2020

CONSOLIDATED INTERIM REPORT

AS AT SEPTEMBER 30TH, 2020

YOUR WORLD, ALL AROUND.

The evolution of serenity

The uniqueness of individuals enriches the community. Together we make up a world of amazing values and talents. When we are connected with others, we realise how great our human potential is.

Our symbol is completed graphically and lights up with images that talk about the world (with a desire to protect it) through the eyes of our employees, through their photographs.

We know we face great challenges ahead of us and we're ready to do all that is needed, with flexibility and commitment, to increase and protect the overall good, with a mutual serenity intent.

Please note the original Report is in Italian.
In case of doubt the Italian version prevails.

2020

GRUPPO CATTOLICA ASSICURAZIONI

CONSOLIDATED INTERIM REPORT

AS AT SEPTEMBER 30TH, 2020

APPROVED BY THE BOARD OF DIRECTORS ON NOVEMBER 10TH, 2020

E-MARKET SDIR CERTIFIED

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CORPORATE BODIES

CORPORATE BODIES

BOARD OF DIRECTORS

Chairman	Paolo Bedoni
Vice Deputy Chairman	Aldo Poli
Deputy Chairman	Barbara Blasevich
Secretary	Alessandro Lai
Managing Director and General Manager	Carlo Ferraresi
Directors	Federica Bonato (*) Cesare Brena (*) Piergiuseppe Caldana Bettina Campedelli Luigi Castelletti Stefano Gentili Rosella Giacometti Giovanni Glisenti (*) Roberto Osvaldo Lancellotti Anna Strazzera Eugenio Vanda Elena Vasco

GENERAL MANAGEMENT

Joint General Manager	Valter Trevisani
Deputy General Managers	Nazzareno Cerni Samuele Marconcini Atanasio Pantarrotas

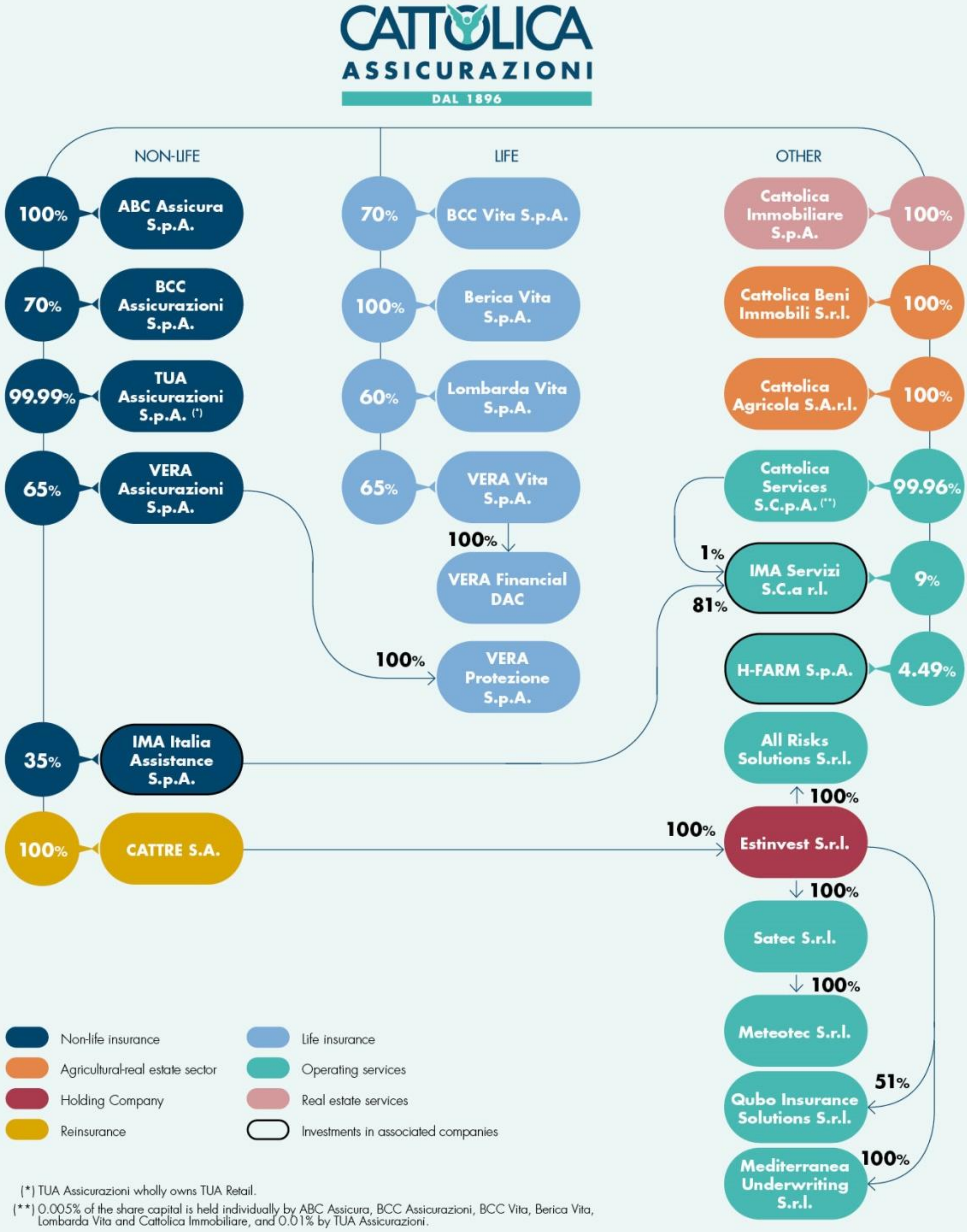
(*) The Directors whose names are marked with an asterisk are members of the Management Control Committee

12 Life/Non-life insurance companies

10 Non-insurance companies

GROUP STRUCTURE

GROUP STRUCTURE



(*) TUA Assicurazioni wholly owns TUA Retail.

(**) 0.005% of the share capital is held individually by ABC Assicura, BCC Assicurazioni, BCC Vita, Berica Vita, Lombarda Vita and Cattolica Immobiliare, and 0.01% by TUA Assicurazioni.

As at September 30th, 2020

FOREWORD

This Consolidated interim report as at September 30th, 2020, consisting of the interim management report and the condensed interim consolidated financial statements as at September 30th, 2020, has been prepared in accordance with IAS 34 (Interim Financial Reporting).
This choice stems from the share capital increase transaction resolved by the Shareholders' Meeting held on June 27th, 2020, which granted authorisation to the Board of Directors in accordance with Article 2443 of the Italian Civil Code, exercised on August 4th, 2020.
The disclosure level it contains must be considered extraordinary and non-current.

The condensed interim consolidated financial statements are composed of the following statements:

- statement of financial position;
- income statement;
- statement of comprehensive income;
- statement of changes in equity;
- cash flow statement;
- notes to the accounts.

The condensed interim consolidated financial statements are subject to a limited audit by Deloitte & Touche S.p.A. and present for comparative purposes the figures relating to the consolidated financial statements as at December 31st, 2019, for which Deloitte & Touche S.p.A. issued its audit report on April 8th, 2020, and the figures relating to September 30th, 2019, which were not subject to audit or limited audit.

The Consolidated interim report closed as at September 30th, a date, which coincides with that of the corresponding reports of the companies included within the consolidation area.

REFERENCE SCENARIO

REFERENCE SCENARIO

MACROECONOMIC SCENARIO

The economic situation in the first nine months of 2020 has undergone a sharp reversal compared to the optimism recorded last year, due to the rapid spread of the Covid-19 virus, which has impacted, with a varied intensity, all areas of the planet, creating a cross-cutting blockage of social and economic activities. The intervention of the Central Banks was decisive in mitigating the repercussions of the lockdown, while the fiscal measures had different effects due to the intensity and, above all, the timeliness with which they were adopted in various countries.
The optimism that, overall, had marked the initial phase of the year, triggered by a more serene climate in the relationship between China and the United States and in trade negotiations, quickly faded during the month of February, in parallel with the growing news about the spread of Covid-19. The immediate shock that first hit the Chinese economy and then spread rapidly throughout the global production chain, ultimately afflicted the end demand of most of the economic areas of the planet. Analysts expect world GDP to contract by 4.4% in 2020 (IMF projections October 2020).

