks	779	806	- 27
Gross reserves	1,312,306	1,250,952	+ 61,354
Reinsurers' share	52,226	51,201	+ 1,025
Retrocessionaries' share	328	303	+ 25
Net reserves	1,259,752	1,199,448	+ 60,304

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 951.2 million euro.

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

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

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

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

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

Other risks:

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

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

IBNR claims:

Calculation of the reserve for IBNR (incurred but not reported) claims requires estimation of number and average cost of late claims for each business. This estimate was made using the balance-sheet input forms for FY 2009-2021 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

	31/12/2021	31/12/2020	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

	31/12/2021	31/12/2020	Change
	9,805	8,980	+825

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

Line of business	31/12/2021	31/12/2020	Change
03 Land vehicle hulls	5,752	5,296	+456
05 Aircraft hulls	138	138	+0
07 Cargo (goods in transit)	150	141	+9
08 Fire and natural elements	2,764	2,497	+267
09 Other property damage	1,002	908	+94
Total equalisation reserve	9,805	8,980	+825

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

C.II - Life business

	31/12/2021	31/12/2020	Change
	1,705,922	1,537,559	+168,363
C.II.1 - Mathematical reserves	1,683,324	1,509,331	+173,993
C.II.2 - Complementary insurance premium reserve	50	51	-1
C.II.3 - Reserve for payable amounts	15,469	21,648	-6,179
C.II.4 - Profit participation and reversal reserve	0	0	+0
C.II.5 - Other technical reserves	7,079	6,532	+547

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

	31/12/2021	31/12/2020	Change
For directly insured risks	1,683,324	1,509,330	173,994
Gross reserves	1,683,324	1,509,330	173,994
Reinsurers' share	4,113	3,546	567
Net reserves	1,679,211	1,505,784	173,427

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 1,631 thousand euro (1,665 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 817 thousand euro (572 thousand euro in the previous year), obtained by joint analysis of the asset and liability portfolios of the segregated internal funds "Vittoria Rendimento Mensile", "Vittoria Valore Crescente", "Vittoria Previdenza" and "Obiettivo Crescita". The average rates of return on segregated funds were

used to assess the additional reserve for the portfolio of non-revaluable policies. The amount also includes 2 thousand euros relating to the guaranteed segment of class VI.

The mathematical reserves also include the time-lag reserve (paragraph 23 of ISVAP Regulation no. 22/2008) in the amount of 89 thousand euro (1,954 thousand euro in the previous year).

The mathematical reserves also include the reserve for retained earnings (paragraph 38-bis of Annex 14 of IVASS Regulation no. 22/2008) amounting to 1,495 thousand euro, determined by the net realized capital gains not allocated to the financial result of the Separate Internal Fund Vittoria Obiettivo Rendimento.

C.II.5 – Other technical reserve

The amount of this item is 7,079 thousand euro as at 31 December 2021 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:

	31/12/2021	31/12/2020	Change
For directly insured risks	7,079	6,532	+ 547
Gross reserves	7,079	6,532	+ 547
Reinsurers' share	55	49	+ 6
Net reserves	7,024	6,483	+ 541

The following table shows the breakdown by line of business:

	31/12/2021	31/12/2020	Change
			(€/000)
Line of business I	6,587	6,118	469
Line of business IV	153	143	9
Line of business V	33	48	-15
Total	6,773	6,309	+ 464

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

	31/12/2021	31/12/2020	Change
	195,527	113,796	+81,731
D.I – Reserves for unit- and index-linked policies	166,131	86,861	+79,270
D.II - Reserves relating to pension fund management	29,396	26,933	+2,463

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 2021:

Risk category	Capital sums, annuities	Technical reserves	Year of issue	Technical basis	
				financial	demographic
Temporary	5,142,131	28,065	1990 - 1997	4%	SIM 81
			1998 - 2001	3% - 4%	SIM 91
			2001 - 2007	3%	SIM 91 at 70%
			2008 - 2011	3%	SI 91 at 50% and 70%
			2012 - 2014	3%	SIM 2001 at 90%- 65%
			since 2015	2%	SIM 2001 at 90%- 65%
Adjustable	1	7	1969 - 1979	3%*	SIM 51
Indexed	-	41	1980 - 1988	3%*	SIM 51
Other types	159	90			
Revaluable	1,613,485	1,655,794	1988 - 1989	3%*	SIM 71
			1990 - 1996	4%*	SIM 81
			1997 - 1999	3%*	SIM 91
			2000 - 2011	1,5% - 2%*	SIM 81-91
			2012 - 2014	2%	SIM 2001 at 80%
			2014 - 2015	1.25%	SIM 2001 at 70%
L.T.C.	58,386	5,551	since 2015	0.00%	SIM 2001 at 70%
			2001 - 2004	2.5%	(1)
			2004 - 2011	2.5%	(2)
			since 2012	2.5%	(3)
Pension fund	25,889	29,620	dal 1999	---	---
Unit Linked	166,666	166,462	1998 - 2014	0%	SIM 91
			since 2015	0%	SIM 2001
Total business lines	7,006,718	1,885,630			
AIL Rivalutabile	346	349	1986 - 1998	4%*	SIM 51
			1999 - 2004	3%*	SIM 81
Total business lines	7,007,064	1,885,980			

* 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 3.48%; Vittoria Rendimento Mensile 3.32%; Vittoria Previdenza 1.82%; Vittoria Obiettivo Crescita 2.25%;

Vittoria Obiettivo Rendimento 1.46%.

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

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

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

CLASS E – PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
	31/12/2021	31/12/2020	Change
	53,911	52,084	+1,827
E.2 – Tax provision	1,364	1,900	-536
E.3 – Other provisions	52,546	50,184	+2,362

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 this item compared to the previous year mainly refers to provisions for risks made to cover charges attributable to normal company operations.

CLASS F – DEPOSITS RECEIVED FROM REINSURERS			
	31/12/2021	31/12/2020	Change
	6,873	6,389	+484

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

CLASS G – PAYABLES AND OTHER LIABILITIES			
	31/12/2021	31/12/2020	Change
G.I - Payables arising from direct insurance business	13,878	10,803	+3,075
G.II - Payables arising from reinsurance business	13,549	11,170	+2,379
G.IV - Payables to banks and financial institutions	11,238	7,697	+3,541
G.VII - Reserve for employee severance indemnities	2,267	2,184	+83
G.VIII – Other payables	74,556	83,950	-9,394
G.IX – Other liabilities	58,764	30,820	+27,944

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

G.I - Payables arising from direct insurance business

	31/12/2021	31/12/2020	Change
	13,878	10,803	+3,075
<i>Of which:</i>			
G.I.1 – due to insurance agents and brokers	7,298	3,436	+3,862
G.I.2 – due to current accounts with other insurers	4,854	5,584	-732
G.I.3 – due to policyholders for performance deposits and premiums	1,726	1,782	-56
G.I.4 – due to guarantee funds for policyholders	0	0	+0

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

	31/12/2021	31/12/2020	Change
	7,298	3,436	+3,862

Payables due to insurance agents and brokers refer to commissions due to sales network that are not yet settled as at 31 December 2021 and indemnities payable at the end of agency mandate. The item is allocated to Non-life business for 4,762 thousand euro and to Life business for 2,536 thousand euro.

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

	31/12/2021	31/12/2020	Change
	4,854	5,584	-732

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 4,799 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

	31/12/2021	31/12/2020	Change
	1,726	1,782	-56

The item refers to the performance deposits paid by policyholders for insurance coverage. The item is allocated to Non-life business for 1,012 thousand euro and to Life business for 714 thousand euro.

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

	31/12/2021	31/12/2020	Change
	13,549	11,170	+2,379

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

The item is allocated as follows: 12,357 thousand euro to Non-life business and 1,192 thousand euro to Life business.

G.IV - Payables to banks and financial institution

	31/12/2021	31/12/2020	Change
	11,238	7,697	+3,541

This item exclusively includes bank debts arising from the use of overdraft credit lines. The balance relates to the Non-Life business (9,522 thousand euro) and the Life business (1,716 thousand euro).

G.VII Reserve for employee severance indemnities

	31/12/2021	31/12/2020	Change
	2,267	2,184	+83

The item expresses the retirement allowance provision towards personnel as at 31 December 2021, in compliance with current rules and regulations.

The item is allocated as follows: 2,125 thousand euro to Non-life business and 142 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 239 thousand euro;
- increase due to provisioning for the year for 2,897 thousand euro;
- transfers to Pension Fund and Social Security fund (INPS) for 2,497 thousand euro;
- credit recovery from INPS for 78 thousand euro.

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

G.VIII - Other payables

	31/12/2021	31/12/2020	Change
	74,556	83,949	-9,393
<i>Of which:</i>			
G.VIII.1 – for policyholders' taxes	28,991	27,355	+1,636
G.VIII.2 – for miscellaneous taxes	3,766	19,268	-15,502
G.VIII.3 – for social security & pension agencies	4,066	3,930	+136
G.VIII.4 – other sundry payables	37,733	33,396	+4,337

G.VIII.1 Other payables for policyholders' taxes

	31/12/2021	31/12/2020	Change
	28,991	27,355	+1,636

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: 404 thousand euro to Non-life business and 28,587 thousand euro to Life business.

G.VIII.2 Other payables for miscellaneous taxes

	31/12/2021	31/12/2020	Change
	3,766	19,268	-15,502

The item is allocated as follows: 2,300 thousand euro to Non-life business and 1,466 thousand euro to Life business. The amount mainly consists of the following items:

- tax deduction on wages & salaries for 1,869 thousand euro (1,510 thousand euro in the previous year);
- payables for financial administration for 985 thousand euro for IRES 2021.

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

	31/12/2021	31/12/2020	Change
	4,066	3,930	+136

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

	31/12/2021	31/12/2020	Change
	37,733	33,396	+4,337

The item is allocated as follows: 32,702 thousand euro to Non-life business and 5,031 thousand euro to Life business. The amount mainly consists of the following items:

- amounts payable to employees for accruals for holidays not taken for 3,936 thousand euro (3,246 thousand euro in the previous year);
- payables arising from directors, statutory auditors and managers with strategic responsibilities for 2,335 thousand euro (2,446 thousand euro in the previous year);
- trade payable for 16,387 thousand euro (14,443 thousand euro in the previous year);
- fees payable to professionals for 469 thousand euro (1,151 thousand euro in the previous year);
- amounts payable to subsidiaries for tax consolidation for 1,800 thousand euro (1,274 thousand euro in the previous year).

G.IX – Other liabilities

	31/12/2021	31/12/2020	Change
	58,764	30,820	+27,944
<i>Of which:</i>			
G.IX.2 – commissions on premiums under collection	21,693	13,934	+7,759
G.IX.3 – other liabilities	37,070	16,888	+20,182

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 13,776 thousand euro (12,330 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 5,439 thousand euro (4,226 thousand euro in the previous year);
- technical accounts to be settled with agencies and sundry liabilities for 601 thousand euro (749 thousand euro in the previous year);
- provision for variable compensation for employees for 9.301 thousand euro (11,325 thousand euro in the previous year);
- sums relating to the margins set up as collateral on the basis of forward sale contracts for government securities in favor of the Company signed with certain counterparties, amounting to 18,920 thousand euro.

CLASS H – ACCRUED LIABILITIES & DEFERRED INCOME

	31/12/2021	31/12/2020	Change
	6,857	6,829	
H.1 - For interests	6,814	6,813	+1
H.3 – Other accrued liabilities & deferred income	43	16	+27

This item mainly includes interest paid on subordinated loan.

INCOME STATEMENT

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

	31/12/2021	31/12/2020	Change
	154,448	191,155	-36,707

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

	31/12/2021	31/12/2020	Change
	1,195,913	1,176,293	+19,620
<i>Of which:</i>			
a) Gross premiums written	1,263,544	1,221,405	+42,138
b) (-) Ceded premiums	51,631	36,331	+15,300
c) (-) Change in gross premium reserve	16,987	9,100	+7,887
d) Change in reinsurers' share of premium reserve	986	319	+667

The Company develops its business entirely in Italy.

The gross premiums written amounted to 1,263,544 thousand euro, 1,263,445 thousand euro of which were related to direct business and 99 thousand euro to indirect business. Premiums ceded in FY2021 are 51,631 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

	31/12/2021	31/12/2020	Change
	3,743	2,026	+1,717

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

	31/12/2021	31/12/2020	Change
	3,191	5,764	-2,573

This item is mainly referred to:

- reversal of commissions for previous years' cancelled premiums for 1,520 thousand euro (927 thousand euro in the previous year);
- 376 thousand euro for technical items relating to recoveries of settlement costs related to claims subject to CARD agreements (343 thousand euro in the previous year);
- 790 thousand euro related to recoveries of receivables for premiums under litigation (525 thousand euro in the previous year);
- 149 thousand euro for incentives awarded to the Company within the scope of the CARD claims management (3,554 thousand euro in the previous year).

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

	31/12/2021	31/12/2020	Change
	725,195	681,892	+43,303
<i>Of which:</i>			
aa) Amounts paid – gross amount	722,016	707,864	+14,152
bb) (-) Reinsurers' share	36,610	33,372	+3,238
aa) Change in recoveries net of reinsurers' share – gross amount	19,033	11,093	+7,940
bb) (-) Reinsurers' share	-1,480	516	-1,996
aa) Change in claims reserve – gross amount	61,328	8,118	+53,210
bb) (-) Reinsurers' share	1,026	-9,858	+10,884

Amounts paid

They are related to indemnities for 646,852 thousand euro (632,094 thousand euro in the previous year), direct expenses for 11,817 thousand euro (10,297 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 63,306 thousand euro (65,432 thousand euro in the previous year) and the amount payable to the fund for road-accident victims for 16,462 thousand euro (16,702 thousand euro in the previous year). The item includes indemnities to indirect business for 42 thousand euro (42 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

	31/12/2021	31/12/2020	Change
	311,610	300,013	+11,599
<i>Of which:</i>			
a) Acquisition commissions	210,261	191,112	+19,149
b) Other acquisition costs	54,938	54,204	+734
d) Premium collection commissions	6,210	11,202	-4,993
e) Other administrative expenses	46,250	48,527	-2,277
f) (-) Commissions received by reinsurers	6,049	5,031	+1,018

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

	31/12/2021	31/12/2020	Change
	10,768	10,288	+480

The item consists of the following:

- technical write-offs of premiums and of uncollectible premiums for 3,189 thousand euro (2,954 thousand euro in the previous year);
- charge to the provision for bad debt from policyholders for 6,295 thousand euro (5,909 thousand euro in the previous year);
- other technical charges mainly relating to services supporting insurance covers and costs for premiums under litigation for 1,267 thousand euro (1,408 thousand euro in the previous year).

I.9 - Change in equalisation reserves

	31/12/2021	31/12/2020	Change
	825	735	+90

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

	31/12/2021	31/12/2020	Change
	1,608	7,691	-6,083

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

	31/12/2021	31/12/2020	Change
	325,432	220,896	+104,536
<i>Of which:</i>			
a) a) Gross premiums written	327,260	222,486	+104,774
b) (-) Ceded premiums	1,828	1,590	+238

The gross premiums written amounted to 372,260 thousand euro, entirely attributable to direct business. Premiums ceded in FY2021 amounted to 1,828 thousand euro.