The U.S. government and the Federal Reserve have intervened with major fiscal and monetary manoeuvres to prevent the lockdown-driven collapse of the economy. In the second quarter, US GDP declined by 9% compared to the second quarter of 2019, after +0.3% in the first quarter, interrupting an expansion that had been ongoing since the 2008 crisis. The rebound in the third quarter is expected to bring the decline from the previous year to -3.5%. Unemployment, which before the pandemic was below 4% at its lowest level in 50 years, rose to 14.7% in April and then fell to 7.9% in September. In addition to the normal unemployment benefits, claims for which peaked at almost 7 million at the start of the lockdown, the government promptly added a programme of extraordinary income support benefits. In this context, the Federal Reserve has set the key rate at zero as well as implementing exceptional liquidity measures for the market, adding $ 3 trillion to its budget.
Similar to what happened in the United States, there was a real collapse of all current and forecast indicators in Europe, with a higher than expected rebound in the middle of the year and new negative aspects in the third quarter. The confidence index for services, the sector most vulnerable to the economic freeze, after sinking to 12 in April, rebounded to 54.7 in July and then fell back to 48 in September, below the expansion threshold. The manufacturing index declined more modestly and with the rebound in the third quarter, it went beyond the expansion threshold and well above pre-pandemic levels. While the European Central Bank has provided a determined response to market volatility and widening spreads, increasing its assets by 1,700 billion between March and September, the reaction of the European institutions in terms of fiscal stimulus appears more cumbersome.
In terms of the large-scale plan to increase the EU budget, called "Next Generation EU", aimed not only at countering the economic damage of the pandemic, but also at sustaining growth in the medium to long term, there is still no convergence between the different countries of the European Union. The lockdown, earlier than in the US, led to a drop in GDP in the second quarter to -14.7% and a rebound in the third quarter estimated at -7.2%. The unemployment rate, which remained stable in the first quarter, rose to 8.4% in the third quarter.
Italy has suffered a serious impact from Covid-19, from a humanitarian rather than an economic point of view. Infections and mortality rate have been particularly high in our country and have led the government to close earlier and more rigidly than in most other EU countries. GDP for the first nine months is expected to close with a decrease of 9% and with an overall figure for 2020 of around -10%. Some fiscal measures have been issued to support SMEs and self-employed people directly involved in the closures, while statistics regarding employees are to be taken with due caution as, for example, workers under the wage guarantee fund scheme are counted among the employed. The unemployment rate even dropped to 8.5% in the first half of the year, together with the employment rate due to a sharp increase in inactive people. Analysts expect a decline of 9.9% in the third quarter, while the peak will be reached around mid-2021, at over 11%.
Like other Asian countries, in Japan, the first wave of the virus at the start of the year was followed by another in August. The government implemented a partial lockdown in major cities but this did not prevent a collapse in consumption and a drop in GDP of -9.9% in the second quarter and -6.9% in the third quarter. Japanese growth was also affected by the contraction in global trade, with exports more than halved in the second quarter.
China has succeeded in quickly restoring most sectors of the economy, through a strict policy of restricting activities and movement of people, accompanied by fiscal and monetary support. The decline in GDP was limited to the first quarter and was fully recovered in the following two

quarters. The rebound will continue in the last quarter, so much so that 2020 should close around +2%, far from the numbers to which China was accustomed, but still in positive territory.

Bond markets

In the first nine months of 2020, the spread of the virus, the lockdown and the uncertainty of the socio-economic repercussions led central banks to support the markets by injecting liquidity into the system. The ECB's efforts to secure purchases on the government and corporate bond markets were therefore confirmed and expanded. In particular, the Pandemic emergency purchase programme (PEPP) was set up to provide liquidity to the market. Starting in March with € 750 billion, it was expanded in June with a further € 600 billion and includes all the asset classes covered by the ECB's asset purchase programme. Similarly, the Fed took action, expanding its budget by 3,000 billion in the second quarter, including corporate securities for the first time. In addition, it cut reference rates from 1.75% in February to 0.25% in March. The other major central banks have also implemented similar manoeuvres to support financial conditions.
These measures provided stability to the market, which was experiencing a period of high volatility. Spreads in Italy, Spain and Portugal had started to pick up and the drive to the core saw the rates in the Central European sector fall further. The return on German issues over ten years' maturity approached -0.80% and Italian government bonds offered market returns in excess of 2.4%. The action of the central banks and the common intention of the Member States of the European Union to work together in terms of fiscal policies has reassured the markets and provided price stability. There was therefore a strong change in performance in the Italian and Iberian sector: Italy in particular saw a marked reduction in performance, ending the third quarter at 0.87%, on the same levels as in February. The German ten-year bond, after a particularly volatile March, stabilised around -50 bps in the third quarter. The dynamics of the spread is therefore clear: after a sudden and marked growth in the spring months, it undertook a constant downward trend to 140 at the end of the third quarter.
In general, the level of interest rates remains low: the action of the central banks, in the absence of signs of recovery and stabilisation of the economy and inflation, will remain sustained for several quarters.

Stock markets

The start of the year for global stock markets saw the positive trend that had characterised the previous year continues. The relaxing of the US-China tariff tensions, together with a more accommodating central bank policy, had helped to support stock market prices until the end of February.
The scenario was completely disrupted when the pandemic began to strike outside China, first in Europe and then in the rest of the world. Within a context of extreme volatility, the indices suffered severe losses, reaching lows around mid-March. In less than a month, capitalisation of stock on the market declined about 30%.
The lockdown had a negative impact on the transport, travel and leisure sectors and, secondly, on sectors most closely linked to the economic cycle, such as energy, finance, cars and construction. Sectors related to health, personal consumption, both food and non-food, and technology were better protected.
From mid-March, the various fiscal and monetary support measures introduced triggered the recovery of the financial markets. While fiscal stimuli have differed in speed and intensity between countries, for example, benefiting the US over the European Union, the commitment of central banks, albeit across varying timeframes, has been extremely strong everywhere.
As a result, despite the heavy downward revision of 2020 profit estimates by 20%, several stock markets, supported by abundant liquidity, have recovered much of their pre-Covid-19 levels and, in some cases, have even adjusted to historical highs. The mismatch between stock price developments and corporate fundamentals caused multiple price/earnings to expand by 20% compared to the already historically expensive levels prior to the pandemic. The expansion slowed down, if not stopping, during the third quarter.
New fears loom over the latter part of the year, such as the medium-term sustainability of such expensive assessments and the difficulty of exiting Phase One and the resurgence of the pandemic, first in the USA and Latin America, then in Europe, with possible new restrictions on mobility and economic activity.

In detail, the first nine months of 2020 registered, among European stock exchanges, the following performance gross of dividends: the FTSE MIB -20.2%, the German DAX -4.7%, the French CAC40 -20.5% and the Spanish IBEX -30.7%. Performance in the United States were significantly better: the S&P 500 closed the third quarter at +3.2%, the Dow Jones at -3.8% and the Nasdaq, after reaching new highs, at +22.8%. Japan recorded a performance of -2% while the MSCI emerging countries index closed at -3.3%, with Shanghai at +12.4% and Hong Kong at -17.2%.

Foreign exchange markets

At the beginning of the year, the euro/dollar exchange rate continued to move along the downward path that began in mid-2018, in a context of low volatility, reaching a low of 1.08 in mid-February.

In March, exchange rate volatility suddenly increased due to the different timeframes and intensity with which the Fed and ECB intervened to support liquidity. The Fed has moved ahead of the ECB, announcing an extraordinary cut in interest rates and an increase in bonds purchasing. As a result, initially the dollar weakened to 1.15 against the euro. When the ECB was equally determined to support the system's liquidity and control spreads, the exchange rate reversed sharply and the euro reached 3-years lows, below 1.07. Following the announcement of the European Union proposal in relation to the Recovery Fund, Euro returned to strengthen at 1.20 and then closed the third quarter at 1.17.

Against the yen, the dollar also experienced a similar movement, characterised in March by a sudden volatility, which, after seeing the exchange rate fluctuate in a 10-point range, returned as quickly as it had started. As at September 30th, the dollar was worth 105 Yen, slightly down from 109 at the end of 2019.

Real estate market

In the third quarter of the year, according to preliminary data (source: C&W), approximately € 2 billion was invested in the Italian real estate sector, bringing the total volume for the nine months to approximately € 6 billion, a decrease of 20% compared to the first nine months of 2019.

The office sector attracted around 50% of total volumes, an increase of 10% compared to the same period last year. Logistics recorded around € 1 billion, doubling last year's volume with record prospects for the end of 2020. Finally, Hospitality and retail accounted for about € 1.8 billion of the total volume with a strong contraction compared to last year. As a result of strong competition and a still insufficient level of supply, returns have experienced a compression of raw returns below the 5% threshold. However, in general, the market reacted better than expected at the beginning of the pandemic emergency and there remains substantial liquidity in a context of low interest rates, which makes the real estate sector still attractive for those seeking returns with an acceptable level of risk. However, uncertainty remains and is resulting in investors taking a more defensive approach and searching for greater diversification, pushing investment volumes towards alternative asset classes such as the so-called "institutional" residential class, including, for example, student housing, which in the first nine months of the year accounted for over 5% of the total invested volume (over € 300 million). As regards the origin of the capital invested in 2020, about 60% of the total is attributable to international investors, in particular, to European investors for about € 2.4 billion and US investors (€ 600 million). The remaining 40% (approximately € 2.4 billion) relates to domestic capital.

INTERIM MANAGEMENT REPORT

Total premiums written

4,124 €MLN

INTERIM MANAGEMENT REPORT

The Group in the first nine months of 2020

Business performance for the period

Significant events and other information

THE GROUP IN THE FIRST NINE MONTHS OF 2020

The first nine months of the year were characterised by the effects of the health emergency, which occurred at the end of February with the spread of Coronavirus and to which the Cattolica Group promptly reacted. Safety and proximity continue to be the guidelines through which the Group has approached the Covid-19 emergency from the very beginning paying close attention to its employees, customers, agents and the entire community.

Despite the interruption of production activities in recent months, as well as the likely sharp drop in the main macroeconomic indicators, expected at least for this year, and which will have an impact on the evolution of Group funding, as well as on the entire market, the pathway traced by the Plan and its guidelines appear more than up-to-date and provide for, among other things, a greater focus on risks with a strong social relevance, a particular focus on the new digital logic of interaction with customers and agents but above all a strong growth in the service component offered in addition to the more "core" businesses, mainly in terms of prevention and assistance.

In this scenario, following the letter received from IVASS in May, in which the Supervisory Authority noted the need for Cattolica to take capitalisation measures through the full use of the proxy proposed to the Extraordinary Shareholders' Meeting called for June 26th/27th, 2020, equal to a capital increase of € 500 million, on October 23rd, Assicurazioni Generali subscribed to Cattolica's capital increase reserved for it for a total amount of € 300 million. As a result of this transaction, Generali holds an equity investment equal to 24.46% in Cattolica.

The partnership defined with the Generali Group, which takes the form, among other things, of industrial and commercial agreements in two strategic areas with strong growth prospects such as Health business and Internet of Things, further reinforces the current strategic orientation in the direction of the social relevance of the offer and digital service innovation.

The capital increase was finalised following a series of events affecting our Group, described below.

On May 27th, Cattolica received a letter from IVASS regarding the performance of the solvency situation of the Cattolica Group. In particular, the Supervisory Body noted the need for capitalisation measures through the full use of the proxy proposed to the Extraordinary Shareholders' Meeting called for June 26th/27th 2020, equal to a capital increase of € 500 million to be carried out by the beginning of the autumn.
In this context, by the end of July, it was also requested that a plan be submitted to the Institute at Group level describing the actions taken with reference to the subsidiaries, particularly with regard to the monitoring of solvency and liquidity positions, as well as an analysis of the choice of Risk Appetite Framework limits and a number of additions and extensions to the analyses and measures of the so-called "Reinforced Emergency Plan".

On June 24th, Cattolica Assicurazioni and Assicurazioni Generali S.p.A. signed an agreement that provided for the launch of a strategic partnership with industrial and commercial content directed at:
(i) generating immediate direct opportunities and benefits for the two Groups in four strategic business areas: Asset management, Internet of Things, Health business and Reinsurance, with ad hoc implementation agreements;
(ii) a project to strengthen Cattolica's share capital, with the provision, as part of the share capital increase in exercise of the powers delegated to the Board of Directors submitted to the approval of the Extraordinary Shareholders' Meeting of June 26th/27th, 2020, of a tranche of share capital increase reserved for Assicurazioni Generali for € 300 million, which was resolved together with a further tranche to be offered as an option to all shareholders and which Assicurazioni Generali will have the right to subscribe pro-rata.
The commitment to subscribe the share capital increase tranche reserved for Assicurazioni Generali was subject to Cattolica's transformation into a public limited company, which was approved by the Extraordinary Shareholders' Meeting held on July 31st, 2020 with effect from April 1st, 2021, and to the fulfilment of the conditions envisaged by the Framework Agreement with Generali, which had already taken place.

On July 24th, the Parent Company responded to the aforementioned letter of May 27th, by providing a response to IVASS to the various requests made by the Institution and, in particular, describing the initiatives put in place, aimed both at strengthening the capital position of the Group and the individual subsidiaries and updating the reinforced Emergency Plan.

IVASS, by a measure received on September 9th, approved the amendments to the Articles of Association approved by the Shareholders' Meeting on July 31st, 2020. IVASS has also approved the articles of association of the Public Limited Company, which will be effective April 1st, 2021.

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The Cattolica Group closed the first nine months with an improved operating income[1]: the low claims ratio during the period, with the consequent increase in technical profitability led to a result of € 297 million (+37.5%).
In the non-life business, the operating result is € 172 million (+59.6%); in the life business it amounts to € 128 million (+14.4%).

Consolidated profit amounted to € 72 million (-34%): adjusted profit[2] for the first nine months of 2020 was € 116 million, up 21% compared to the first nine months of 2019, despite various write-downs, already recorded largely in the first half of the year, on investment property (€ -14 million), equity investments (€ -5 million) and AFS shares and funds (€ -7 million). Group net profit[3] amounted to € 42 million (-50.5%), a decrease compared to the previous year also due to the impairment loss on goodwill related to the acquisition of Vera Vita (€ -61 million net effect). Overall, these write-downs had an impact of approximately € 87 million on the Group's net profit.

Total premium collections for direct and indirect business - life and non-life - came to € 4,124 million (-17.3%).

Premiums written for direct non-life business amounted to € 1,483 million (-2.6%). The non-motor segment contributed € 726 million to the result, with premiums in line with September 30th, 2019. Premiums in the Motor segment amounted to € 757 million, down 5.1% mainly due to the drop in premiums written during the lockdown phase and the effect of initiatives in favour of policyholders, including the voucher[4]. The TPL motor policies portfolio fell by around 82,000 transactions in the first nine months of 2020, a reduction that occurred mainly in the first four months of the year.
The combined ratio fell from 95.1% to 90% (-5.1 percentage points) mainly thanks to the sharp drop in frequency due to lower vehicle traffic and despite the provisions made to cover the voucher for Motor customers (corresponding to 3.3 percentage points, visible in the other technical items) and weather events, which accounted for 7.1%, a level well above the historical averages, albeit in line with the previous year.
The claims ratio of retained business is down to 56.1% (-9 percentage points), while the expense ratio is 29.1%, up 0.3 percentage points, due to the production mix that affects the commission ratio (+0.2 percentage points); the G&A expense ratio was 8% (+0.1 percentage points). It should be noted that the claims ratio includes the amount of Covid-19 claims reported (mainly related to business interruption and other sundry financial losses).

In the life sector, direct business premiums fell by 24% to € 2,625 million. Despite a decidedly unfavourable financial market environment, the decline in unit-linked production is broadly in line with the general decline, maintaining a 24.4% ratio to total premiums written.
The new issues of life policies subject to revaluation with minimum guaranteed rates of zero promoted a progressive further reduction of the average guaranteed minimum of the Group's stock of provisions, which reached 0.51% (0.58% FY2019), constantly declining as called for by the strategic lines of the Business Plan. In addition, all new traditional issues are characterised by low capital absorption due to their low risk profile.

The result of investments[5] amounted to € 374 million (-11.8%), down due to impairment losses and a general decline in interest rates.
The components of this result are discussed in the "Financial and asset management" section in the "Business performance for the period" chapter.