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

II. 2 – Investments income

	31/12/2021	31/12/2020	Change
	63,855	56,815	+7,040
<i>Of which:</i>			
a) Income from equity investments	318	75	+243
b) Income from other investments	61,522	55,779	+5,736
d) Profits made on sale of investments	2,015	961	+1,054

- b) This item mainly includes:
- Income on land and buildings rented and other income on property for 1,686 thousand euro (2,762 thousand of euro in the previous year);
 - income on fixed-income securities for interest, issue and trading differentials for 47,761 thousand euro (43,933 thousand euro in the previous year);
 - income on OEIC units for 12,068 thousand euro (9,084 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

	31/12/2021	31/12/2020	Change
	19,588	6,274	+13,314

The increase 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

	31/12/2021	31/12/2020	Change
	2,454	1,500	+954

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

	31/12/2021	31/12/2020	Change
	110,675	121,292	-10,617
<i>Of which:</i>			
aa) Amounts paid – gross amount	116,898	118,801	-1,903
bb) (-) Reinsurers' share	46	715	-670
aa) Change in reserve for payable amounts – gross amount	-6,178	1,515	-7,693
bb) (-) Reinsurers' share	0	-1,692	+1,692

The amounts paid in the FY2021 totalled 116,898 thousand euro mainly due to direct business. They refer to costs relating to claims for 586 thousand euro (629 thousand euro in the previous year), claims for 22,537 thousand euro (20,982 thousand euro in the previous year), expired policies for 24,588 thousand euro (36,782 thousand euro in the previous year), surrenders for 68,416 thousand euro (59,604 thousand euro in the previous year), and annuities for 771 thousand euro (790 thousand euro in the previous year).

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

	31/12/2021	31/12/2020	Change
	255,714	116,657	+139,057
<i>Of which:</i>			
aa) Mathematical reserves – gross amount	174,004	94,418	+79,586
bb) (-) Reinsurers' share	561	520	+41
aa) Complementary insurance premium reserve – gross amount	-1	-6	+5
aa) Other technical reserves – gross amount	547	340	+207
bb) (-) Reinsurers' share	6	6	+0
aa) Technical reserves when investment risk is borne by policyholders or relating to pension fund management	81,731	22,430	+59,301

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

II.8 – Operating costs

	31/12/2021	31/12/2020	Change
	20,769	16,229	+4,540
<i>Of which:</i>			
a) Acquisition commissions	13,577	7,655	5,922
b) Other acquisition costs	4,141	3,769	372
c) Change in commissions and other acquisition costs to be amortised	-1,340	-376	-964
d) Premium collection commissions	688	636	52
e) Other administrative expenses	4,071	4,863	-792
f) (-) Commissions received by reinsurers	366	319	+47

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

	31/12/2021	31/12/2020	Change
	14,206	14,886	-680
Of which:			
a) Investment management costs and interest expense	11,216	12,304	-1,088
b) Investment write-downs	2,625	2,515	110
c) Losses on sale of investments	365	68	+297

- a) This item mainly refers to:
- housing expenses, taxes and building management costs for 542 thousand euro (649 thousand euro in the previous year);
 - costs relating to fixed-income securities for issue and trading differentials, taxes, and operating and personnel expenses for 10,319 thousand euro (11,207 thousand euro in the previous year).
- b) The item refers to write-downs of financial instruments refers to depreciation on property totalling for 827 thousand euro (1,669 thousand euro in the previous year), 308 thousand euro of which (306 thousand euro in the previous year) relating to the headquarters in the Portello area in Milan and value adjustments on securities amounting to 1,798 thousand euro (845 thousand euro in the previous year).

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

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

	31/12/2021	31/12/2020	Change
	4,514	5,279	-765

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

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

	31/12/2021	31/12/2020	Change
	116	386	-270

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 73 thousand euro (58 thousand euro in the previous year).

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

	31/12/2021	31/12/2020	Change
	3,729	3,066	+663

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

31/12/2021	31/12/2020	Change
-7,981	-39,027	+31,046

Non-technical costs and revenues are classified as follows:

III. 3 – Income from Non-Life investments

	31/12/2021	31/12/2020	Change
	31,911	39,494	-7,583
<i>Of which:</i>			
a) Income from equity investments	3,242	7,611	-4,369
b) Income from other investments	28,592	31,815	-3,223
d) Profits made on sale of investments	77	67	+10

- a) Income from equity investments includes the dividend collected by other subsidiaries.
- b) Income from other investments consist of:
- land and buildings amounting to 2,899 thousand euro (3,465 thousand euro in the previous year), relating to rental and to recovery of expenses and other income;
 - other investments amounting to 25,693 thousand euro (28,350 thousand euro in the previous year), 14,041 thousand euro of which relating to income on fixed-income securities for interest issue and trading differentials and for 11,652 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

31/12/2021	31/12/2020	Change
3,729	3,066	+663

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

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

	31/12/2021	31/12/2020	Change
	26,327	36,775	-10,448
Of which:			
a) Investment management costs and interest expense	19,498	21,741	-2,242
b) Investment write-downs	5,998	14,913	-8,915
c) Loss on sale of investments	832	121	+711

- 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 13,822 thousand euro (16,352 thousand euro in the previous year);
 - housing expenses, taxes and building management costs for 4,831 thousand euro (4,144 thousand euro in the previous year);
 - costs relating to municipal tax on property for 477 thousand euro (448 thousand euro in the previous year).
- b) The item “Investment write-downs”, as indicated in the Management Report, mainly refers to:
- impairments on subsidiaries in real estate companies for 3,601 thousand euro. Details are shown in the Directors’ report in the paragraph on the share portfolio.
 - Depreciation of buildings for a total of 2,314 thousand euro, 1,024 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

	31/12/2021	31/12/2020	Change
	3,743	2,026	+1,717

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

III.7 - Other income

	31/12/2021	31/12/2020	Change
	1,920	3,629	-1,709

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 2021, the item mainly refers to:

- interest on bank current account for 904 thousand euro (619 thousand euro in the previous year),
- revenues from active billing and reimbursements for 440 thousand euro (2,099 thousand euro in the previous year);
- provisions relating to bad debts for 270 thousand euro (608 thousand euro in the previous year).

III.8 - Other charges

	31/12/2021	31/12/2020	Change
	34,663	54,558	-19,895

As at 31 December 2021, the item mainly includes:

- interest and charges on bank accounts for 1,057 thousand euro (1,280 thousand euro in the previous year);
- annual amortization of intangible assets for 1,378 thousand euro (4,444 thousand euro in the previous year);
- expenses and interest expenses related to the subordinated loan for 14,834 thousand euro;
- provisions for risks and charges of 7,483 thousand euro, primarily in order to cover charges connected with normal company operations and provisions relating to commercial policies aimed at providing increasingly improved customer service;
- provisions for 9,210 thousand euro relating to bad debts (4,552 thousand euro in the previous year).

III.10 - Extraordinary income

	31/12/2021	31/12/2020	Change
	20,157	11,845	+8,312

The item contains income from sale of long-term investments and other profits made on the sale of assets classified in the general balance-sheet Class F – Other assets. This is made up of 14,113 thousand euro from the extraordinary capital gain on the sale of building "C" at the Portello Business Park to AC Milan.

III.11 - Extraordinary charges

	31/12/2021	31/12/2020	Change
	965	3,702	-2,737

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 capital losses of 721 thousand euro (11 thousand euro in the previous year).

III.14 - Taxation

	31/12/2021	31/12/2020	Change
	46,024	51,197	-5,173

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	148,074			35,538		24.00%
+ Temporary differences deductible in future years	68,267					
- Temporary differences taxable in future years	0					
- Use of temporary differences	57,127					
Permanent differences:						
+ Non-deductible interest and taxes	1,232					
+ Non-deductible accruals, costs and expenses	4,818					
+ Investment Portfolio	3,841					
- Tax-exempt income and Dividends	3,382					
+ Other deductible items	-11,416					
Taxable base	154,307					
A. Current IRES			37,034		25.01%	
IRAP						
Profit before taxation		148,074		10,099		6.82%
- Profit & Loss items not taxable/deductible for IRAP purpose		7,982				
Life insurance business profit & loss + Non-life insurance business profit & loss		156,056				
+ Permanent taxable differences		80,255				
- Permanent deductible differences		65,777				
Theoretical taxable base		170,534				
+(Increase - Decrease) of temporary differences		-2,004				
Taxable base		168,530				
B. Current IRAP			11,494		7.76%	
C=(A+B) Total current Tax relating to 2021			48,528		32.77%	30.82%
Deferred tax assets						
Taxable base for deferred tax assets of the previous year	248,053	23,980				
(Increase - Decrease) in deferred tax assets during the current year	8,771	-2,004				
Taxable base for deferred tax assets of the current year	256,824	23,980				
Deferred IRES assets on (Increase - Decrease)				2,105		
Deferred IRAP assets on (Increase - Decrease)				-137		
D. Total deferred tax assets relating to 2021				1,968		1.33%
Deferred tax liabilities						
Taxable base for provision for deferred tax liabilities of the previous year	7,916					
(Increase - Decrease) in the provision for deferred tax liabilities during the current year	-2,232					
Taxable base for provision for deferred tax liabilities of the current year	5,684					
Deferred IRES liabilities on (Increase - Decrease)				-536		
Deferred IRAP liabilities on (Increase - Decrease)				0		
E. Total deferred tax liabilities relating to 2021				-536		-0.36%
Total IRES relating to 2021				34,393		23.23%
Total IRAP relating to 2021				11,631		7.85%
F= (C-D+E) Total tax relating to 2021			46,024	45,637	31.08%	30.82%

The above schedule compares taxes related to local financial statements, apart from variances due to tax rules application in determining IRES and IRAP amounts with taxes related to tax rules compliance.

Schedules of deferred taxes pursuant to Article 2427 of the Italian Civil Code, are described in the tables below. These were calculated by applying to such temporary differences the nominal rates in force at the time when they will appear, already approved at the date of these financial statements.

Detail and movement of deferred tax assets

**SCHEDULE OF DEFERRED TAXES PURSUANT TO
ARTICLE 2427 OF THE CIVIL CODE**

(€/000)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	taxable base	tax rate	taxable base	tax rate	Tax
2020 deferred tax assets					
Depreciation of tangible assets	759		-		182
Recoveries	73				17
Charge backs non -life	1,326				318
Financial non current assets devaluation	395				95
Provision for doubtful receivables from policy holders	32,329		17,870		8,978
Provision for doubtful other receivables	20,810				4,989
Provision for risk and charges	55,115				13,228
Directors' fees	1,924				462
Goodwill (Sace - life)	1,350		1,350		417
Depreciation of intangible assets	7,439				1,786
Change in non -life claims reserves (ex dcr. 209/2002)	121,121				29,069
Dividend to be collected	654	0%	-	-	157
Reinstatement premiums reinsurance	4,760		4,760		1,467
	248,055	24.00%	23,980	6.82%	61,164
2021 decrease in deferred tax assets					
Depreciation of tangible assets	148		-		36
Recoveries	73				18
Charge backs non -life	934				224
Financial non current assets devaluation	-				-
Provision for doubtful receivables from policy holders	5,170		2,859		1,436
Provision for doubtful other receivables	159				38
Provision for risk and charges	14,734				3,536
Directors' fees	1,224				294
Goodwill (Sace - life)	225		225		69
Depreciation of intangible assets	5,057				1,214
Change in non -life claims reserves (ex dcr. 209/2002)	27,588				6,621
Reinstatement premiums reinsurance	4,760		4,760		1,467
	60,072	24.00%	7,844	6.82%	14,952

Detail and movement of deferred tax assets (continued)

SCHEDULE OF DEFERRED TAXES PURSUANT TO
ARTICLE 2427 OF THE CIVIL CODE

(€/000)

Description of temporary difference	IRES		IRAP		IRES+IRAP
	taxable base	tax rate	taxable base	tax rate	Tax
2021 increase in deferred tax assets					
Depreciation of tangible assets	131				31
Charge backs non-life	780				187
Provision for doubtful other receivables	9,200				2,208
Provision for risk and charges	15,758				3,782
Directors' fees	851				204
Change in non-life claims reserves (ex dcr. 209/2002)	36,192				8,686
Dividend to be collected	88				21
Reinstatement premiums reinsurance	5,840		5,840		1,800
	68,840	24.00%	5,840	6.82%	16,920
2021 deferred tax assets					
Depreciation of tangible assets	742				178
Recoveries	0				0
Charge backs non-life	1,172				281
Financial non current assets devaluation	395				95
Provision for doubtful receivables from policy holders	27,159		15,011		7,542
Provision for doubtful other receivables	29,851				7,159
Provision for risk and charges	56,139				13,473
Directors' fees	1,551				372
Goodwill (Sace - life)	1,125		1,125		348
Depreciation of intangible assets	2,382				573
Change in non-life claims reserves (ex dcr. 209/2002)	129,725				31,132
Dividend to be collected	742				178
Reinstatement premiums reinsurance	5,840		5,840		1,800
	256,823	24.00%	21,976	6.82%	63,131

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
2020 deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	7,917		-		1,900
	7,917	24.00%	-	6.82%	1,900
2021 decrease in deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	2,232		-		536
	2,232	24.00%	-	6.82%	536
2021 increase in deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	-		-		-
	0	24.00%	-	6.82%	-
2021 deferred tax liabilities					
Division by instalments of realised gains on Investment portfolio	5,685		-		1,364
	5,685	24.00%	-	6.82%	1,364

Part C

Other information

Assets allocated to coverage of technical reserves

Non-Life Business

	(€ million)
	31/12/2021
Technical Reserves (A)	1,584.1
Securities issued or secured by Governments	989.6
Bonds or other similar securities	247.8
Units of undertaking for collective investment	20.1
Real Estate	55.0
Alternative investment funds (AIFMs)	271.8
Total Assets Allocated (B)	1,584.4
% of coverage (B/A)	100.0%

Life Business

	(€ million)
	31/12/2021
Technical Reserves (A)	1,797.7
Securities issued or secured by Governments	1,011.4
Bonds or other similar securities	422.0
Units of undertaking for collective investment	109.7
Real Estate	40.0
Alternative investment funds (AIFMs)	214.8
Total Assets Allocated (B)	1,797.9
% of coverage (B/A)	100.0%

	(€ million)
	31/12/2021
Technical Reserves where investment risk is borne by policyholders	195.5
Total Assets Allocated	195.5

Operations in derivative financial instruments

In accordance with ISVAP Regulation No. 22 of 4 April 2008, as amended by IVASS Order No. 53 of 6 December 2016, the data on investment activity in class C derivative financial products are set out below. As already mentioned in the Directors' report, to which reference should be made, in October 2020, the Company concluded a forward sale transaction on a portion of Italian government bonds with the aim of hedging itself against both interest rate risk and credit risk.

				(€/000)	
	Number of contracts	Underlying type	Underlying nominal value	Value at 31/12/2021	Market value at 31/12/2021*
Class C Derivatives:					
Forward	14	Bond	213,300	-	2,429

*The current value corresponds to that indicated in Annex 18 to the Notes to the Financial Statements.