As at September 30th, investments - including properties classified in the tangible assets and cash and cash equivalents - amounted to € 32,637 million (-2.3%). Gross technical provisions for non-life business amounted to € 3,580 million (-3.4%). Provisions for life business, inclusive of financial liabilities, amounted to € 27,053 million (-3.4%).

Consolidated net shareholders' equity amounted to € 2,392 million (+1.8%). Group equity amounted to € 1,937 million (+2.3%).

[1] The operating result excluded more volatile components (realisations, write-downs, other one-offs). In detail, the Non-life operating result is defined as the sum of the re-insurers net technical balance, ordinary financial income, other net non-technical costs (amortisation/depreciation, write-down of insurance receivables, etc.); excluded from the operating result are realised (plus/minus) financial results, valuation and impairment; write-downs of other assets, the cost of financial debt (subordinated), amortisation of the VOBA (Value of Business acquired), exit incentives, the cost of the Solidarity Fund, and other one-offs. The Life operating result is defined in a similar way, with the difference being that all financial income, which contributes to the income of stocks belonging to segregated funds, as well as those belonging to class D, are considered in the operating result.
[2] This is defined as the measure of Group profit less the amortisation of the VOBA (value of business acquired, net of related tax effects and for the portion pertaining to the Group) and the impairment of goodwill, which have an impact on Group profit but do not affect the Solvency position.
[3] Net of minority interests.
[4] The Cattolica Group has decided to provide its customers with the option to use one twelfth of the RCA premium for the renewal or purchase of new Non-Life coverages.

[5] With the exclusion of investments whose risk is borne by the policyholders and the change in other financial liabilities.

The Group's Solvency II ratio is equal to 161% (calculated according to the Standard Formula using Group Specific Parameters (GSP) authorised by the Supervisory Body).
The ratio shows a net recovery compared to the level as at June 30th (141%) mainly due to the narrowing of the spread on Italian securities (equal to -34bps on the 10-year node vs. the Euro Swap curve), and despite the further decline in risk free rates (5bps, the 10-year Euro Swap rate). This ratio does not include the effect of the € 300 million capital increase carried out by Assicurazioni Generali on October 23rd.
On the basis of an estimate, calculated as at October 31st, the Group's Solvency II ratio would be approximately 205%; this indicator does not take into account either the potential effect of the recessions or that of the capital increase under option already approved and likely to be carried out in the coming months.

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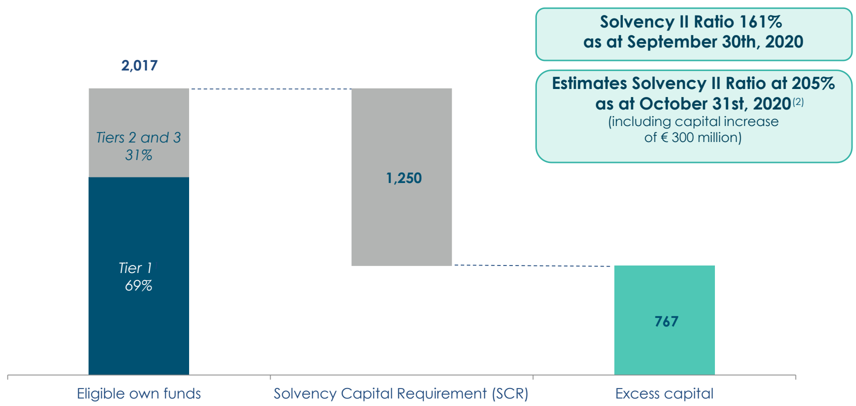
As at September 30th, there were a total of 1,368 agencies, broken down as follows: 50.3% in Northern Italy, 26.4% in Central Italy and 23.3% in Southern Italy and the islands.
The number of branches distributing Pension Planning products were 5,953 compared to 6,075 branches in December 31st, 2019 and included: 3,992 branches of Banche di Credito Cooperativo, 1,482 branches of Banco BPM, Banca Aletti & C. S.p.A. and Agos Ducato S.p.A. and 383 branches of UBI Group's banks.
The Group's financial advisors fell to 679, compared with 737 at the end of the previous year.



(1) Tier 1 "*unrestricted*" eligible own funds (share capital and capital reserves) of approximately 65% of total eligible own funds.
(2) This indicator does not take into account either the potential effect of recessions or that of the capital increase under option already approved and likely to be carried out in the coming months.

KEY INDICATORS OF CATTOLICA GROUP BUSINESS PERFORMANCE

In accordance with the international accounting standards, the following tables show (compared with those as at September 30th and/or December 31st, 2019), respectively:

- the key economic indicators;
- the key equity indicators;
- the figures relating to headcount and the sales network;
- the reclassified consolidated statement of financial position;
- the reclassified consolidated income statement;
- the reclassified consolidated income statement by business segment;
- the operating result by business segment;
- the key efficiency and profitability indicators.

In this report, the term "premiums written" means the sum of the insurance premiums (as defined by IFRS 4) and the amounts relating to investment contracts (as defined by IFRS 4, which refers the related discipline to IAS 39).
It should be noted that a reclassification was carried out in the Income Statement as at September 30th, 2019, from the item "Commission income" to the item "Income and charges from financial instruments at fair value through profit or loss (income from class D investments)" for € 12 million.

Table 1 - Key economic indicators

(€ millions)	September 30th, 2020	September 30th, 2019	Changes Amount	%
Total premiums written	**4,124**	**4,986**	**-862**	**-17.3**
of which				
Gross premiums written	**4,087**	**4,914**	**-827**	**-16.8**
Direct business - non-life	1,483	1,523	-40	-2.6
Direct business - life	2,588	3,380	-792	-23.4
Indirect business - non-life	16	11	5	34.6
Indirect business - life	0	0	0	n.a.
of which				
Investment contracts	**37**	**72**	**-35**	**-49.4**
Operating result	**297**	**216**	**81**	**37.5**
Consolidated net profit for the period	**72**	**108**	**-36**	**-34.0**
Group net profit for the period	**42**	**84**	**-42**	**-50.5**

n.a. = not applicable

Table 2 - Key equity indicators

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	%
Investments	**32,637**	**33,402**	**-765**	**-2.3**
Assets of disposal group held for sale	**0**	**197**	**-197**	**-100.0**
Technical provisions net of reinsurance amount	**29,943**	**30,273**	**-330**	**-1.1**
Financial liabilities relating to investment contracts	**658**	**1,494**	**-836**	**-56.0**
Liabilities of disposal group held for sale	**0**	**194**	**-194**	**-100.0**
Consolidated shareholders' equity	**2,392**	**2,351**	**41**	**1.8**

Table 3 - Headcount and sales network

(number)	September 30th, 2020	December 31st, 2019	Changes Amount	%
Total headcount	**1,793**	1,778	15	0.8%
Full time equivalent headcount	**1,737**	1,717	20	1.2%
Direct network:				
Agencies	**1,368**	1,395	-27	-1.9%
Partner networks:				
Bank branches	**5,953**	6,075	-122	-2.0%
Financial advisors	**679**	737	-58	-7.9%

Table 4 - Reclassified consolidated statement of financial position

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	%	*Items from obligatory statements (*)*
Assets					
Investment Property	879	851	28	3.4	*4.1*
Property	205	211	-6	-2.5	*2.1*
Investments in subsidiaries, associated companies and joint ventures	168	160	8	5.1	*4.2*
Loans and receivables	1,229	1,072	157	14.6	*4.4*
Held to maturity investments	202	212	-10	-5.0	*4.3*
Available for sale financial assets	23,827	23,823	4	0.0	*4.5*
Financial assets at fair value through profit or loss	5,538	6,605	-1,067	-16.1	*4.6*
Cash and cash equivalents	589	468	121	25.7	*7*
Total Investments	**32,637**	**33,402**	**-765**	**-2.3**	
Intangible assets	777	881	-104	-11.8	*1*
Technical provisions - reinsurance amount	635	619	16	2.6	*3*
Sundry receivables, other tangible assets and other asset items	2,123	2,439	-316	-13.0	*(**)*
of which assets of a disposal group held for sale	*0*	*197*	*-197*	*-100.0*	*6.1*
TOTAL ASSETS	**36,172**	**37,341**	**-1,169**	**-3.1**	
Shareholders' equity and liabilities					
Group capital and reserves	1,895	1,819	76	4.3	
Group profit (loss) for the period	42	75	-33	-44.9	*1.1.9*
Shareholders' equity pertaining to the Group	***1,937***	***1,894***	***43***	***2.3***	*1.1*
Capital and reserves pertaining to minority interests	425	429	-4	-1.1	
Profit (loss) for the period pertaining to minority interests	30	28	2	8.0	*1.2.3*
Shareholders' equity pertaining to minority interests	***455***	***457***	***-2***	***-0.6***	*1.2*
Total Capital and reserves	**2,392**	**2,351**	**41**	**1.8**	*1*
Premium provision	816	880	-64	-7.3	
Provision for outstanding claims	2,764	2,824	-60	-2.1	
Gross technical provisions - non-life	**3,580**	**3,704**	**-124**	**-3.4**	*3*
Gross technical provisions - life	**26,395**	**26,509**	**-114**	**-0.4**	*3*
Other gross non-life technical provisions	3	3	0	9.4	*3*
Other gross life technical provisions	600	676	-76	-11.2	*3*
Financial liabilities	1,571	2,345	-774	-33.0	*4*
of which deposits from policyholders	658	*1,494*	-836	-56.0	
Allowances, payables and other liability items	1,631	1,753	-122	-7.0	*(***)*
of which liabilities of a disposal group held for sale	*0*	*194*	*-194*	-100.0	*6.1*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**36,172**	**37,341**	**-1,169**	**-3.1**	

(*) Indicates the items of the statements in the Consolidated Financial Statements as per ISVAP Regulation No. 7 dated July 13th, 2007
(**) Sundry receivables, other asset items, and other tangible assets (statement of financial position items under assets = 5 + 6 + 2.2)
(***) Allowances, payables and other liability items (statement of financial position items under liabilities = 2 + 5 + 6)

Table 5 - Reclassified consolidated income statement

(€ millions)	September 30th, 2020	September 30th, 2019	Changes Amount	%	*Items from obligatory statements* (*)
Net premiums	3,957	4,744	-787	-16.6	*1.1*
Net charges relating to claims	-3,315	-4,595	1,280	27.9	*2.1*
Operating expenses	-526	-566	40	7.1	
of which commission and other acquisition costs	-376	-407	31	7.6	2.5.1
of which other administrative expenses	-150	-159	9	5.8	2.5.3
Other revenues net of other costs (other technical income and charges)	-105	-57	-48	-86.8	*1.6 - 2.6*
Net income from financial instruments at fair value through profit or loss	-88	296	-384	n.s.	*1.3*
Result from class D financial operations (**)	-87	296	-383	n.s.	
Net income from investments in subsidiaries, associated companies and joint ventures	-13	4	-17	n.s.	*1.4 - 2.3*
Net income from other financial instruments and investment property	426	452	-26	-5.7	*1.5 - 2.4*
of which net interest	314	330	-16	-4.7	*1.5.1 - 2.4.1*
of which other income net of other charges	63	73	-10	-12.5	*1.5.2 - 2.4.2*
of which net profits realised	90	69	21	30.7	*1.5.3 - 2.4.3*
of which net valuation profits on financial assets	-41	-20	-21	n.s.	*1.5.4 - 2.4.4*
of which changes in other financial liabilities	0	0	0	n.a.	
Commissions income net of commissions expense	-1	1	-2	n.s.	*1.2 - 2.2*
Operating expenses relating to investments (***)	-39	-37	-2	-4.0	2.5.2
RESULT OF INSURANCE BUSINESS AND FINANCIAL OPERATIONS	**296**	**242**	**54**	**21.9**	
Other revenues net of other costs (excluding other technical income and charges included under insurance operations)	-131	-67	-64	-95.0	*1.6 - 2.6*
PROFIT (LOSS) BEFORE TAXATION FOR THE PERIOD	**165**	**175**	**-10**	**-6.1**	
Taxation	-93	-67	-26	-39.2	3
NET PROFIT (LOSS) FOR THE PERIOD	**72**	**108**	**-36**	**-34.0**	
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**0**	**0**	**0**	**n.a.**	***4***
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**72**	**108**	**-36**	**-34.0**	
Profit (loss) for the year pertaining to minority interests	30	24	6	22.0	
PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	**42**	**84**	**-42**	**-50.5**	

(*) Indicates the items of the statements in the Consolidated Financial Statements as per ISVAP Regulation No. 7 dated July 13th, 2007

(*) Includes the Class D profits recognised in the operating expenses relating to investments amounting to € 1 million and other revenues amounting to € 2 million.

(***) Includes operating expenses relating to class D investments amounting to € 1 million.

n.s. = not significant

n.a. = not applicable

Table 6 - Reclassified consolidated income statement by business segment

(€ millions)	NON-LIFE September 30th, 2020	NON-LIFE September 30th, 2019	LIFE September 30th, 2020	LIFE September 30th, 2019	OTHER September 30th, 2020	OTHER September 30th, 2019	TOTAL September 30th, 2020	TOTAL September 30th, 2019
Net premiums	1,384	1,387	2,573	3,357	0	0	3,957	4,744
Net charges relating to claims	-775	-904	-2,540	-3,691	0	0	-3,315	-4,595
Operating expenses	-403	-398	-123	-168	0	0	-526	-566
of which commission and other acquisition costs	-292	-290	-84	-117	0	0	-376	-407
of which other administrative expenses	-111	-108	-39	-51	0	0	-150	-159
Other revenues net of other costs (other technical income and charges)	-66	-18	-39	-39	0	0	-105	-57
Net income from financial instruments at fair value through profit or loss	-1	0	-87	296	0	0	-88	296
Result from class D financial operations (*)	0	0	-87	296	0	0	-87	296
Net income from investments in subsidiaries, associated companies and joint ventures	-5	3	-8	1	0	0	-13	4
Net income from other financial instruments and investment property	47	61	383	392	-4	-1	426	452
Commissions income net of commissions expense	0	0	-1	1	0	0	-1	1
Operating expenses relating to investments (**)	-7	-7	-30	-28	-2	-2	-39	-37
RESULT OF INSURANCE BUSINESS AND FINANCIAL OPERATIONS	**174**	**124**	**128**	**121**	**-6**	**-3**	**296**	**242**
Other revenues net of other costs (excluding other technical income and charges included under insurance operations)	-41	-37	-89	-30	-1	0	-131	-67
PROFIT (LOSS) BEFORE TAXATION FOR THE PERIOD	**133**	**87**	**39**	**91**	**-7**	**-3**	**165**	**175**
Taxation	-59	-36	-35	-31	1	0	-93	-67
NET PROFIT (LOSS) FOR THE PERIOD	**74**	**51**	**4**	**60**	**-6**	**-3**	**72**	**108**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**74**	**51**	**4**	**60**	**-6**	**-3**	**72**	**108**
Profit (loss) for the year pertaining to minority interests	1	2	29	22	0	0	30	24
PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	**73**	**49**	**-25**	**38**	**-6**	**-3**	**42**	**84**

(*) Includes the Class D profits recognised in the operating expenses relating to investments amounting to € 1 million and other revenues amounting to € 2 million.

(**) Includes operating expenses relating to class D investments amounting to € 1 million.