Derivative contracts in force at the balance sheet date are valued in accordance with the principle of consistency of valuation, which requires that valuation losses or gains be recognised in the income statement consistently with the corresponding valuation gains or losses on the hedged assets. Therefore, at 31 December 2020, there were no valuation gains or losses, as the underlying assets covered are fixed government securities classified in the segregated fund "Rendimento Mensile".

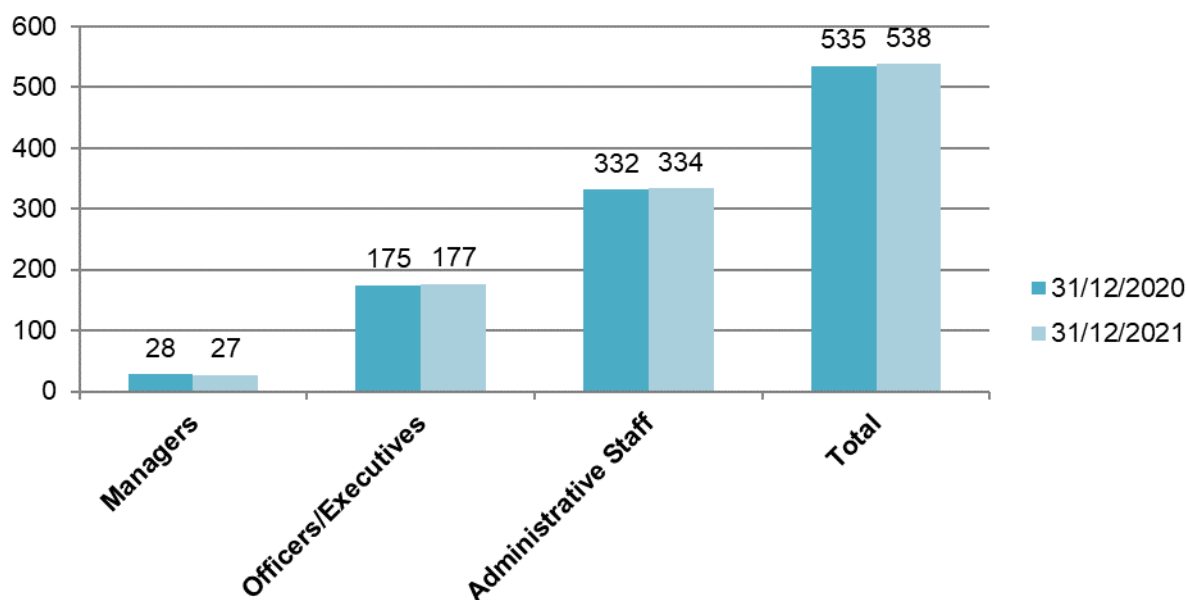
Finance expense allocated to balance sheet assets

Pursuant to the first paragraph, point 8, of Article 2427 of the Italian Civil Code, we declare that no finance expense was capitalised in the year in amounts posted in balance sheet assets.

Employees

The costs of remuneration, related social security charges, severance indemnity provisioning and miscellaneous personnel-related expenses are shown in Annex 32.

Employees on the payroll as at 31 December 2021 numbered 542 resources compared to 541 on the payroll as at 31 December 2020. The average number of employees on the payroll during the year, by category and calculated according to in-force presence, was as follows:



Disclosure of auditing fees

As required by Article 2427 of Civil Code, below we report the fees relating to FY 2020, for services rendered to the Company by the auditing company KPMG 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	234	-
Independent audit services subsidiaries	140	-
Verifications for issue of attestations*	98	-
Other services**	165	23

* 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 and other services.

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 no contributions were received from the Public Administration for the 2021 financial year related to the Company's staff training.

Breakdown of direct insurance premiums by business category and geographical area

The breakdown of the company's premiums – all referring to the Italian portfolio - by official Ministerial business line is shown in Annexes 19 and 20.

The following table shows the geographical breakdown of premiums, calculated on the basis of agency locations.

Regions	Agencies	Non-Life Business		Life Business	
		Premiums	%	Premiums	%
(€/000)					
NORTH					
Emilia Romagna	36	106,831		75,041	
Friuli Venezia Giulia	9	11,867		792	
Liguria	18	47,982		3,183	
Lombardy	117	256,236		125,791	
Piedmont	63	108,153		11,959	
Trentino Alto Adige	11	17,921		5,296	
Valle d'Aosta	1	4,740		387	
Veneto	41	74,336		16,655	
Total	296	628,066	49.7	239,104	73.1
CENTRE					
Abruzzo	14	58,894		8,608	
Lazio	30	106,932		12,347	
Marche	19	41,894		7,131	
Tuscany	52	132,417		15,419	
Umbria	15	67,434		12,395	
Total	130	407,571	32.3	55,900	17.1
SOUTH AND ISLANDS					
Basilicata	4	12,632		2,060	
Calabria	2	2,543		12	
Campania	13	53,457		7,283	
Molise	2	8,562		1,086	
Puglia	7	28,732		15,325	
Sardinia	13	48,566		2,844	
Sicily	13	73,138		3,646	
Total	54	227,630	18.0	32,256	9.9
Total ITALY	480	1,263,267	100.0	327,260	100.0
France	0	178	0.0	0	0.0
OVERALL TOTAL	480	1,263,445		327,260	

Real estate assets

Real estate assets are listed in the following table:

	Value at 31_12_21							(€/000)
	Historical Value	Monetary revaluations	Fiscally-driven and voluntary revaluations	Law 2-28/1/09 revaluations	Law 147-2014 revaluations	Accumulated Depreciation and impairment losses at 31/12/2021	Current year depreciation	Total
BUILDING HELD FOR INVESTMENT								
Operating buildings								
Milano - Via I. Gardella 2	99,371	0	0	0	8,301	(29,110)	(1,332)	78,563
Perugia - Via Pellas 44	151	11	0	189	0	(223)	(4)	128
Total Operating buildings	99,522	11	0	189	8,301	-29,333	-1,336	78,690
Buildings used by third parties								
Acqui - Piazza Matteotti 25	53	10	77	63	0	(54)	(5)	149
Alessandria - P.za Carducci 1	79	79	0	102	0	(94)	(5)	166
Asti - C. So Alfieri 130	50	57	0	264	0	(177)	(6)	194
Biella - Piazza V. Veneto 16	17	43	34	274	0	(219)	(4)	149
Brescia - Via Saffi 1	121	67	0	395	0	(261)	(10)	322
Busto Arsizio - Via C. Tosi 8	80	31	0	197	0	(153)	(5)	155
Como - V. Le Rosselli 13	116	22	77	549	0	(496)	(8)	269
Cremona - P. Za Roma 7	137	24	23	271	0	(239)	(7)	217
Cuneo - Piazza Europa 26	62	75	0	420	0	(296)	(8)	260
Ferrara - Via Don Minzoni 17	98	10	93	287	0	(182)	(9)	306
Gallarate - P. Za Risorgimento 10	34	7	44	98	0	(49)	(4)	135
Livorno - Via Grande 225	128	5	0	187	0	(187)	(4)	133
Lodi - C. So V. Emanuele II° 12	13	10	41	209	0	(142)	(4)	130
Milano - Via Ariosto 21	2,553	0	0	609	212	(809)	(78)	2,565
Milano - Via B. D'Alviano 2	22	46	62	532	0	(247)	(12)	415
Milano - Via V. Colonna 2	228	0	0	-193	21	(56)	0	0
Milano - Via Correggio 3	223	0	0	30	86	(93)	(8)	245
Milano - Palazzo A	49,143	0	0	0	0	(13,395)	(902)	35,748
Milano - Palazzo C	38,328	0	0	-27,839	0	(10,489)	(100)	0
Milano - Area Commerciale	6,784	0	0	0	0	(1,171)	(160)	5,613
MILANO - VIA TERRAGGIO 21	772	0	0	0	0	(66)	(19)	706
Modena - Via Ganaceto 39	33	13	46	553	0	(354)	(8)	291
Parma - Via Longhi 1	87	42	62	439	0	(235)	(12)	395
Perugia - Via Pellas 44 - AG	122	7	0	126	0	(108)	(4)	147
Pistoia - Via S. Fedi 67	75	39	0	176	0	(147)	(4)	143
Pontedera - C. So Matteotti 108	61	41	0	205	0	(109)	(6)	198
Rovigo - C. So Del Popolo 4	63	24	0	121	0	(111)	(3)	97
Roma - Via Lima 4	7,276	0	0	0	0	(890)	(177)	6,386
Sondrio - Via C. Alessi 16	54	15	0	97	0	(81)	(3)	85
Terni - Via Beccaria 22	17	28	0	195	0	(117)	(3)	123
Trieste - Via Torrebianca 18	15	36	21	136	0	(50)	(5)	158
TORINO-CORSO FRANCIA 430	5,140	0	0	0	0	(608)	(125)	4,532
TORINO- VIA PASTEUR 6	2,933	0	0	0	0	(347)	(71)	2,586
Udine - Via Carducci 4	39	72	0	247	0	(185)	(5)	173
Varese - Via Mazzini 1	158	71	41	289	0	(240)	(9)	319
Vicenza - C. So Palladio 155	84	76	36	280	0	(123)	(11)	353
Total buildings used by third parties	115,197	950	657	-20,681	319	-32,581	-1,805	63,862
Properties under construction								
Milan - Commercial Area (Properties in progress and advances)	3,052	0	0	0	0	0	0	3,052
Total properties under construction	3,052	0	0	0	0	0	0	3,052
TOTAL LONG-TERM PROPERTIES	217,771	961	657	(20,492)	8,620	(61,914)	(3,141)	145,604
TOTAL REAL ESTATE OWNED	217,771	961	657	(20,492)	8,620	(61,914)	(3,141)	145,604

Statement of cash flows

(€/000)

	31/12/2021	31/2/2020
Net profit for the year	102,051	108,624
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	54,126	19,489
premium reserve	16,826	9,515
life business technical reserves	255,705	119,261
Increase (-) Decrease (+) in receivables from policyholders	-7,035	-5,213
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-3,615	-16,827
Net increase (-) decrease (+) in intangible assets	-11,576	4,008
Increase in specific provisions	1,826	25,279
Employees' leaving entitlement:		
accruals	2,897	2,561
utilisation	-2,814	-2,923
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-43,513	-36,048
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	22,062	12,450
Adjustments to securities	8,616	17,427
Adjustments to class D securities	-15,256	-1,026
Cash flow from operating activities	380,300	256,577
Disposal of fixed assets	27,839	-
Sale of bonds and other fixed-interest securities	1,031,735	884,513
Sale of investments	29,878	118,047
Sale of OEIC units	47,285	17,236
Sale of class D	13,645	13,751
Repayment of loans and borrowings	8,010	15,503
Other financial disinvestments	3,000	-
Cash flow arising from disinvesting activities	1,161,392	1,049,050
Cash flow generated	1,541,692	1,305,627

Statement of cash flows

(€/000)

	31/12/2021	31/2/2020
Buildings	235	3,733
Fixed-interest securities	1,185,920	975,855
Participations	93,302	74,370
OEIC Units	141,389	199,661
Other financial investments	-	-
Class D investments	80,120	35,155
Loans to third parties	6,297	8,329
Previous year's dividend distributed	30,417	12,943
Total application of funds	1,537,680	1,310,046
Increase/decrease in cash and cash equivalents	4,012	-4,419
TOTAL	1,541,692	1,305,627
cash and cash equivalents at the beginning of the year	2,302	6,721
cash and cash equivalents at the end of the year	6,315	2,302

Remuneration of administrative and control bodies

According to the Article 2427 of the Italian Civil Code, the following table summarizes the most significant relations with the administrative and control bodies:

Position held	Period for which the position was held	Remuneration	
		Period cost	Debt to the period
Directors	01.01 - 31.12.2021	4,269	81
Statutory auditors	01.01 - 31.12.2021	266	190
Total		4,535	271

(€/000)

Key figures of the Parent Company

Pursuant to Article 2497-bis of the Italian Civil Code, as amended by the corporate law reform, the key figures of the latest approved financial statements of Yafa SpA - the parent company that exercises management and coordination activities on Vittoria Assicurazioni – are summarized below:

Key figures for the last financial report approved as of 31 December 2020											
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	Holding	101,922	101,330	584	28,354	73,550	8,491	4,327	12,818

(€/000)

Equity Investments in Subsidiaries

Vittoria Immobiliare S.p.A.

Registered offices in Milan – Via Aldo Rossi 4; Share Capital Euro 34,500,000

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 17 February 2022 show shareholders' equity of 32,598 thousand euro, including 1,902 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 17 February 2022 show shareholders' equity of 24,936 thousand euro, including the year's net loss of 562 thousand euro.

Immobiliare Bilancia Prima S.p.A.

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

Equity interest: 100%

Company operating in the real-estate trading business.

The draft financial statements reviewed by the Board of Directors on 17 February 2022 show shareholders' equity of 56,328 thousand euro, including the year's net loss of 3,593 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 17 February 2022 show shareholders' equity of 148,853 thousand euro, including the year's net loss of 1,644 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 17 February 2022 show shareholders' equity of 54,517 thousand euro, including the year's net loss 204 thousand euro.

Vittoria Properties S.r.l.

Registered offices Milan - Via Aldo Rossi 4; Share Capital Euro 8,000,000

Equity interest: 100%

Company operating in the management and leasing of its property assets.

The draft financial statements reviewed by the Board of Directors on 17 February 2022 show shareholders' equity of 21,283 thousand euro, including the year's net loss of 568 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 17 February 2022 show shareholders' equity of 32,204 thousand euro, including the year's net profit of 547 thousand euro.

Vittoria HUB S.r.l.

Registered offices in Milan - Via Gardella 2; Share Capital Euro 10,000

Equity interest: 100%

Insurtech Incubator, with the aim of promoting the circulation of ideas, collaboration between start-ups and recognised companies in the services market and the growth of new insurance business models.

The draft financial statements reviewed by the Board of Directors on 22 February 2022 show shareholders' equity of 527 thousand euro, including the year's net loss of 419 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 February 2022 show shareholders' equity of 1,505 thousand euro, including the year's net loss of 81 thousand euro.

The following table provides the essential data of the last annual report of the subsidiaries and associated companies as required by Article 2429 of the Italian Civil Code:

Subsidiaries Companies							(€000)
Denomination	Registered Office	Share Capital	Equity	Profit (loss) for the year	Ownership %	balance sheet value	
Vittoria Immobiliare S.p.A.	Milano	34,500	32,598 -	1,902	100	35,076	
Immobiliare Bilancia S.r.l.	Milano	6,650	24,936 -	562	100	27,562	
Immobiliare Bilancia Prima S.p.A.	Milano	100	56,328 -	3,593	100	56,314	
Vittoria Properties S.r.l.	Milano	8,000	21,283 -	568	100	21,816	
Interbilancia S.r.l.	Milano	80	1,505	81	100	696	
Vaimm Sviluppo S.r.l.	Milano	3,000	54,517 -	204	100	54,812	
Vittoria Hub S.r.l.	Milano	10	527 -	419	100	1,235	
Acacia 2000 S.r.l.	Milano	370	148,853 -	1,644	100	160,022	
V.R.G. Domus S.r.l.	Milano	800	32,204	547	100	33,935	

Associated Companies							(€000)
Denomination	Registered Office	Share Capital	Equity	Profit (loss) for the year	Ownership %	balance sheet value	
Yarpa S.p.A.	Genova	30,000	52,101	1,118	29	8,856	
Touring Vacanze S.r.l.	Milano	12,900	15,703	221	46	6,814	

Litigation

End-year existing litigation is related to the normal operations linked to the claims management.