Table 7 - Operating result by business segment

(€ millions)	NON-LIFE September 30th, 2020	NON-LIFE September 30th, 2019	LIFE September 30th, 2020	LIFE September 30th, 2019	OTHER September 30th, 2020	OTHER September 30th, 2019	TOTAL September 30th, 2020	TOTAL September 30th, 2019	*Items from obligatory statements* (**)
Net premiums	1,384	1,387	2,573	3,357	0	0	3,957	4,744	1.1
Net charges relating to claims	-775	-904	-2,540	-3,691	0	0	-3,315	-4,595	2.1
Operating expenses	-403	-398	-123	-168	0	0	-526	-566	
of which commission and other acquisition costs	*-292*	*-290*	*-84*	*-117*	*0*	*0*	*-376*	*-407*	*2.5.1*
of which other administrative expenses	*-111*	*-108*	*-39*	*-51*	*0*	*0*	*-150*	*-159*	*2.5.3*
Other revenues net of other costs (other technical income and charges)	-66	-18	-39	-39	0	0	-105	-57	1.6 - 2.6
Income from gross ordinary investments	64	74	302	684	0	-1	366	757	1.3 + 1.5 - 2.4
Net income from investments in subsidiaries, associated companies and joint ventures	3	0	-4	0	0	0	-1	0	1.4 - 2.3
Commissions income net of commissions expense	0	0	-1	1	0	0	-1	1	1.2 - 2.2
Operating expenses relating to investments (*)	-7	-7	-30	-28	-2	-2	-39	-37	2.5.2
Other revenues net of other operating costs	-28	-27	-10	-4	-1	0	-39	-31	1.6 - 2.6
OPERATING RESULT	**172**	**107**	**128**	**112**	**-3**	**-3**	**297**	**216**	
Realised and valuation gains	0	5	-2	8	-4	0	-6	13	1.3 + 1.5 - 2.4
Subordinated interest	-18	-18	-4	-4	0	0	-22	-22	1.3 + 1.5 - 2.4
Net income from investments in non-operating subsidiaries, associated companies and joint ventures	-8	3	-4	1	0	0	-12	4	1.4 - 2.3
Other revenues net of other non-operating costs	-13	-10	-79	-26	0	0	-92	-36	1.6 - 2.6
PROFIT (LOSS) BEFORE TAXATION FOR THE PERIOD	**133**	**87**	**39**	**91**	**-7**	**-3**	**165**	**175**	
Taxation	-59	-36	-35	-31	1	0	-93	-67	3
PROFIT (LOSS) FOR THE PERIOD	**74**	**51**	**4**	**60**	**-6**	**-3**	**72**	**108**	
pertaining to the Group	73	49	-25	38	-6	-3	42	84	
pertaining to minority interests	1	2	29	22	0	0	30	24	
ADJUSTED GROUP RESULT (***)	**75**	**51**	**47**	**47**	**-6**	**-3**	**116**	**95**	

(*) Includes operating expenses relating to class D investments amounting to € 1 million.

(**) Indicates the items of the statements in the Consolidated Financial Statements as per ISVAP Regulation No. 7 dated July 13th, 2007

(***) This is defined as the measure of Group profit less the amortisation of the VOBA (value of business acquired, net of related tax effects and for the portion pertaining to the Group) and the impairment of goodwill, which have an impact on Group profit but do not affect the Solvency position.

Table 8 - Key efficiency and profitability indicators

	September 30th, 2020	September 30th, 2019
Non-life ratios for retained business		
Claims ratio (Net charges relating to claims / Net premiums)	56.1%	65.1%
G&A ratio (Other administrative expenses / Net premiums)	8.0%	7.9%
Commission ratio (Acquisition costs / Net premiums)	21.1%	20.9%
Total Expense ratio (Operating expenses / Net premiums)	29.1%	28.8%
Combined ratio (1 - (Technical balance / Net premiums))	90.0%	95.1%
Non-life ratios for direct business		
Claims ratio (Net charges relating to claims / Premiums for the period)	57.0%	66.1%
G&A ratio (Other administrative expenses / Premiums for the period)	7.2%	6.9%
Commission ratio (Acquisition costs / Premiums for the period)	21.2%	20.9%
Total Expense ratio (Operating expenses / Premiums for the period)	28.4%	27.8%
Combined ratio (1 - (Technical balance / Premiums for the period))	89.7%	95.3%
Life ratios		
G&A ratio (Other administrative expenses / Premiums written)	1.5%	1.5%
Commission ratio (Acquisition costs / Premiums written)	3.2%	3.4%
Total Expense ratio (Operating expenses/ Premiums written)	4.7%	4.9%
Total ratios		
G&A ratio (Other administrative expenses / Premiums written)	3.6%	3.2%
Operating costs [1] / Premiums written	9.4%	8.3%

Note: "premiums written" in the life business refer to the amount of gross insurance premiums and of the investment contracts.

[1] Other administrative expenses and acquisition costs before consolidation adjustments and intercompany eliminations are included.

COVID-19 EMERGENCY MANAGEMENT

The recent economic crisis triggered by the Covid-19 pandemic is bringing about undoubted paradigm shifts for society as a whole, with, in relation to the insurance sector, a strong change in the perception of risk by the population, which seems likely to be an opportunity for the sector in the near future, especially for those who will be able to transform the consolidated business model, redesigning solutions and offering an increasingly personalised shopping experience.

The material impact on the insurance world seems to show a mix of contrasting effects, it being still in the definition and stabilisation phase, given the current state of the pandemic, which shows a clear upward curve in the number of infections worldwide.

In the short term, the effects of contingency on the sector's profitability mainly affected financial performance: the reaction of the markets, consistent with a progressive downward revision of prospective growth, materialised especially in the first months following the start of the pandemic, with a sudden increase in volatility, a reduction in core rates, and a generalised repricing of all riskier assets, from equities to credit, via domestic governments. However, to counterbalance these effects, there was a significant decline in claims reported, in industrial operations, particularly in the TPL Motor Class, with none of the major domestic groups seeming to detect a major impact of the pandemic on the overall claims in relation to Italy.

In the medium to long term, it is reasonable to foresee how a reduction in household disposable income and the deterioration of the economic-financial conditions of companies may counterbalance the ability of companies to embrace an offer, including with the help of the insurtech world, which is increasingly innovative and digital, capable of intercepting latent customer needs with the aim of reducing the current protection gap in relation to non-compulsory businesses.

Cattolica's strategic guidelines outlined in the 2018-2020 Business Plan are resolutely focused on an evolution and transformation mainly along the lines of agility and data management; the undoubted spontaneous vocation for proximity to territories and stakeholders all seem to be a further strong point within the current context. Despite the interruption of production activities in recent months, as well as the likely sharp drop in the main macroeconomic indicators, expected at least for this year, and which will have an impact on the evolution of Group funding, as well as on the entire market, as the figures show, the pathway traced by the Plan and its guidelines appear more than up-to-date and provide for, among other things, a greater focus on risks with a strong social relevance (with a particular focus on catastrophic risks), a particular focus on the new digital logic of interaction with customers and agents but above all a strong growth in the service component offered in addition to the more "core" businesses, mainly in terms of prevention and assistance. The most recent partnership defined with the Generali Group, which has taken the form, among other things, of industrial and commercial agreements in two strategic areas with strong growth prospects such as Health business and Internet of Things, seems to further strengthen the current strategic orientation in the direction of the social relevance of the offer and digital service innovation.

Safety and proximity continue to be the guidelines through which the Group has approached the Covid-19 emergency from the very beginning paying close attention to its employees, customers, agents and the entire community.
In this delicate period, Cattolica is making extensive use of internal communication channels, subsequently enriched by a new, more engaging and immediate tool (corporate television). The sense of community and the sharing of common values and interests are the common thread of a reassuring and "single voice" communication plan, activated both internally and externally, to ensure a clear, updated and continuous flow of information, in order to reassure all stakeholders and widely disseminate the initiatives undertaken.

Employees measures

In order to protect its health and safety, Cattolica adopted a series of precautionary measures as early as February 18th and in advance of most of the industry, activating remote working for almost all its employees and collaborators. The smart working method, a project that the Group had already initiated in 2017, thus guaranteeing the continuity of processes and activities, without negatively affecting company productivity; as early as March, up to 98% of the workforce worked with this method, which guaranteed business continuity while protecting the well-being and safety of Group personnel;

In order to promote useful initiatives to protect the psychological-physical wellbeing of employees, during the most dramatic emergency period, it is also worth mentioning the activation of a listening and psychological support service. The gradual and partial return to traditional workplaces, which began in September, was at the time anticipated both by a structured set of measures of "workforce protection" (including sanitising stations, testing and upgrading facilities, identification and preparation of courses and social distancing processes, acquisition of PPE and serological tests on voluntary request) and by a mandatory educational path in order to ensure a return to "full safety". However, at the beginning of October the Group decided to return to full smart working due to the new peak of the virus infections.

Agents measures

Great focus was immediately cast upon the agency network, for which the Company has prepared, according to an additional rationale, an articulated plan to support the stability of economics. Structured on two complementary types of intervention, the agency revenue protection network guaranteed each sales outlet 90% of revenue for the two-month period April-May 2020 for the same period of the previous year. In addition, a virtuous mechanism has been defined that rewards, with further incentives, the network's ability to better manage contingency and the use of a new tool that allows remote cash management (pay-by-link), as well as a remote sales procedure for Motor policies. Also relevant is the role of the network in the internal communication flow mentioned above. With their stories from the territory (Cattolica Stories) agents recounted their experience during the Covid-19 crisis, highlighting their fundamental role of social closeness, albeit with contact methods completely adapted to the context.