Tax situation

The Company confirmed the option for the National Tax Consolidation regime (Article 117 et seq. of the Presidential Decree no. 917 of 22 December 1986) with the subsidiaries Immobiliare Bilancia S.r.l., Acacia 2000 S.r.l., VAIMM Sviluppo S.r.l., Vittoria Properties S.r.l., Vittoria Immobiliare S.p.A., Interbilancia S.r.l., VRG Domus S.r.l. and Vittoria Hub S.r.l.

The option is confirmed with the same structure for the year 2022.

With reference to the year 2021, 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 S.r.l., Vaimm Sviluppo S.r.l. and Vittoria Hub S.r.l.

The option is confirmed with the same structure for the year 2022.

During 2019, the Company was subject to a tax inspection by the Italian Tax Authorities for the fiscal years 2014 and 2015, which resulted in VAT disputes. As of this report, the Italian Tax Authorities notified the tax assessment notice and formal penalty notices for the year 2014, and the Company challenged both measures before the Milan CTP (the expert appointed by the parties). Subsequently, the Company closed the notice of assessment through judicial conciliation while the act of contestation of the penalties was cancelled in self-defence by the tax authorities. Nothing has been notified for 2015 or subsequent years at the time of writing.

Milan, 23 February 2022

The Board of Directors

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Company VITTORIA ASSICURAZIONI S.p.A.

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current assets	
A.	SHARE CAPITAL PROCEEDS TO BE RECEIVED				1
	of which: called-up	2			
B.	INTANGIBLE ASSETS				
	1. Acquisition commissions to be amortised	4			
	2. Other acquisition costs	6			
	3. Start-up and capital costs	7			
	4. Goodwill	8			
	5. Other deferred costs	9	12,372		10 12,372
C.	INVESTMENTS				
I	- Land and buildings				
	1. Operating buildings	11	60,542		
	2. Buildings used by third parties	12	45,238		
	3. Other buildings	13			
	4. Other property rights	14			
	5. Assets under construction and payments on account	15	2,830	16	108,610
II	- Investments in group and other companies:				
	1. Equity investments in:				
	a) parent companies	17			
	b) subsidiaries	18	362,832		
	c) related companies	19			
	d) associated companies	20	15,670		
	e) other companies	21	49,884	22	428,386
	2. Bonds issued by:				
	a) parent companies	23			
	b) subsidiaries	24			
	c) related companies	25			
	d) associated companies	26			
	e) other companies	27		28	
	3. Loans to:				
	a) parent companies	29			
	b) subsidiaries	30			
	c) related companies	31			
	d) associated companies	32	840		
	e) other companies	33		34	840
				35	429,226
			to carry forward		12,372

Previous year

			181
182			
184			
186			
187			
188			
189	2,823		190 2,823
191	61,570		
192	60,112		
193			
194			
195	2,952	196	124,634
197			
198	312,914		
199			
200	32,925		
201	24,927	202	370,766
203			
204			
205			
206			
207		208	
209			
210			
211			
212	4,120		
213		214 4,120	215 374,886
	to carry forward		2,823

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current year	
		brought forward			12,372
C.	INVESTMENTS (continues)				
III	- Other financial investments:				
	1. Equity investments				
	a) Listed shares	36			
	b) Unlisted shares	37			
	c) Quotas	38	39		
	2. OEIC Units		40	525,592	
	3. Bonds and other fixed-interest securities				
	a) listed	41	1,224,197		
	b) unlisted	42	701		
	c) convertible bonds	43	44	1,224,898	
	4. Loans				
	a) secured loans	45	11,304		
	b) loans on policies	46			
	c) other loans	47	5,795	48	17,099
	5. Shares in investment pools			49	
	6. Deposits with banks			50	
	7. Other financial investments			51	52
					1,767,589
IV	- Deposits with ceding companies			53	54
					2,305,425
D bis.	REINSURERS' SHARE OF TECHNICAL RESERVES				
	I - NON-LIFE BUSINESSES				
	1. Premium reserve		58	13,137	
	2. Claims reserve		59	52,555	
	3. Profit participation and reimbursement reserve		60		
	4. Other technical reserves		61		62
					65,692
					to carry forward
					2,383,489

Previous year

		brought forward		2,823
216				
217				
218				
	219			
	220	491,422		
221		1,202,487		
222		702		
223		1,203,189		
225		12,786		
226				
227		2,645		
	228	15,431		
	229			
	230	1,000		
	231		232	1,711,042
			233	
			234	2,210,562
	238	12,151		
	239	51,504		
	240			
	241		242	63,655
	to carry forward			2,277,040

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Current year			
		brought forward				2,383,489	
E. RECEIVABLES							
I - Receivables relating to direct insurance due from:							
1. Policyholders							
a) premiums for the year	71	69,633					
b) premiums for previous years	72	3,202	73	72,835			
2. Insurance brokers and agents			74	119,079			
3. Current account companies			75	7,860			
4. Amounts to be recovered from policyholders and third parties	76	30,037	77	229,811			
II - Receivables relating to reinsurance due from:							
1. Insurance and reinsurance companies							
	78	5,217					
2. Reinsurance brokers and agents							
	79		80	5,217			
III - Other receivables							
			81	100,632	82	335,660	
F. OTHER ASSETS							
I - Tangible assets and inventory:							
1. Office furniture and machines and internal transport systems							
	83	4,440					
2. Registered chattel property							
	84	217					
3. Plant and machinery							
	85	1,033					
4. Inventory and other assets							
	86	11	87	5,701			
II - Cash and cash equivalents							
1. Bank and postal accounts							
	88	2,527					
2. Cheques on hand and cash-in-hand							
	89	4	90	2,531			
III - Own shares or quotas							
			91				
IV - Other assets							
1. Suspense reinsurance accounts							
	92						
2. Sundry assets							
	93	72,817	94	72,817	95	81,049	
of which: transfer account with life business							
	901						
G. PREPAYMENTS AND ACCRUED INCOME							
1. Interest							
			96	5,797			
2. Rent instalments							
			97				
3. Other prepayments and accrued income							
			98	9,130	99	14,927	
TOTAL ASSETS						100	2,815,125

Previous year

	brought forward			2,277,040	
251	64,141				
252	1,819	253	65,960		
		254	109,481		
		255	9,488		
		256	26,549	257	211,478
		258	7,802		
		259		260	7,802
				261	78,000
				262	297,280
		263	4,414		
		264	164		
		265	1,133		
		266	11	267	5,722
		268	837		
		269	4	270	841
				271	
		272			
		273	69,637	274	69,637
		903		275	76,200
				276	11,396
				277	
				278	10,402
				279	21,798
				280	2,672,318

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	445,170
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit/(loss) for the year	109	90,125
X	- Negative reserve for own shares	401	
		110	599,189
B. SUBORDINATED LIABILITIES			
		111	250,000
C. TECHNICAL RESERVES			
I - NON-LIFE BUSINESSES			
	1. Premium reserve	112	447,830
	2. Claims reserve	113	1,312,306
	3. Profit participation and reimbursement reserve	114	
	4. Other technical reserves	115	409
	5. Equalisation reserves	116	9,805
to carry forward		117	1,770,350
			2,619,539

Previous year

	281	39,427	
	282		
	283	16,582	
	284	7,885	
	285		
	286		
	287	381,724	
	288		
	289	93,864	
	501		290 539,482
			291 250,000
292	430,843		
293	1,250,951		
294			
295	409		
296	8,980		297 1,691,183
to carry forward			2,480,665

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

		Current year	
		brought forward	2,619,539
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	
3.	Other provisions	130	48,712
			131
			48,712
F. DEPOSITS FROM REINSURERS			
			132
			2,774
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133	4,762
2.	Current account companies	134	4,779
3.	Guarantee deposits and premiums paid by policyholders	135	1,012
4.	Guarantee funds in favour of policyholders	136	137
			10,553
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138	12,357
2.	Reinsurance brokers and agents	139	140
			12,357
III	- Bond issues	141	
IV	- Due to banks and other financial institutions	142	9,523
V	- Secured debts	143	
VI	- Sundry loans and other financial payables	144	
VII	- Employees' leaving entitlement	145	2,125
VIII	- Other sums payable		
1.	Policyholders' tax due	146	28,587
2.	Other sums payable to taxation authorities	147	2,299
3.	Social security charges payable	148	3,836
4.	Sundry payables	149	150
			32,702
			150
			67,424
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152	20,948
3.	Other liabilities	153	14,316
of which: transfer account with life business		902	
			154
			35,264
			155
			137,246
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1.	Interest	156	6,813
2.	Rent instalments	157	
3.	Other accrued expenses and deferred income	158	40
			159
			6,853
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160
			2,815,125

Previous year

brought forward			2,480,665
		308	
		309	
		310	46,349
			311
			46,349
			312
			2,843
313	2,713		
314	5,510		
315	1,036		
316		317	9,259
318	10,854		
319		320	10,854
		321	
		322	7,217
		323	
		324	
		325	2,055
326	27,011		
327	18,013		
328	3,649		
329	28,482	330	77,155
331			
332	13,886		
333	15,208	334	29,094
904			335
			135,634
		336	6,813
		337	
		338	16
			339
			6,829
			340
			2,672,318

Company VITTORIA ASSICURAZIONI S.p.A.

BALANCE SHEET - LIFE BUSINESS
ASSETS

		Current year	
A. SHARE CAPITAL PROCEEDS TO BE RECEIVED			1
of which: called-up		2	
B. INTANGIBLE ASSETS			
1. Acquisition commissions to be amortised		3	8,389
2. Other acquisition costs		6	
3. Start-up and capital costs		7	
4. Goodwill		8	
5. Other deferred costs		9	988
			10
			9,377
C. INVESTMENTS			
I - Land and buildings			
1. Operating buildings		11	18,148
2. Buildings used by third parties		12	18,489
3. Other buildings		13	
4. Other property rights		14	
5. Assets under construction and payments on account		15	358
			16
			36,995
II - Investments in group and other companies:			
1. Equity investments in:			
a) parent companies		17	
b) subsidiaries		18	28,636
c) related companies		19	
d) associated companies		20	
e) other companies		21	9,000
		22	37,636
2. Bonds issued by:			
a) parent companies		23	
b) subsidiaries		24	
c) related companies		25	
d) associated companies		26	
e) other companies		27	
		28	
3. Loans to:			
a) parent companies		29	
b) subsidiaries		30	
c) related companies		31	
d) associated companies		32	
e) other companies		33	
		34	35
			37,636
to carry forward			
			9,377

Previous year			
			181
182			
183	7,049		
186			
187			
188			
189	302		190 7,351
191	18,456		
192	33,258		
193			
194			
195	1	196 51,715	
197			
198	29,914		
199			
200			
201	7,500	202 37,414	
203			
204			
205			
206			
207		208	
209			
210			
211			
212			
213		214 215 37,414	
	to carry forward		7,351

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year	
		brought forward	9,377
C. INVESTMENTS (continues)			
III - Other financial investments			
1. Equity investments			
a) Listed shares	36 1,981		
b) Unlisted shares	37		
c) Quotas	38 39 1,981		
2. OEIC Units	40 365,397		
3. Bonds and other fixed-interest securities:			
a) listed	41 1,344,945		
b) unlisted	42		
c) convertible bonds	43 44 1,344,945		
4. Loans			
a) secured loans	45		
b) loans on policies	46 249		
c) other loans	47 48 249		
5. Shares in investment pools	49		
6. Deposits with banks	50		
7. Other financial investments	51 52 1,712,572		
IV - Deposits with ceding companies		53 54 1,787,203	
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND STEMMING FROM PENSION FUND MANAGEMENT			
I - Investments relating to index-linked policies		55 166,131	
II - Investments relating to pension fund management		56 29,396 57 195,527	
D bis. REINSURERS' SHARE OF TECHNICAL RESERVES			
II - LIFE BUSINESSES			
1. Mathematical reserves	63 4,058		
2. Complementary insurance premium reserve	64		
3. Reserve for amounts payable	65 13		
4. Profit participation and reimbursement reserve	66		
5. Other technical reserves	67 55		
6. Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	68 69 4,126		
	to carry forward		1,996,232

Valori dell'esercizio precedente

brought forward			7,351
216			
217			
218	219		
	220	305,725	
221		1,213,972	
222		109	
223	224	1,214,081	
225			
226		350	
227	228	350	
	229		
	230	2,000	
	231		
	232	1,522,156	
	233		
	234	1,611,285	
	235	86,862	
	236	26,933	
	237	113,795	
	243	3,497	
	244		
	245	13	
	246		
	247	49	
	248		
	249	3,559	
to carry forward			1,735,990

BALANCE SHEET - LIFE BUSINESS

ASSETS

		Current year			
		brought forward		1,996,232	
E. RECEIVABLES					
I - Receivables relating to direct insurance due from:					
1. Policyholders					
a) premiums for the year	71	3,214			
b) premiums for previous years	72		73	3,214	
2. Insurance brokers and agents	74	21,826			
3. Current account companies	75				
4. Amounts to be recovered from policyholders and third parties	76		77	25,040	
II - Receivables relating to reinsurance due from:					
- 1. Insurance and reinsurance companies					
	78				
- 2. Reinsurance brokers and agents					
	79		80		
III - Other receivables					
			81	17,861	
			82	42,901	
F. OTHER ASSETS					
I - Tangible assets and inventory:					
1. Office furniture and machines and internal transport systems					
	83	68			
2. Registered chattel property					
	84				
3. Plant and machinery					
	85	8			
4. Inventory and other assets					
	86		87	76	
II - Cash and cash equivalents					
1. Bank and postal accounts					
	88	3,783			
2. Cheques on hand and cash-in-hand					
	89		90	3,783	
III - Own shares or quotas					
			91		
IV - OTHER ASSETS					
1. Suspense reinsurance accounts					
	92	23,866			
2. Sundry assets					
	93		94	23,866	
of which: transfer account with non-life business	901		95	27,725	
G. PREPAYMENTS AND ACCRUED INCOME					
1. Interest					
			96	17,851	
2. Rent instalments					
			97		
3. Other prepayments and accrued income					
			98	374	
			99	18,225	
TOTAL ASSETS				100	2,085,084

Previous year					
	brought forward				1,735,990
251	3,055				
252		253	3,055		
		254	17,496		
		255			
		256		257	20,551
		258	106		
		259		260	106
				261	15,931
				262	36,588
		263	93		
		264			
		265	13		
		266		267	106
		268	1,461		
		269		270	1,461
				271	
		272	6,733		
		273		274	6,731
		903		275	8,300
				276	15,681
				277	
				278	472
				279	16,153
				280	1,797,030

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	5,590
V	- Statutory reserves	105	
VI	- Reserve for own shares	106	
VII	- Other reserves	107	76,831
VIII	- Retained earnings or losses carried forward	108	
IX	- Net profit (loss) for the year	109	11,923
X	- Negative reserve for own shares	401	
			110
			137,326
B. SUBORDINATED LIABILITIES			
			111
C. TECHNICAL RESERVES			
II - LIFE BUSINESSES			
	1. Mathematical reserves	118	1,683,325
	2. Complementary insurance premium reserve	119	50
	3. Reserve for amounts payable	120	15,469
	4. Profit participation and reimbursement reserve	121	
	5. Other technical reserves	122	7,079
			123
			1,705,923
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	166,131
II	- Reserves arising from pension fund management	126	29,396
			127
			195,527
to carry forward			
			2,038,776

Previous year

	281	27,952	
	282	13,419	
	283	1,611	
	284	5,415	
	285		
	286		
	287	62,245	
	288		
	289	14,761	
	501		290 125,403
			291
298	1,509,330		
299	51		
300	21,647		
301			
302	6,532		303 1,537,560
	305	86,862	
	306	26,933	307 113,795
to carry forward			1,776,758

BALANCE SHEET - LIFE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Current year	
		brought forward	2,038,776
E. PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES			
1.	Pension and similar provisions	128	
2.	Provision for taxation	129	1,364
3.	Other provisions	130	3,835
			131 5,199
F. DEPOSITS FROM REINSURERS			
			132 4,099
G. PAYABLES AND OTHER LIABILITIES			
I	- Payables arising from direct insurance business due to:		
1.	Insurance brokers and agents	133 2,536	
2.	Current account companies	134 75	
3.	Guarantee deposits and premiums paid by policyholders	135 714	
4.	Guarantee funds in favour of policyholders	136	137 3,325
II	- Payables arising from reinsurance business due to:		
1.	Insurance and reinsurance companies	138 1,192	
2.	Reinsurance brokers and agents	139	140 1,192
III	- Bond issues		141
IV	- Due to banks and other financial institutions		142 1,716
V	- Secured debts		143
VI	- Sundry loans and other financial payables		144
VII	- Employees' leaving entitlement		145 142
VIII	- Other sums payable		
1.	Policyholders' tax due	146 404	
2.	Other sums payable to taxation authorities	147 1,467	
3.	Social security charges payable	148 230	
4.	Sundry payables	149 5,031	150 7,132
IX	- Other liabilities		
1.	Suspense reinsurance accounts	151	
2.	Commissions on premiums under collection	152 745	
3.	Other liabilities	153 22,755	154 23,500
	of which: transfer account with non-life business	902	155 37,007
H. ACCRUED EXPENSES AND DEFERRED INCOME			
1.	Interest	156	
2.	Rent instalments	157	
3.	Other accrued expenses and deferred income	158	3 159 3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160 2,085,084

Previous year

brought forward		1,776,758
	308	
	309	1,900
	310	3,835
	311	5,735
	312	3,546
313	723	
314	75	
315	747	
316	317	1,545
318	316	
319	320	316
	321	
	322	480
	323	
	324	
	325	129
326	344	
327	1,256	
328	281	
329	4,914	330
	330	6,795
331		
332	47	
333	1,680	334
	334	1,727
	335	10,992
904		
	336	
	337	
	338	339
	340	1,797,030

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2021

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	1 154,448 ²¹	1,608	41 156,056
Income on investments	+ 2 31,911		42 31,911
Capital and financial charges	- 3 26,328		43 26,328
Income on investments transferred from the life business technical account	+ 24	3,729	44 3,729
Income on investments transferred to the non-life business technical account	- 5 3,743		45 3,743
Operating result	6 156,289 ²⁶	5,336	46 161,625
Other income	+ 7 1,750 ²⁷	170	47 1,920
Other expense	- 8 34,150 ²⁸	513	48 34,663
Extraordinary income	+ 9 7,468 ²⁹	12,689	49 20,157
Extraordinary expense	- 10 225 ³⁰	740	50 965
Profit (loss) before taxation	11 131,132 ³¹	16,942	51 148,074
Taxation on profit for the year	- 12 41,006 ³²	5,018	52 46,024
Net profit (loss) for the year	13 90,126 ³³	11,924	53 102,051

Year 2021

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	+	1 142,273	31 229,684
Increase of the year	+	2 14,682	32 235
for: acquisitions or increases		3 12,293	33 235
write-backs		4	34
revaluations		5	35
other variations		6 2,389	36
Decrease of the year	-	7	37 27,839
for: sales or decreases		8	38 27,839
permanent write-downs		9	39
other variations		10	40
Gross closing book value (a)		11 156,955	41 202,080
Amortisation and depreciation:			
Opening book value	+	12 132,100	42 53,336
Increase of the year	+	13 3,105	43 3,141
for: amortisation/depreciation charge of the year		14 3,105	44 3,141
other variations		15	45
Decrease of the year	-	16	46
for: disposals		17	47
other variations		18	48
Closing book value (b) (*)		19 135,205	49 56,477
Book value (a - b)		20 21,750	50 145,603
Current value			51 205,725
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 2021

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	+	1 408,180	21	41 4,120
Increase of the year	+	2 91,321	22	42 535
for: acquisitions, subscriptions or lending		3 74,416	23	43 535
write-backs		4	24	44
revaluations		5		
other variations		6 16,905	26	46
Decrease of the year:	-	7 33,479	27	47 3,815
for: sales or repayments.....		8 12,973	28	48 3,815
write-downs		9 3,601	29	49
other variations		10 16,905	30	50
Book value		11 466,022	31	51 840
Current value		12 527,186	32	52
Total revaluations		13		
Total write-downs.....		14 3,601	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. PATTO SINDACATO - 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	9	U.C.I. S.cons.r.l. - Corso Sempione 39 - 20145 Milano	242
9	e	NQ	2	MEDINVEST INTERNATIONAL S.C.A. - 34, Avenue Marie Thérèse - L-2132 Lussemburgo	242
10	b	NQ	2	INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
11	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
12	b	NQ	4	IMMOBILIARE BILANCIA S.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
13	d	NQ	9	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano	242
14	b	NQ	4	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
15	b	NQ	4	IMMOBILIARE BILANCIA PRIMA S.p.A. - Via Aldo Rossi 4 - 20149 Milano	242
16	d	NQ	2	YARPA S.p.A. - Via Roma 3 - 16121 Genova	242
17	e	NQ	2	YAM INVEST N.V. - Herengracht 450 - 1017 CA Amsterdam	242
18	e	NQ	3	BANCO FIORENTINO Mugello Impruneta Signa - Via Villani 13 - 50033 Fiorenzuola	242
19	e	NQ	3	BCC MILANO ex BCC CARUGATE INZAGO - Via De Gasperi 11 - 20061 Carugate MI	242
20	e	NQ	3	BCC DEL GRAN SASSO D'ITALIA SCPA - Via dell'Industria 3 - 64025 Pineto TE	242
21	e	NQ	3	BCC ROMAGNA in Liq.Coatta.Amm. - Via Leopoldo Lucchi, 135 - 47521 Cesena FC	242
22	e	NQ	2	PORTA ROMANA 4 S.r.l. - Corso di Porta Romana 6 - 20122 Milano	242
23	b	NQ	4	ACACIA 2000 S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
24	b	NQ	4	VAIMM SVILUPPO S.r.l. - Via Aldo Rossi 4 - 20149 Milano	242
25	d	NQ	9	TOURING DIGITAL S.r.l. - Corso Italia n.10 - 20122 Milano	242
26	e	NQ	7	CONSORZIO SERVIZI ASSICURATIVI - Via Don Carlo Gnocchi 37/b - 20148 Milano	242
27	e	NQ	2	CONSULTINVEST S.p.A. - Piazza Grande n.33 - 41121 Modena	242
28	e	NQ	3	BCC CARATE BRIANZA - Via Cusani 6 - 20841 Carate Br	242
29	e	NQ	3	BANCA POPOLARE PUGLIESE Soc.Coop. per Azioni - via Provinciale Matino, 5 - 73052 Parabita	242
30	b	NQ	4	V.R.G. DOMUS S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano	242
31	e	NQ	2	MERCURE HOLDING SCA - avenue Emile Reuter 24 - L-2420 Lussemburgo	242
32	b	NQ	9	VITTORIA HUB S.r.l. - Via Ignazio Gardella 6 - 20149 Milano	242
33	d	NQ	4	IMMOBILIARE BILANCIA PRIMA S.p.A. - Via Aldo Rossi 4 - 20149 Milano	242
34	e	NQ	3	BANCA DEL VENETO CENTRALE Soc.Coop. - Via Ponte di Costozza n.12 - 36023 Longare VI	242
35	e	Q	1	REVO S.p.A. - Piazza Belgioioso 2 - 20121 Milano	242
36	e	NQ	1	REVO S.p.A. Classe B - Piazza Belgioioso 2 - 20121 Milano	242
37	e	NQ	9	PROPENSIONE S.p.A. - Via di Torrebianca 20 - 34132 Modena	242
38	e	NQ	3	BANCO MARCHIGIANO Soc.Coop. - Viale Matteotti, 8 - 62012 Civitanova Marche	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 %
34,500	261,818	32,598	-1,902	25.09		25.09
34,500	261,818	32,598	-1,902	74.90		74.90
100	100,000					
150,000	15,000,000			2.75		2.75
3,772	16,400,000			9.73		9.73
443,640	887,280,013			0.25		0.25
6,340	1,228,658			0.30		0.30
526	1,032,258			0.76		0.76
9,963	7,663,600			3.91		3.91
80	80,000	1,505	81	100.00		100.00
6,650	6,650,000	24,936	-562	67.48		67.48
6,650	6,650,000	24,936	-562	32.52		32.52
12,900	12,900,000	15,703	221	46.00		46.00
8,000	8,000,000	21,283	568	100.00		100.00
100	10,000	56,314		100.00		100.00
30,000	30,000	60,635	1,761	28.56		28.56
63,083	63,083,168			18.75		18.75
19,199	743,581			0.24		0.24
52,769	2,043,744			0.08		0.08
10,684	75,770					
15,041	601,637			0.33		0.33
100	100,000			6.45		6.45
370	369,718	148,853	-1,644	100.00		100.00
3,000	3,000,000	54,517	-204	100.00		100.00
1,400	1,400,000					
361	360,600			0.11		0.11
40,000	40,000,000			18.75		18.75
4,957	95,984			0.01		0.01
184,195	61,398,425			0.13		0.13
800	800,000	32,204	547	100.00		100.00
5,481	548,096,101			0.43		0.43
		527	-419	100.00		100.00
100	10,000	56,314				
				0.02		0.02
23,055	23,055,000			6.50		6.50
23,055	23,055,000					
2,444	1,332,829			11.32		11.32
10,684	75,770			0.46		0.46

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

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

Number (1)	Type (2)		Name (3)	Increase of the year		
				Acquisitions		Other increases
				Quantity	Amount	
1	b	V	VITTORIA IMMOBILIARE S.p.A. - Via Aldo Rossi 4 - 20149 Milano			
2	b	D	VITTORIA IMMOBILIARE S.p.A. - Via Aldo Rossi 4 - 20149 Milano			
3	e	D	DOWNALL ITALIA S.r.l. in Liquidazione - Piazza Sicilia 6 - 20146 Milano			
4	e	D	BANCA PASSADORE & C. S.p.A. - Via E.Vernazza 27 - 16121 Genova			
5	e	D	GRUPPO G.P.A. S.p.A. in Liquidazione - Via Vittor Pisani 7 - 20124 Milano			
6	e	D	MEDIOBANCA S.p.A. PATTO SINDACATO - P.tta E.Cuccia 1 - 20121 Milano	1,000,000	9,946	
7	e	D	BCC VALDOSTANA Soc.Coop. - Fraz.Taxel 26 - 11020 Gressan AO			
8	e	D	U.C.I. S.cons.r.l. - Corso Sempione 39 - 20145 Milano			
9	e	D	MEDINVEST INTERNATIONAL S.C.A. - 34, Avenue Marie Thérèse - L-2132 Lussemburgo			
10	b	D	INTERBILANCIA S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			558
11	b	V	IMMOBILIARE BILANCIA S.r.l. - Via Aldo Rossi 4 - 20149 Milano			
12	b	D	IMMOBILIARE BILANCIA S.r.l. - Via Aldo Rossi 4 - 20149 Milano			
13	d	D	TOURING VACANZE S.r.l. - Corso Italia n.10 - 20122 Milano			
14	b	D	VITTORIA PROPERTIES S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			3,800
15	b	D	IMMOBILIARE BILANCIA PRIMA S.p.A. - Via Aldo Rossi 4 - 20149 Milano	10,000		58,515
16	d	D	YARPA S.p.A. - Via Roma 3 - 16121 Genova			
17	e	D	YAM INVEST N.V. - Herengracht 450 - 1017 CA Amsterdam			
18	e	D	BANCO FIORENTINO Mugello Impruneta Signa - Via Villani 13 - 50033 Fiorenzuola			
19	e	D	BCC MILANO ex BCC CARUGATE INZAGO - Via De Gasperi 11 - 20061 Carugate MI			
20	e	D	BCC DEL GRAN SASSO D'ITALIA SCPA - Via dell'Industria 3 - 64025 Pineto TE			
21	e	D	BCC ROMAGNA in Liq.Coatta.Amm. - Via Leopoldo Lucchi, 135 - 47521 Cesena FC			
22	e	D	PORTA ROMANA 4 S.r.l. - Corso di Porta Romana 6 - 20122 Milano			
23	b	D	ACACIA 2000 S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			
24	b	D	VAIMM SVILUPPO S.r.l. - Via Aldo Rossi 4 - 20149 Milano			
25	d	D	TOURING DIGITAL S.r.l. - Corso Italia n.10 - 20122 Milano			270
			Totale C.II.1			
	a		Società controllanti			
	b		Società controllate			
	c		Società consociate			
	d		Società collegate			
	e		Altre			
			Totale D.I			
			Totale D.II			

(1) It should match that indicated in Annex 6

(2) Type
a = Parent companies
b = Subsidiaries
c = Related companies
d = Associated companies
e = Other companies

(3) Indicate:
D investment allocated to the non-life business (caption C.II.1)
V investments allocated to the life business (caption C.II.1)
V1 investments allocated to the life business (caption D.I)
V2 investments allocated to the life business (caption D.2)
Even if it is only a portion, the investment should be identified with the same number

Year 2021

Decrease of the year		Other decreases	Book value (4)		Acquisition cost	Current value
Sales			Quantity	Amount		
Quantity	Amount					
		1,928	65,703	8,802	17,264	8,802
		5,755	196,115	26,274	45,183	26,274
9,999		21				
137,785			413,355	3,540	3,540	10,251
			1,596,959		7,134	
			2,225,350	20,300	21,149	22,498
			3,800	41	41	41
			7,879	4	4	4
			300,000	1	3,001	1
			80,000	696	696	696
			4,487,398	18,599	18,599	18,599
			2,162,602	8,963	8,963	8,963
			5,934,000	6,814	10,365	6,814
			8,000,000	21,816	24,316	21,816
		2,201	10,000	56,314	58,515	56,314
			8,567,945	8,856	8,856	8,856
			11,828,094	6,594	6,594	58,625
			1,817	46	46	46
			1,818	46	46	46
500		50				
			2,000	50	50	50
			6,450	1,522	1,522	1,522
		5,000	369,718	160,022	160,022	160,022
			3,000,000	54,812	69,386	54,812
630,000	270					