Customers measures

In order to meet the most urgent needs of its customers, the Group has put in place relevant measures, starting with mandatory businesses, which have also accompanied customers during the exit from lockdown. Extension of the maturities of non-life policies, facilitation for the suspension of TPL Motor policies were among the first measures taken. In the very first weeks of the emergency, in order to respond to the demand of businesses (shops, bars, services) forced by an emergency order of the Authorities to close down and to comply with the restrictive measures imposed following the threat of an epidemic, Cattolica introduced the "Active Business NonStop" policy dedicated to the protection of commercial activities by indemnifying them should they close down by decree of local or national authorities; the sale of this product was almost immediately blocked following the extension of the restrictive measure throughout Italy.

In order to facilitate remote transactions during the lockdown period, the company has introduced a new digital system for the payment of premiums (the aforementioned pay-by-link) and the settlement of claims, while in the bancassurance channel a distance selling system has been adopted (separately for Vera Vita and Lombarda Vita).

During the lockdown period, new discount systems were introduced in addition to the extension of the payment deadlines for due receipts. With the aim of recompensing customers due to the lack of or reduced circulation during the closing period, with the TPL Motor initiative "Con noi un mese ha 30 giorni di più (With us a month has 30 more days)", the so-called. "Voucher Auto" was introduced, active for Cattolica agencies since May 25th, according to which a benefit is granted to customers at the time of renewal of the Motor policy equal to a discount of 1/12 of the policy, and which may be used for renewal or alternatively by entering into a new Non-Motor policy, thus increasing the level of protection. From June 17th, the voucher is also active for TUA Assicurazioni agencies and may be used as an alternative to the renewal discount to purchase the driver's accident guarantee or legal protection at € 1, or to obtain a discount on a new Non-Motor policy.

Community measures

In collaboration with the Cattolica Foundation, the Group has also supported communities most affected by the pandemic, through the donation of over € 2 million to hospitals, Cei, Caritas and other national and local authorities that have been working to deal with the Coronavirus emergency in recent months.

Main impacts on the Group's business

In order to manage the economic instability resulting from the spread of the epidemic, continuous monitoring of the impact of the contingency in the short term and simulations of its effects in the medium to long term has been activated. An analysis of the solvency situation of the Group and of the individual companies is carried out periodically, as well as a stress test on the liquidity situation of the Group and reports on the main KPIs of the business are carried out weekly.

At present, the following trends and their effects have been identified:

- In terms of premiums written, the lockdown phase, which began before mid-March and lasted for the entire month of April, led to a sharp drop in new business in both Non-Life and, above all, Life, with a drop in the number of policies of -45% in Motor, over -61% in Non-Motor and -77% in Life. With the reopening, which took place gradually from the first week of May, the new agency channel's production has returned to standard levels in the Non-life business (immediately as regards Motor and Retail, with a progressive trend in the other Non-Motor classes), while a slight margin still remains to be recovered, compared to pre-Covid volumes, in the Life business. On the other hand, with regard to bancassurance, the return to pre-Covid standards in Life business has been slow, while in Non-life business new premiums are still lower than in the first few weeks of the year. Together with new non-life business, in the recovery period, non-life collections also rose sharply, more than proportionally to the same, also thanks to the recovery of securities in arrears. At the end of September, the cumulative figure for non-life business from the beginning of the year was about -1.4%, of which about -5% Motor and +3.9% Non-Motor.
- While the lockdown led to a drop in new production, life redemptions were also reduced: an 80% reduction in the number of contracts in the bancassurance segment in the closing phase was followed by a recovery trend with the reopening of the market, with values as at September 30th, still more than 20% lower than the average for the first 8 weeks of the year.
- Furthermore, an overall improvement in the cost of claims is expected, due to the material drop in the frequency of claims in some key sectors such as motor insurance (as at September 30th, the drop in total claims in the non-life business was approximately -23%); on the other hand, minor negative effects are expected from pandemic-related insurance coverage such as interruption business, health and general civil liability. The assessment and quantification of the impacts of Covid-19 claims is subject to wide uncertainty, also because it is linked to future legislation and case law. Cattolica's exposure could, however, be partly limited on the general TPL class thanks to reinsurance coverage. Banks, which are mainly exposed to the CPI business, may also be able to recover from reinsurance thanks to the coverage of sundry financial losses.
- With regard to Human Resources, there were lower contingency expenses due to the decrease in training activities and meetings, as well as the reduction in travel costs (a 70% reduction compared to the first 9 months of 2019).
- As far as the investment portfolio is concerned, the greater volatility observed linked to the trend in the spread and risk-free rates, also as a result of the pandemic, resulted in an overall write down through profit or loss on "financial instruments at fair value

through profit or loss" of € 44 million, of which € 43 million relating to class D, the risk of which is borne by policyholders, and € 19 million to shareholders' equity in the "Gains or losses on available for sale financial assets" reserve, net of taxes and shadows.
At present, it is difficult to make predictions about the bond and other asset classes if the pandemic continues for an extended period of time.

- There were also effects related to the pandemic on the investment property portfolio, with net write-downs of € 14 million, and on non-financial assets, such as the goodwill of Vera Vita, written down in the first half by € 61 million, as described in specific sections of the Notes to the accounts.
- According to estimates, the solvency position has been volatile since the end of February, driven by exogenous factors, in particular the spread on government and corporate bonds, the fall in risk free rates and the sharp fall in equity markets. Despite the context of extreme volatility in financial markets, the SII ratio has always remained above the regulatory minimums even if lower than the level at the end of 2019 (175%): the SII ratio fell temporarily to 122% on May 22nd from 147% on March 31st, but recovered to 141% on June 30th. As at September 30th, the SII ratio was 161%. Based on an estimate, calculated as at October 31st, the Group's Solvency II ratio would be approximately 205%. The interventions decided by the ECB seem to have eased the tension on the spread of Italian government bonds, which is one of the most important risk factors for the solvency position of the Group and the individual companies.
- The Parent Company, in this context, has decided to suspend the payment of variable compensation to company representatives.
- With regard to going concern and the uncertainty of estimates, in particular with regard to goodwill and impairment testing, please refer to the specific sections of the Notes to the accounts (Principles, Going concern and Goodwill).

PLAN GUIDELINES AND ACTIONS TAKEN FOLLOWING THE COVID-19 EMERGENCY

With the 2018-2020 Business Plan, presented in early 2018, Cattolica placed innovation and agility at the centre of its strategy in order to rise to the challenges of a market in which dynamics are changing, barriers between sectors are being reduced and the winning ecosystem logic is a model that changes from the classic claim/payment to a more virtuous one, more focused on the prevention/protection combination.

Consequently:

- on February 6th, 2020, the Board of Directors of the Parent Company approved the Cattolica Group's 2020-22 Rolling Plan and also took note of the initial results on the economic performance for 2019. The Board has noted and approved new projections for 2020, slightly lower than those previously communicated to the financial markets during the presentation of the 2018-20 Business Plan: information on this Plan is provided in the following "Significant events" section;
- on May 15th, the Board of Directors made further considerations for the implementation of any impacts deriving from the Covid-19 pandemic, confirming the estimates of the aforementioned Rolling Plan and these projections were used for the purposes of the IAS 36 impairment test for which reference should be made to the Notes to the accounts;
- on November 10th, the Board of Directors confirmed the Operating Result guidance, already confirmed previously, for the current year of between € 350 and € 375 million, this in light of the solid business performance and the indications of the operating performance seen subsequently.
However, it is worth mentioning a number of potential risks, including the significant emergence of claims linked to Covid-19, which we are not aware of at this point, including a sharp increase in Life claims (which have not yet occurred) or a particularly negative trend in claims in the last part of the year. The net profit at the end of 2020 will also depend on other factors, such as any write-downs, as occurred especially during the first half of 2020.

With this Business Plan, the Group aimed to strengthen but also to diversify its business model, while continuing with its activity to valorise its own distinctive assets.

For details of the guidelines and actions undertaken with reference to the Plan, reference should be made to the Consolidated Interim Report 2020.