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

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

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

Numbe (1)	Type (2)	Name (3)	Increase of the year		
			Acquisitions		Other increases
			Quantity	Amount	
26	e	D CONSORZIO SERVIZI ASSICURATIVI - Via Don Carlo Gnocchi 37/b - 20148 Milano			
27	e	V CONSULTINVEST S.p.A. - Piazza Grande n.33 - 41121 Modena	1,875,000		
28	e	D BCC CARATE BRIANZA - Via Cusani 6 - 20841 Carate Br			
29	e	D BANCA POPOLARE PUGLIESE Soc.Coop. per Azioni - via Provinciale Matino, 5 - 73052 Parabita			
30	b	D V.R.G. DOMUS S.r.l. - Via Ignazio Gardella n.2 - 20149 Milano			
31	e	D MERCURE HOLDING SCA - avenue Emile Reuter 24 - L-2420 Lussemburgo	31,650	32	
32	b	V VITTORIA HUB S.r.l. - Via Ignazio Gardella 6 - 20149 Milano			650
33	d	D IMMOBILIARE BILANCIA PRIMA S.p.A. - Via Aldo Rossi 4 - 20149 Milano			
34	e	D BANCA DEL VENETO CENTRALE Soc.Coop. - Via Ponte di Costozza n.12 - 36023 Longare VI			
35	e	D REVO S.p.A. - Piazza Belgioioso 2 - 20121 Milano	1,500,000	14,000	1,000
36	e	D REVO S.p.A. Classe B - Piazza Belgioioso 2 - 20121 Milano	100,000	1,000	
37	e	V PROPENSIONE S.p.A. - Via di Torrebianca 20 - 34132 Modena	150,885	1,500	
38	e	D BANCO MARCHIGIANO Soc.Coop. - Viale Matteotti, 8 - 62012 Civitanova Marche MC	354		50
		Totale C.II.1		26,478	64,843
	a	Società controllanti			
	b	Società controllate			63,523
	c	Società consociate			
	d	Società collegate			270
	e	Altre		26,478	1,050
		Totale D.I			
		Totale D.II			

(1) It should match that indicated in Annex

(2) Type
a = Parent companies
b = Subsidiaries
c = Related companies
d = Associated companies
e = Other companies

(3) Indicate
D investment allocated to the non-life business (caption C.II.1)
V investments allocated to the life business (caption C.II.1)
V1 investments allocated to the life business (caption D.I)
V2 investments allocated to the life business (caption D.I)
Even if it is only a portion, the investment should be identified with the same number

Decrease of the year		Book value (4)		Acquisition cost	Current value	
Sales		Quantity	Amount			
Quantity	Amount			Other decreases		
			400			
			7,500,000	7,500	7,500	7,500
			10	1	1	1
			81,300	201	201	201
			800,000	33,935	33,935	33,935
			2,400,000	2,483	2,483	2,483
			10,000	1,235	1,235	1,235
1,521,250		17,255	0			
			483	3	3	3
			1,500,000	15,000	15,000	15,225
100,000		1,000	0			
			150,885	1,500	1,500	1,500
			354	50	50	50
			270	33,210	466,020	527,185
				14,884	438,114	391,468
			270	17,255	19,221	15,670
				1,071	69,865	120,047

(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, OEIC Units, bonds and other fixed-interest securities, shares in investment pools and other financial investments (captions C.III.1, 2, 3, 5, 7)

I - Non-life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:						
a) listed shares	21		41	61	81	101
b) unlisted shares	22		42	62	82	102
c) quotas	23		43	63	83	103
2. OEIC Units	24		44	64	84	104
3. Bonds and other fixed-interest securities	25	558,995	45	65	85	105
a) listed government securities	26	1,220,856	46	66	86	106
a2) other listed securities	27	982,714	47	67	87	107
b) unlisted government securities	28	237,441	48	68	88	108
b2) other unlisted securities	29		49	69	89	109
c) convertible bonds	30	701	50	70	90	110
5. Shares in investment pools	31		51	71	91	111
7. Other financial investments	32		52	72	92	112
	33		53	73	93	113
					629	629

II - Life business

	Investment portfolio		Trading portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Equity investments:						
a) listed shares	141		161	181	201	221
b) unlisted shares	142		162	182	202	222
c) quotas	143		163	183	203	223
2. OEIC Units	144		164	184	204	224
3. Bonds and other fixed-interest securities	145	343,414	165	185	205	225
a) listed government securities	146	1,307,232	166	186	206	226
a2) other listed securities	147	889,938	167	187	207	227
b) unlisted government securities	148	340,540	168	188	208	228
b2) other unlisted securities	149		169	189	209	229
c) convertible bonds	150		170	190	210	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, OEIC 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	OEIC 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	780.161,41	1.841.975,81	101	
Increase of the year:	22	113.632,42	1.069.672,82	102	
for: acquisitions	23	84.368,43	1.069.159,83	103	
write-backs	24	44		104	
transfers from the trading portfolio.....	25	45		105	
other variations	26	29.264,46	513,86	106	
Decrease of the year:	27	33.074,47	460.312,87	107	
for: sales	28	12.106,48	125.911,88	108	
write-downs	29	49		109	
transfers to the trading portfolio	30	50		110	
other variations	31	20.968,51	334.401,91	111	
Book value	32	860.719,52	2.451.334,92	112	
Current value	33	902.409,53	2.535.606,93	113	

Year 2021

Company VITTORIA ASSICURAZIONI S.p.A.

Assets - Changes in loans and deposits with banks (captions C.III.4, 6)

		Loans C.III.4		Deposits with banks C.III.6
Opening book value	+ 1	15,781	21	3,000
Increase of the year	+ 2	5,763	22	
for: lending	3	5,763		
write-backs	4			
other variations	5			
Decrease of the year:	- 6	4,196	26	3,000
for: repayments	7	4,196		
write-downs.....	8			
other variations	9			
Book value	10	17,348	30	

Company **Vittoria Assicurazioni S.p.A.**Year **2021**

Assets - List of assets relating index-linked policies (caption D.I)

Unit trust code: Unit trust description: TOTAL

	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. OEIC Units	154,412 25	80,991 45	134,432 65	74,105
IV. Other financial investments:				
1. Equity investments	2,772 26	2,652 46	2,561 66	2,976
2. Bonds and other fixed-interest securities	685 27	158 47	678 67	177
3. Bank deposits	28	48	68	
4. Other financial investments	29	49	69	
V. Other assets	-1,950 30	-1,133 50	-1,950 70	-1,133
VI. Cash and cash equivalent	10,214 31	4,192 51	9,024 71	4,192
.....	32	52	72	
.....	33	53	73	
Total	166,133 34	86,860 54	144,745 74	80,317

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	1,016 24	44	1,030 64	
3. OEIC Units	27,851 25	26,613 45	22,784 65	23,470
4. Bank deposits	26	46	66	
5. Other financial investments	27	47	67	
III. Other assets	617 28	230 48	617 68	230
IV. Cash and cash equivalents	1,146 29	550 49	1,146 69	550
	30	50	70	
	31	51	71	
Total	29,396 32	26,933 52	24,343 72	23,790

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2021

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	1 447,440	11 430,384	21 17,056
Reserve for Unexpired risks:	2 390	12 460	22 -70
Book value.....	3 447,830	13 430,844	23 16,987
Claims reserve:			
Reserve for claims settlement and direct expenses	4 1,163,273	14 1,098,329	24 64,944
Reserve for settlement costs	5 62,318	15 63,777	25 -1,458
IBNR reserve	6 86,715	16 88,845	26 -2,130
Book value	7 1,312,306	17 1,250,951	27 61,355

Company VITTORIA ASSICURAZIONI S.p.A.Year 2021Liabilities - 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 1,673,506	11 1,498,380	21 175,126
Premiums carried forward	2 7,257	12 6,747	22 510
Mortality risk reserve	3 24	13 12	23 12
Integration reserves	4 2,538	14 4,191	24 -1,653
Book value	5 1,683,325	15 1,509,330	25 173,995
Profit participation and reimbursement reserve.....	6	16	26

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2021

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	1,900	50,185	2,184
Accruals of the year	+	2		16,131	2,897
Other increases	+	3			
Utilisation of the year	-	4	536	13,768	239
Other decreases	-	5			2,574
Book value		6	1,364	52,547	2,268

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 2021

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	17,128
Total		15	17,128
14		44	15,997
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	60,603
Total		22	60,603
21		51	123,644
V.	Assets pertaining to pension funds managed in favour and on behalf of third parties	23	29,396
23		53	26,933
VI.	Securities held by third parties	24	3,770,511
24		54	3,631,658
Total		25	3,799,907
25		55	3,658,591

Commitments for derivative transactions

Derivative	Current year				Previous year			
	Purchase		Sale		Purchase		Sale	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Futures:								
on shares	101		21	121	41	141	61	161
on bonds	102		22	122	42	142	62	162
on currencies	103		23	123	43	143	63	163
on exchange rates	104		24	124	44	144	64	164
other	105		25	125	45	145	65	165
Options:								
on shares	106		26	126	46	146	66	166
on bonds	107		27	127	47	147	67	167
on currencies	108		28	128	48	148	68	168
on exchange rates	109		29	129	49	149	69	169
other	110		30	130	50	150	70	170
Swaps:								
on currencies	111		31	131	51	151	71	171
on exchange rates	112		32	132	52	152	72	172
other	113		33	133	53	153	73	173
Other transactions	114		34	213.300	54	2.429	74	307.750
Total	0	0	35	213.300	35	2.429	75	307.750

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 refers to more than one caption, it should be included in the one more related; no offering is allowed if not related to purchase/sale transactions relating to the same derivative category (same contents, maturity, underlying asset, etc).

- Derivatives involving two currencies 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 "purchases" or "sales" 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.

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2021

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	119,743	118,424	38,944	45,469	-838
Third-party motor liability (class 10)	6	693,576	696,634	512,223	128,341	-977
Hull insurance for motor vehicles (class 3)	11	153,198	148,494	74,489	43,184	3,046
Marine, aviation and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16	6,325	6,262	4,083	1,719	-146
Fire and miscellaneous damages (classes 8 and 9)	21	144,453	133,726	86,824	52,711	-39
Third-party general liability (class 13)	26	85,804	83,720	34,340	29,334	-857
Credit and bond insurance (classes 14 and 15)	31	3,595	3,847	3,542	969	799
Pecuniary losses (class 16)	36	15,820	15,499	-904	4,423	-133
Legal protection (class 17)	41	8,104	7,801	1,905	2,365	-659
Support and assistance (class 18)	46	32,828	32,053	8,875	9,137	-5,676
Total direct insurance	51	1,263,446	1,246,460	764,321	317,652	-5,480
Indirect insurance	56	99	98	-11	7	
Total domestic portfolio	61	1,263,545	1,246,558	764,310	317,659	-5,480
Foreign portfolio	66					
Total	71	1,263,545	1,246,558	764,310	317,659	-5,480

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2021

Summarised life business premiums and reinsurance balance

	Direct insurance	Indirect insurance	Total
Gross premiums:	1 327,260	11	21 327,260
a) 1. individual policies	2 318,351	12	22 318,351
2. group policies	3 8,909	13	23 8,909
b) 1. periodic premiums	4 82,918	14	24 82,918
2. single premiums	5 244,342	15	25 244,342
c) 1. non-profit participation contracts.....	6 17,673	16	26 17,673
2. profit participation contracts.....	7 235,399	17	27 235,399
3. contracts where the investment risk is borne by policyholders and pension fund	8 74,187	18	28 74,187
Reinsurance balance	9 -849	19	29 -849

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2021

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 3,242 41	186 81	3,428
Dividends and other income on equity investments in other companies.....	2	42 132 82	132
Total	3 3,242 43	318 83	3,560
Income on investments in land and buildings	4 2,899 44	1,686 84	4,585
Income on other investments:			
Income on bonds issued by group companies.....	5	45 85	
Interest on loans to group companies	6 50 46	86	50
Income on unit trust units	7 11,653 47	12,058 87	23,711
Income on bonds and other fixed-interest securities	8 13,836 48	47,761 88	61,597
Interest on loans	9 154 49	10 89	164
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 25,693 54	59,829 94	85,522
Adjustments to investment values:			
Land and buildings	15	55 95	
Equity investments in group companies.....	16	56 96	
Bonds issued by group companies	17	57 97	
Other equity investments	18	58 98	
Other bonds	19	59 7 99	7
Other financial investments.....	20	60 100	
Total	21	61 7 101	7
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 1,846 105	1,846
Profit on sale of other bonds	26 77 66	169 106	246
Profit on sale of other financial investments.....	27	67 107	
Total	28 77 68	2,015 108	2,092
TOTAL	29 31,911 69	63,855 109	95,766

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2021

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
OEIC Units	3 126
Other financial investments	4 84
- of which: bonds..... 5	
Other assets	6
Total	7 210
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 OEIC Units.....	10 916
Profit on sale of other financial investmentsi	11 293
- of which: bonds	12
Other income.....	13 396
Total	14 1,605
Non-realised capital gains	15 14,853
TOTAL	16 16,668

II. Investments relating to pension fund management

	Amount
Income on:	
Investments in group companies.....	21
Other financial investments	22 98
- of which: bonds..... 23	2
Other assets	24 63
Total	25 161
Profit on sale of investments	
Profit on sale of investments in group companies	26
Profit on sale of other financial investments.....	27 71
- of which: bonds	28
Other income.....	29
Total	30 71
Non-realised capital gains	31 2,687
TOTAL	32 2,919

Company VITTORIA ASSICURAZIONI S.p.A.

Year 2021

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	362	31	1	61	364
Charges relating to investments in land and buildings.....	2	4,831	32	897	62	5,727
Bond charges	3	13,822	33	10,202	63	24,024
Charges relating to OEIC Units.....	4	444	34	14	64	458
Charges relating to shares in investment pools	5		35		65	
Other financial investment charges	6		36		66	
Interest on deposits from reinsurers	7	38	37	102	67	140
Total	8	19,497	38	11,216	68	30,713
Adjustments to investment values:						
Land and buildings	9	2,314	39	827	69	3,141
Equity investments in group companies	10	3,601	40		70	3,601
Bonds issued by group companies	11		41		71	
Other equity investments.....	12		42		72	
Other bonds	13	84	43	1,536	73	1,619
Other financial investments	14		44	262	74	262
Total	15	5,999	45	2,625	75	8,624
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	832	48	365	78	1,197
Loss on sale of other financial investments	19		49		79	
Total	20	832	50	365	80	1,197
TOTAL	21	26,328	51	14,206	81	40,534

Company VITTORIA ASSICURAZIONI S.p.A.

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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
OEIC Units	3
Other financial investments	4
Other assets	5 2,129
Total	6 2,129
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 OEIC Units	9 200
Loss on sale of other financial investments	10 30
Other charges.....	11 4
Total	12 234
Non-realised capital losses	13 832
TOTAL	14 3,195

II. Investments relating to pension fund management

	Amounts
Management charges arising from:	
Investments in group companies	21
Other financial investments	22 831
Other assets.....	23
Total	24 831
Loss on sale of investments	
Loss on sale of investments in group companies	25
Loss on sale of other financial investments	26 32
Other charges	27
Total	28 32
Non-realised capital losses	29 454
TOTAL	30 1,317

	Class 01		Class 02	
	Accident insurance		Health insurance	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross written premiums	+	102,421	1	17,323
Change in premium reserve (+ o -)	-	1,203	2	116
Charges relating to claims	-	27,928	3	11,017
Change in other technical reserves (+ or -) (1)	-		4	
Other technical captions, net (+ or -)	+	-545	5	-99
Management fees	-	39,586	6	5,884
Direct insurance technical result (+ or -)	A	33,159	7	207
Outwards reinsurance result (+ or -)	B	-683	8	-155
Indirect insurance net result (+ o -)	C		9	
Change in equalisation reserve (+ o -)	D		10	
Income on investments transferred from non-technical account	E	157	11	31
Result of technical account (+ or -)		32,633	12	83

	Class 07		Class 08	
	Cargo insurance		Fire and natural events	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross written premiums	+	3,008	1	88,948
Change in premium reserve (+ or -)	-	32	2	8,499
Charges relating to claims	-	1,602	3	47,051
Change in other technical reserves (+ or -) (1)	-		4	
Other technical captions, net (+ o -)	+	-92	5	-480
Management fees	-	926	6	32,920
Direct insurance technical result (+ or -)	A	356	7	-2
Outwards reinsurance result (+ or -)	B	-56	8	819
Indirect reinsurance net result (+ o -)	C		9	1
Change in equalisation reserve (+ o -)	D	9	10	267
Income on investments transferred from non-technical account	E	7	11	202
Result of technical account (+ or -)		298	12,00	753

	Class 13		Class 14	
	Third-party general liability		Credit insurance	
	(name)		(name)	
Direct insurance gross of outwards reinsurance				
Gross written premiums	+	85,804	1	11
Change in premium reserve (+ or -)	-	2,084	2	-173
Charges relating to claims	-	34,340	3	-516
Change in other technical reserves (+ or -) (1)	-		4	
Other technical captions, net (+ or -)	+	-717	5	
Management fees	-	29,334	6	6
Direct insurance technical result (+ or -)	A	19,329	7	694
Outwards reinsurance result (+ or -)	B	-857	8	1
Indirect reinsurance net result (+ o -)	C	90	9	
Change in equalisation reserve (+ o -)	D		10	
Income on investments transferred from non-technical account	E	419	11	4
Result of technical account (+ or -)		18,981	12	699

(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)
1 153,198	1 35	1 1	1 2,023
2 4,704	2 1	2	2 -3
3 74,489	3 -1	3 -53	3 1,881
4	4	4	4
5 -323	5	5	5 -19
6 43,184	6 10	6	6 549
7 30,498	7 25	7 54	7 -423
8 3,046	8 -13	8 -45	8 -29
9	9	9	9 -1
10 456	10	10	10
11 192	11	11	11 7
12 33,280	12 12	12 9	12 -446

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 55,505	1 693,576	1 1	1 1,258
2 2,228	2 -3,058	2	2 32
3 39,773	3 512,223	3	3 654
4	4	4	4
5 -336	5 -4,446	5	5 -8
6 19,791	6 128,341	6 1	6 234
7 -6,623	7 51,624	7	7 330
8 -857	8 -977	8 -1	8 -2
9 1	9	9	9
10 94	10	10	10
11 77	11 2,572	11	11 5
12 -7,496	12 53,219	12 -1	12 333

Class 15 Bond insurance (name)	Class 16 Pecuniary losses (name)	Class 17 Legal protection (name)	Class 18 Support and assistance (name)
1 3,584	1 15,820	1 8,104	1 32,828
2 -79	2 322	2 303	2 775
3 4,059	3 -904	3 1,905	3 8,875
4	4	4	4
5 -348	5 5	5 -29	5 -140
6 963	6 4,423	6 2,365	6 9,137
7 -1,707	7 11,984	7 3,502	7 13,901
8 798	8 -133	8 -659	8 -5,676
9	9	9	9 12
10	10	10	10
11 38	11 17	11 5	11 11
12 -871	12 11,868	12 2,848	12 8,248

Summarised non-life business technical account
Domestic portfolio

	Direct insurance risk		Transferred risks 2	Indirect insurance risk		Retained risks Total 5 = 1 - 2 + 3 - 4
	Direct risk 1	Inwards reinsurance risks 3		Inwards reinsurance risks 4	Inwards reinsurance risks 4	
Gross written premiums	1,263,448 11	51,631 21	99 31	41	1,211,916	
Change in premium reserve (+ or -)	16,986 12	986 22	1 32	42	16,001	
Charges relating to claims	764,323 13	39,116 23	-11 33	43	725,196	
Change in other technical reserves (+ or -) (1)	14	24	34	44		
Other technical captions, net (+ or -)	-7,579 15	25	35	45	-7,581	
Management fees	317,654 16	6,049 26	7 36	46	311,612	
Technical result (+ or -)	156,908 17	5,480 27	102 37	47	151,530	
Change in equalisation reserves (+ or -)				48	825	
Income on investments transferred from non-technical account	3,742	29	1	49	3,743	
Result of technical account (+ o -)	160,650 20	5,480 30	103 40	50	154,448	

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

Life business - Summarised technical account by line of business - Domestic portfolio

	Class 01 Whole and term life insurance (name)	Class 02 Marriage and birth insurance (name)	Class 03 Insurance linked OEIC Units (name)
Direct insurance gross of outwards reinsurance			
Gross written premiums	251.520		71.958
Charges relating to claims	94.204		8.170
Change in mathematical and other technical reserves (+ or -) (*)	182.610		76.155
Other technical captions, net (+ or -)	-106		1.999
Management fees	16.079		4.626
Income on investments net of the portion transferred to the non-technical account (**)	44.629		13.479
Direct insurance result gross of outwards reinsurance (+ or -) A	3.150		-1.515
Outwards reinsurance result (+ or -) B	-519		
Indirect insurance net result (+ or -) C			
Result of technical account (+ or -) (A + B + C)	2.631		-1.515

	Class 04 Health insurance (name)	Class 05 Capitalisation transactions (name)	Class 06 Pension Funds management (name)
Direct insurance gross of outwards reinsurance			
Gross written premiums	1.525	28	2.229
Charges relating to claims	71	6.804	1.470
Change in mathematical and other technical reserves (+ or -) (*)	760	-5.610	2.367
Other technical captions, net (+ or -)		7	438
Management fees	184	158	89
Income on investments net of the portion transferred to the non-technical account (**)	-64	1.348	1.604
Direct insurance result gross of outwards reinsurance (+ or -) A	446	31	345
Outward reinsurance result B	-329		
Indirect insurance net result (+ or -) C			
Result of technical account (+ or -) (A + B + C)	117	31	345

(*) 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		Indirect insurance risks		Retained risks Total 5 = 1 + 2 + 3 + 4	
	Direct risks 1	Transferred risks 2	Inwards reinsurance risks 3	Outwards reinsurance risks 4		
Gross written premiums	327,260	11	1,828	21	41	325,432
Charges relating to claims.....	110,719	12	45	22	42	110,674
Change in mathematical and other technical reserves (+ or -) (*)	256,281	13	567	23	43	255,714
Other technical captions, net (+ or -)	2,338	14	24	34	44	2,338
Management fees.....	21,136	15	366	25	45	20,770
Income on investments net of the portion transferred to the non-technical account (**)	60,996		26		46	60,996
Result of technical account (+ or -)	2,458	17	850	27	47	1,608

(*) 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 11.2, 11.3, 11.9, 11.10 and 11.12 of the profit and loss account

Company VITTORIA ASSICURAZIONI S.p.A.

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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 written premiums	+	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 written premiums	+	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	3	4	Associated companies	Other companies	Total
Income on investments							
Income on land and buildings	1	2	3	4	108	5	108
Dividends and other equity investments	7	8	9	10	206	11	3,222
Bonds	13	14	15	16		17	18
Loans	19	20	21	22	50	23	50
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	39	40	364	41	3,222
Income and non-realised capital gains relating to investments benefiting policyholders 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	57	58	46	59	60
Other income and recoveries	61	62	63	64		65	66
Total	67	68	69	70	46	71	1
Profit on sale of investments (*)	73	74	75	76		77	78
Extraordinary income	79	80	81	82		83	84
TOTAL	85	86	87	88	410	89	3,223
							90
							3,751

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	220	179	21	241
TOTAL.....	182	183	220	185	21	241

(*) 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	1,263,267	5	327,260	15	1,590,527	25
in other EU countries	6	178	16	178	26	178
in non-EU countries	7		17		27	
Total	1,263,267	178	327,260	178	1,590,527	178

Company VITTORIA ASSICURAZIONI S.p.A.

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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	41,248	31	2,756	61	44,004
- Social security contributions	2	9,718	32	649	62	10,367
- Accruals to the employees' leaving entitlement and similar provisions	3	2,703	33	181	63	2,884
- Other personnel expenses	4	3,643	34	243	64	3,886
Total	5	57,312	35	3,829	65	61,141
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	57,312	40	3,829	70	61,141
Consultants' fees:						
Domestic portfolio	11	37,811	41	347	71	38,158
Foreign portfolio	12		42		72	
Total	13	37,811	43	347	73	38,158
Total personnel expenses	14	95,123	44	4,176	74	99,299

II: Allocation captions

	Non-life business		Life business		Total	
Investment management charges	15	1,907	45	70	75	1,977
Charges relating to claims	16	49,548	46	468	76	50,016
Other acquisition costs	17	17,806	47	1,436	77	19,242
Other administrative costs	18	25,555	48	2,196	78	27,751
Administrative and third party charges	19		49		79	
Other technical captions	20	308	50	6	80	314
Total	21	95,124	51	4,176	81	99,300

III: Average number of employees for the year

	Number	
Managers	91	27
White collars	92	511
Blue collars	93	
Other	94	
Total	95	538

IV: Directors and statutory auditors

	Number		Fees	
Directors	96	13	98	4,269
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 the course of the 2021 financial year, we carried out the supervisory activities required by law, and in particular by art. 2403 of the Civil Code, the communications of the Ivass as well as established professional practices. In this direction the activity of the Board of Statutory Auditors was inspired by the provisions of the law and the Rules of Conduct for Boards of Statutory Auditors of unlisted companies issued by the National Council of Professional Accountants and Auditors, published in December 2020 and in force as of January 1, 2021.

Following the Covid-19 pandemic, the Board of Statutory Auditors has carried out its audits both in teleconference pursuant to the provisions of art. 106 of Legislative Decree no. 18 of March 17, 2020 and in presence.

It should be noted, first of all, that in the year 2021, Vittoria Assicurazioni celebrated the Centenary of its foundation; on the occasion of this significant anniversary, it has launched a Communication Plan focused on the values of Community, Innovation and Sustainability.

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 2021 financial year to KPMG 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:

- verified compliance with the guidelines on general investment policies approved by the Board of Directors pursuant to Article 8 of Ivass Regulation no. 24 of June 6, 2016;
- 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;
- verified, also pursuant to ISVAP Regulation no. 44 of February 12, 2019, the fulfilments provided for by the anti-money laundering and counter-terrorist financing regulations and monitored the implementation of the management and control system also on the basis of the results of the self-assessment exercises carried out by the the company as required by the Supervisory Authority;
- 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;
- monitored the fulfilment of the information obligations towards the Supervisory Authority, and in particular the in particular, the extraordinary monthly monitoring of solvency;
- monitored the activities implemented by the Company to comply with Solvency II regulations;
- 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 195.4% and a Minimum Capital Ratio of 355.4%;
- found the proper operation of the procedures relating to related parties.

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 2021 no. 7 meetings of the Board of Auditors were held, including all of no. 9 meetings in joint with the Control and Risk Committee; the Statutory Auditors attended all of no. 8 meetings of the Board of Directors;
- During the year under review, the Board of Statutory Auditors did not issue any opinions as required by law;
- after the end of the year no significant events have been reported;
- the Company verified the actual independence of the independent directors and we confirm that we have verified the correct application of the criteria and procedures adopted by the Board of Directors, as well as the persistence of our independence as required the Self-Regulation Code;
- we have no comments on the Remuneration Report for 2021 prepared in accordance with ISVAP Regulation no.38 of 3th July 2018 and submitted for approval to the Shareholders' Meeting;
- as a result of the supervisory activity performed, we have no observations regarding the Consolidated Non-Financial Statement for 2020 financial year, prepared by the Company pursuant to Legislative Decree 254/2016;
- during the year we have received no complaints pursuant to art. 2408 of the Italian Civil Code C.C., nor any other exposures pursuant to Article 2409 of the Italian Civil Code.

The Company has drawn up the Financial Statements and the Consolidated Financial Statements according to (as required by law) the National Accounting Principles (the Financial Statements) and IAS / IFRS accounting principles, such as endorsed by the EU (Consolidated Financial Statements).

With regard to these financial statements, the independent auditor KPMG S.p.a. released on April 6, 2022 audit reports in accordance with Articles no.14 and no.16 of Legislative Decree no. 39/10 for the Financial Statements and the Group Consolidated Financial Statements at 31st December 2020 drawn up in compliance with the International Financial Reporting Standards - IFRS adopted by the European Union.

As foreseen by the innovated article 10 of the Regulation (EU) n. 537/2014, the aforementioned Reports have also identified the "key aspects of the audit" pursuant to the law.

These reports were issued with no qualifications or requests for additional disclosures, also expressing consistency judgment with the financial statements, the Management Reports and the information contained in the Report on Corporate Governance and Ownership Structure as well as the judgment of the sufficiency of technical provisions.

KPMG S.p.a. on April 6, 2022 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 2021, from which no significant deficiencies emerge in the internal control system in relation to the financial reporting process. In turn, the Board of Statutory Auditors transmitted this Report to the Board of Directors pursuant to art. 19, paragraph 1, letter a) of Legislative Decree no. 39/2010. Board of Directors, pursuant to art. 19, paragraph 1, letter a) of Legislative Decree no. 39/2010, without any observations.

The Audit firm also released the certification pursuant to art. 3, paragraph 10 of Legislative Decree no. 254/16 on the Consolidated Non-Financial Statement for 2021 financial year.

On April 7, 2022, the Independent Auditors issued the report pursuant to Article 47-septies, paragraph 7, of Legislative Decree no. 209/2005 and art. 4, paragraph 1, letters a) and b), of IVASS Regulation no. 42/2018 relating to the Report on Solvency and Financial Condition (SFCR) for the year 2021.

Dear Shareholders,

taking into account the foregoing considerations, the Board sees no impediment to the approval of the financial statements as at 31 December 2021, as prepared by the Board of Directors, and issues a favorable opinion on the proposal made for the allocation of profit of the year of 102,050,809 euro:

11,924,321 euro to available reserves Life Business, 59,709,280 euro to available reserves Non-Life Business and 30,417,208 euro as dividends.

Milan, 7 April 2022

THE BOARD OF STATUTORY AUDITORS

Giuseppe Cerati

Giovanni Maritano

Francesca Sangjani

Independent auditor's Report



KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010, article 10 of Regulation (EU) no. 537 of 16 April 2014 and article 102 of Legislative decree no. 209 of 7 September 2005

*To the shareholders of
Vittoria Assicurazioni S.p.A.*

Report on the audit of the financial statements

Opinion

We have audited the separate financial statements of Vittoria Assicurazioni S.p.A. (the "company"), which comprise the balance sheet as at 31 December 2021, the profit and loss account for the year then ended and notes thereto.

In our opinion, the separate financial statements give a true and fair view of the company's financial position as at 31 December 2021 and of its financial performance for the year then ended in accordance with the Italian regulations governing their preparation.

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 "Auditors' responsibilities for the audit of the separate financial statements" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of 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 judgement, were of most significance in the audit of the separate financial statements of the current year. 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.



Measurement of property

Notes to the separate financial statements: "Part A – Accounting policies", paragraph "Investment captions" (C.I Land and buildings) and (C.II- Investments in group companies and other investees)

Notes to the separate financial statements: "Part B – Information on balance sheet and income statement" Balance sheet - Assets paragraph "Class C – Investments" (C.I - Land and buildings) and (C.II – Investments in group and in other companies)

Key audit matter	Audit procedures addressing the key audit matter
<p>The separate financial statements at 31 December 2021 include "Land and buildings - operating buildings" of €78.7 million, "Land and buildings - buildings used by third parties" of €63.7 million and "Investments in group and other companies – equity investments" of €466.0 million, mostly related to investments in companies that manage and develop the property portfolio ("property companies").</p> <p>As explained in "Part A – Accounting policies" of the notes to the separate financial statements, land and buildings and investments in group and other companies are classified as fixed assets. Land and buildings are recognised at purchase cost and, should they have a finite useful life, are systematically depreciated over their residual useful life, except for buildings held for sale. The investments in group and other companies are recognised at acquisition cost, including transaction costs. This cost may be written down to account for any impairment losses that may be inferred from the investees' approved financial statements.</p> <p>In order to determine the property's fair value and identify any impairment losses, the directors engaged an independent expert. They also consider the independent expert's appraisals when measuring the company's investments in property companies and in identifying any impairment losses.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — understanding the process adopted to measure land and buildings and investments in group and other companies and to identify any related indicators of impairment; — understanding the valuation models and underlying assumptions and parameters used by the independent expert to determine the fair value of property, also taking into account the current macroeconomic scenario caused by the Covid-19 public health emergency. — performing a critical analysis of the independent expert's appraisals of selected items of property, including by comparing them with the most recent market inputs and available historical figures. We carried out these procedures with the assistance of experts of the KPMG network; — checking the property companies' financial statements to ensure there were no indicators of impairment; — performing tests of details to check the accuracy of the carrying amounts and the recognition of any impairment losses: — discussing any sales negotiations underway with the company's management; — assessing the appropriateness of the disclosures about investments in group companies.



Key audit matter	Audit procedures addressing the key audit matter
<p>The independent expert's main assumptions and parameters relate to financial variables, e.g., the discount rate used, and non-financial variables, mainly linked to the estimated lease payments and the expected property sales' timing and cash flow forecasts. As explained in "Part A - Accounting policies" of the notes to the separate financial statements, in 2021, the directors have estimated the property's fair value taking into account the unprecedented macroeconomic scenario caused by the Covid-19 public health emergency. Moreover, they considered any available offers received from market operators.</p> <p>Considering the subjectivity of the estimates inherent in the valuation models used to measure the fair value of property, the uncertainty of the underlying assumptions and parameters, the current macroeconomic scenario caused by the pandemic emergency and the materiality of the carrying amount of property and investments in property companies, we believe that the measurement of property is a key audit matter.</p>	

Measurement of class C financial instruments

Notes to the separate financial statements: "Part A – Accounting policies", paragraph "Investment captions" (C.III Other financial investments)

Notes to the separate financial statements: "Part B – Information on balance sheet and income statement" Balance sheet - Assets paragraph "Class C – Investments" (C.III Other financial investments)

Key audit matter	Audit procedures addressing the key audit matter
<p>The separate financial statements at 31 December 2021 include class C financial instruments of €3,480.2 million, accounting for approximately 76% of total assets.</p> <p>Listed bonds and other fixed-income securities make up 74% of financial instruments, while units of mutual funds (mostly alternative investment funds) and, marginally, loans, listed shares and unlisted</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — understanding the process for the measurement of class C financial instruments and the related IT environment and assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls;

Key audit matter	Audit procedures addressing the key audit matter
<p>bonds and other fixed-income securities account for 26%.</p> <p>Since financial instruments are a significant portion of the company's assets, our audit procedures required adequate time and resources.</p> <p>Moreover, measuring class C financial instruments, particularly those unquoted on active markets or poorly liquid, requires estimates, including by using specific valuation methods, which may present a high level of judgement and are, by their very nature, uncertain and subjective.</p> <p>For the above reasons, we believe that the measurement of class C financial instruments is a key audit matter.</p>	<ul style="list-style-type: none"> — analysing the significant changes in Class C financial instruments and in the related income statement items compared to the previous years' figures and discussing the results with the relevant internal departments; — checking the measurement of all Class C quoted financial instruments in portfolio at 31 December 2021; — checking, on a sample basis, the measurement of class C unlisted financial instruments (especially units of alternative investment funds), by analysing the valuation models and the reasonableness of input data and parameters used; — assessing the appropriateness of the disclosures about class C financial instruments.

Measurement of non-life technical provisions

Notes to the separate financial statements: "Part A – Accounting policies", paragraph "Non-life technical insurance captions" (premium reserve, other technical reserves, equalisation reserves, claims reserve and reversals and profit participation)"

Notes to the separate financial statements: "Part B – Information on balance sheet and income statement" Balance sheet - Liabilities paragraph "Class C – Technical reserves" (C.I Non-life business)

Key audit matter	Audit procedures addressing the key audit matter
<p>The separate financial statements at 31 December 2021 include non-life technical provisions of €1,770.3 million, accounting for approximately 36% of total liabilities.</p> <p>The company measures this caption including by using actuarial valuation techniques which entail a high level of complex and subjective judgement relating to past and future internal and external variables with respect to which any changes in the underlying assumptions may have a significant impact on the measurements of these liabilities.</p> <p>For the above reasons, we believe that the measurement of non-life technical provisions is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — understanding the process for the measurement of non-life technical provisions and the related IT environment and assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls; — analysing the significant changes in non-life technical provisions compared to the previous years' figures, analysing the key summary indicators and discussing the results with the relevant internal departments; — analysing the valuation methods adopted by the company and the reasonableness of input data and parameters used for the most significant regulatory lines of business; we carried out these procedures with the assistance of experts of the KPMG network;



Key audit matter	Audit procedures addressing the key audit matter
	<ul style="list-style-type: none"> — checking the compliance of the calculation of the overall technical provisions with the applicable laws and regulations and correct actuarial techniques, by applying actuarial methods, in order to identify a range of reasonable technical provision values. We carried out this procedure with the assistance of experts of the KPMG network; — reading and analysing the actuarial function's report; — assessing the appropriateness of the disclosures about the non-life technical provisions.

Measurement of class C life technical provisions

Notes to the separate financial statements: "Part A – Accounting policies", paragraph "Life technical insurance captions" (Mathematical and other technical reserves and reversals and profit participation)"

Notes to the separate financial statements: "Part B – Information on balance sheet and income statement" Balance sheet - Liabilities paragraph "Class C – Technical reserves" (C.II Life business)

Key audit matter	Audit procedures addressing the key audit matter
<p>The separate financial statements at 31 December 2021 include class C life technical provisions of €1,705.9 million, accounting for approximately 35% of total liabilities.</p> <p>The company measures this caption including by using actuarial valuation techniques which, in certain instances, entail a high level of complex and subjective judgement relating to past and future internal and external variables with respect to which any changes in the underlying assumptions may have a significant impact on the measurements of these liabilities.</p> <p>For the above reasons, we believe that the measurement of class C life technical provisions is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — understanding the process for the measurement of class C life technical provisions and the related IT environment and assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls; — analysing the significant changes in class C life technical provisions compared to the previous years' figures and discussing the results with the relevant internal departments; — checking, on a sample basis, the valuation models adopted by the company and the reasonableness of the input data and parameters used; we carried out these procedures with the assistance of actuarial experts of the KPMG network;



Key audit matter	Audit procedures addressing the key audit matter
	<ul style="list-style-type: none">— checking the compliance of the calculation of the overall class C life technical provisions with the applicable laws and regulations and correct actuarial techniques. We carried out this procedure with the assistance of experts of the KPMG network;— reading and analysing the actuarial function's report;— assessing the appropriateness of the disclosures about the class C life technical provisions.

Other matters - Management and coordination

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own separate financial statements. Our opinion on the company's separate financial statements does not extend to such data.

Other matters - Comparative figures

The company's 2020 financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 2 April 2021.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.



Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate 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 the directors' 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 auditors' report to the related disclosures in the separate 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 auditors' 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance, identified at the appropriate level 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 the ethics and independence rules and standards applicable in Italy and 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 separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537 of 16 April 2014

On 29 April 2020, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537 of 16 April 2014 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2021 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the company's separate financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.



In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the company's separate financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Opinion pursuant to article 102.2 of Legislative decree no. 209 of 7 September 2005 of the life business

The company appointed us to perform the check required by article 102.2 of Legislative decree no. 209/2005 of the life technical provisions, recognised under liabilities in its separate financial statements at 31 December 2021.

The directors are responsible for the sufficiency of the technical provisions recognised to cover the obligations arising from insurance and reinsurance contracts.

Based on the procedures carried out in accordance with article 102.2 of Legislative decree no. 209/2005, ISVAP regulation no. 22/2008 and the Clarification published by IVASS on its website on 31 January 2017, the above technical provisions recognised under liabilities in the company's separate financial statements at 31 December 2021 are sufficient in conformity with the applicable laws and regulations and correct actuarial techniques, in accordance with the requirements of ISVAP regulation no. 22/2008.

Opinion pursuant to article 102.2 of Legislative decree no. 209 of 7 September 2005 of the non-life business

The company appointed us to perform the check required by article 102.2 of Legislative decree no. 209/2005 of the non-life technical provisions, recognised under liabilities in its separate financial statements at 31 December 2021.

The directors are responsible for the sufficiency of the technical provisions recognised to cover the obligations arising from insurance and reinsurance contracts.

Based on the procedures carried out in accordance with article 102.2 of Legislative decree no. 209/2005, ISVAP regulation no. 22/2008 and the Clarification published by IVASS on its website on 31 January 2017, the above technical provisions recognised under liabilities in the company's separate financial statements at 31 December 2021 are sufficient in conformity with the applicable laws and regulations and correct actuarial techniques, in accordance with the requirements of ISVAP regulation no. 22/2008.



Vittoria Assicurazioni S.p.A.
Independent auditors' report
31 December 2021

Other matters

Calculating non-life technical provisions is a complex estimation process that includes many subjective variables. Any changes to these variables may significantly affect the final outcome. Accordingly, we have identified a range of reasonable technical values to account for the uncertainty inherent in those variables. Our checks of the sufficiency of the non-life technical provisions mentioned above included checking that these provisions fell within that range.

Milan, 6 April 2022

KPMG S.p.A.

(signed on the original)

Maurizio Guzzi
Director of Audit

Company's development from incorporation

YEAR	PREMIUS		Technical reserves		Investments	Capital income net of charges	Monetary revaluation reserves	Net profit	Equity reserves	Share capital fully paid-up
	Gross	Ceded	Retained	and payable amounts net of reinsurance						
1922	6	4	2	1	1	0	-	0	-	3
1930	6	3	3	2	4	0	-	0	0	3
1940	14	6	8	7	15	1	-	0	1	6
1950	424	165	259	176	301	14	61	3	8	62
1960	1,581	353	1,227	1,685	2,061	104	-	63	222	258
1970	4,525	844	3,681	6,800	5,814	319	-	25	425	258
1975	10,092	1,693	8,399	12,943	11,186	632	1,046	1	1,099	258
1980	24,693	5,436	19,257	30,174	22,649	2,140	271	718	2,979	1,033
1985	57,175	10,124	47,051	74,108	76,515	8,150	4,912	3,119	6,023	1,291
1990	112,689	11,074	101,616	168,239	198,395	18,440	781	4,704	43,691	15,494
1995	197,690	17,744	179,946	392,946	393,862	35,550	3,911	4,220	50,146	15,494
1996	221,584	20,185	201,399	467,309	460,189	39,109	3,911	4,264	51,595	15,494
1997	249,580	20,195	229,385	553,201	550,231	36,523	3,911	4,665	51,965	15,494
1998	289,033	54,849	234,184	614,684	653,252	44,466	3,911	6,322	54,012	15,494
1999	339,363	67,464	271,899	700,653	762,696	41,342	3,911	8,400	57,562	15,494
2000	391,485	79,638	311,847	818,799	898,521	34,209	3,911	6,835	63,038	15,494
2001	386,400	77,879	308,521	884,849	978,279	19,300	3,911	10,744	52,289	30,000
2002	407,054	83,605	323,449	934,347	1,027,554	21,975	3,911	12,806	59,733	30,000
2003	457,564	95,129	362,435	1,005,640	1,114,418	46,385	3,911	15,147	68,939	30,000
2004	519,268	94,965	424,303	1,115,862	1,234,421	47,511	3,911	17,779	80,186	30,000
2005	551,202	86,514	464,688	1,198,173	1,322,597	49,000	3,911	20,330	93,765	30,000
2006	587,489	75,717	511,772	1,305,203	1,451,137	67,146	3,911	27,437	111,310	30,452
2007	636,526	50,281	586,245	1,443,579	1,557,261	66,341	3,911	36,495	142,290	32,666
2008	630,718	32,798	597,920	1,444,379	1,561,805	43,317	-	37,939	155,972	65,766
2009	671,307	32,656	638,651	1,545,324	1,646,765	69,137	-	24,290	182,814	65,789
2010	817,539	37,645	779,894	1,658,527	1,750,118	55,295	-	29,256	198,146	67,379
2011	937,566	27,779	909,787	1,785,955	1,880,749	31,230	-	35,329	215,947	67,379
2012	1,018,323	30,757	987,566	1,911,766	2,031,532	52,065	-	57,482	239,822	67,379
2013	1,151,294	37,878	1,113,416	2,130,410	2,290,440	57,555	-	62,467	293,106	67,379
2014	1,283,786	37,252	1,246,534	2,387,053	2,559,151	46,010	-	74,935	343,444	67,379
2015	1,287,543	29,795	1,257,748	2,500,719	2,772,609	47,466	-	66,268	405,577	67,379
2016	1,270,731	32,756	1,237,975	2,617,562	3,077,114	48,943	-	139,487	458,369	67,379
2017	1,339,317	37,886	1,301,432	2,753,539	3,259,157	33,921	-	78,445	583,706	67,379
2018	1,424,160	47,197	1,376,963	2,918,937	3,760,882	41,031	-	99,607	643,285	67,379
2019	1,470,710	58,489	1,412,221	3,127,057	3,710,711	48,597	-	74,370	427,455	67,379
2020	1,443,891	37,921	1,405,970	3,275,323	3,937,943	45,644	-	108,624	488,882	67,379