GUIDELINES OF THE AGREEMENT WITH ASSICURAZIONI GENERALI

On June 24th, 2020, Cattolica and Assicurazioni Generali signed the Framework Agreement, which concerns a series of agreements between the two companies aimed at the investment of Assicurazioni Generali in Cattolica through the Reserved Capital Increase, subscribed and executed by Assicurazioni Generali on October 23rd, 2020, as well as the launch of the Partnership through the signing of some commercial agreements between the two companies (with effects subject to the execution of the Reserved Capital Increase).

On September 23rd, 2020, the Framework Agreement was the subject of an Amending Agreement by which the parties took note of certain circumstances that occurred in relation to the preparatory activities for the Capital Increase and the Partnership, and amended and/or supplemented certain terms and conditions relating to such preparatory activities. Subsequently, on October 19th, 2020, Cattolica and Assicurazioni Generali waived, each to the extent of its own right, the conditions envisaged by the Framework Agreement, which had not yet been fulfilled and, therefore, on October 23rd, 2020, Assicurazioni Generali subscribed the Reserved Shares.

With reference to the industrial and commercial agreements between Cattolica and the Generali Group, it should be noted that the collaboration between the two groups will involve 4 strategic business areas: asset management, internet of things, health business and reinsurance. Below is a brief summary of the situation regarding the implementing agreements with specific regard to each of the aforementioned areas:

- **Asset management:** on October 6th, 2020, a "Cooperation Agreement" was entered into between Cattolica and Assicurazioni Generali, which will govern the management of a portion of Cattolica's investment portfolio, with the aim of increasing its efficiency, leveraging the skills and expertise of the Generali Group. This cooperation agreement will last until the earlier of (i) the expiry date of 5 years from the date of signature of the agreement and (ii) the date of termination of the Framework Agreement. The "Cooperation Agreement" provides for Cattolica to sign investment portfolio management contracts on behalf of third parties with certain companies, such as Generali Insurance Asset Management SGR S.p.A. (with which a management contract was signed, also on October 6th, 2020). These management contracts govern the discretionary management of Cattolica's asset portfolios pursuant to Article 24 of the Consolidated Law on Finance and in line with the applicable regulatory provisions, such as IVASS Regulation No. 24 dated June 6th, 2016, relating to investments and assets covering technical reserves. Finally, the management contracts will have an indefinite duration, with the right for Cattolica to terminate them with immediate effect and for the operator to give at least 3-month notice;
- **Internet of things**: on October 5th, 2020, Cattolica and Generali Jeniot S.p.A. (Generali Group company) signed a contract pursuant to which (a) Cattolica entrusts Generali Jeniot S.p.A. with the procurement of services connected with the mobility of vehicles for the purpose of determining liability in the event of claims and for tariff purposes, which may also be provided through the provision to policyholders of certain devices produced by third-party companies and (b) Generali Jeniot S.p.A. grants Cattolica a mandate with representation for the non-exclusive distribution of accessory services (optionally, in combination with its own insurance policies, including through its own agency network, or through other intermediaries and distribution partners). As part of the contract, Cattolica undertakes to utilise Generali Jeniot S.p.A. (i) for new production from the date of effectiveness of the contract, without prejudice to the technical timing for the start of operations, which in any case must take place by March 31st, 2021, and (ii) for the existing portfolio of related policies, with a progressive implementation method, which provides that Generali Jeniot S.p.A. shall become the sole provider of telematic services by December 31st, 2023. This contract has a duration of 5 years (from the date of execution of the Reserved Capital Increase), with automatic renewal for an equal period, unless terminated by one of the parties with at least 6-month notice. Generali Jeniot S.p.A. is also expected to provide telematics solutions and services to Cattolica from the first quarter of 2021. It should be noted that the Cattolica Group currently has further contracts with various telematic suppliers (expiring on December 31st, 2020), which concern services other than those regulated in the new agreement with Generali Jeniot S.p.A., i.e. the issue of new contracts with Internet of things solutions. However, it should be noted that the agreement with Generali Jeniot S.p.A. will also have a partial impact on contracts with current suppliers, with particular regard to the current fleet of connected insured vehicles; the agreement provides for the commencement of the migration of existing policies connected to the Generali Jeniot S.p.A. platform as of 2021, with completion of this migration by December 31st, 2023;
- **Health business:** on October 5th, 2020, Cattolica and Generali Welion S.c.a r.l. (Generali Group company) signed a contract for the outsourcing of claims settlement, under which the latter company will perform specific functions and activities relating to the settlement of claims in the accident, injury and health insurance classes in the interest of the Company (it being understood that the Company may decide not to outsource the settlement of individual claims in these classes only in certain residual cases), allowing it to extend to Cattolica's customers, Generali Welion S.c.a r.l. services in the health sector, which are currently not offered by

Cattolica. Specifically, the contract provides for Cattolica's commitment to make use of Generali Welion S.c.a r.l. for the purpose of outsourcing all claims settlement activities in the accident, injury and health insurance classes by January 1st, 2022, and it lasts from the date of execution of the Reserved Capital Increase until December 31st, 2026 (with the possibility of negotiating a renewal for a further 5 years, with the possibility of providing for subsequent annual tacit renewals at the end of the further 5 years). On October 5th, 2020, Cattolica and Generali Welion S.c.a r.l. signed a contract pursuant to which Cattolica will distribute (optionally, in combination with its own insurance policies) certain services in the health and corporate welfare sector; therefore, Generali Welion S.c.a.r.l. shall grant Cattolica a mandate with representation for the non-exclusive distribution of such services through its own distribution network, as well as the related after-sales assistance. This contract has a duration of 5 years (from the date of execution of the Reserved Capital Increase), with automatic renewal for an equal period, unless terminated by one of the parties with at least 6-month notice; after the first renewal and after the expiry of a further 5 years, the contract will continue to be renewed from year to year unless terminated;

- **Reinsurance**: on October 5th-6th, 2020, Cattolica and Generali Italia S.p.A. (company belonging to the Generali Group) signed an agreement governing the terms and conditions of the transfer to Generali Italia S.p.A., by Cattolica or any other company belonging to the Group, of insurance premiums in reinsurance each year, for the entire duration of the agreement; the size and type of the portfolio subject to be transferred will be assessed during due diligence and will be subject (together with the other main terms and conditions of the reinsurance relationship) to one or more reinsurance agreements that the parties have undertaken to underwrite by the end of 2020. This contract has a duration of 5 years (from the date of execution of the Reserved Capital Increase), with automatic renewal for an equal period, unless terminated by one of the parties with at least 6-month notice. As part of this agreement, Cattolica is expected to transfer to Assicurazioni Generali (or other group companies) a total amount not less than 30% of the average ceded premiums each year.

With the exception of the agreement with Generali Jeniot S.p.A., relating to the Internet of Things, for which the Generali Group company is expected to become Cattolica's sole supplier by December 31st, 2023, and the agreement with Generali Welion S.c.a r.l. relating to the outsourcing of all accident, injury and health claims settlement services by January 1st, 2022, the industrial and commercial agreements described above do not envisage any exclusive obligations in favour of the Generali Group nor any obligation on the part of Cattolica to terminate commercial or industrial contracts with third parties.

It should be noted that the commercial agreements included in the Partnership with Assicurazioni Generali entail a reduced risk of creating prejudice to the Group's current distribution model, as they are geared towards improving the range of services offered to customers. In particular, the distribution networks will be impacted by the commercial agreements in the health business and internet of things, which provide for the distribution by all the Group's networks of the innovative services provided by Generali Welion S.c.a r.l. (in the health sector) and Generali Jeniot S.p.A. (in the internet of things sector), companies belonging to the Generali Group. The range of services covered by the commercial agreements of the Partnership is more extensive and richer than the Cattolica Group's current offer in relation to the areas covered by the agreement and, therefore, it is expected that it will allow an improvement in the current insurance offer relating to telematic services for motor and health classes to the benefit of the commercial action of the networks.

Operating Result

Life Business
128 € MLN

Non-life Business
172 € MLN

Other
-3 € MLN

INTERIM MANAGEMENT REPORT

The Group in the first nine months of 2020

Business performance for the period

Significant events and other information

BUSINESS PERFORMANCE FOR THE PERIOD

A BRIEF OUTLINE OF THE BUSINESS PERFORMANCE

The Group by main financial statements aggregates

Sectors of business

The Group's activities are divided up into three business segments: Non-life, Life and Other.

The core business of the Group, headed up by Cattolica Assicurazioni, a company that is involved in both the life and non-life business, is divided between the Non-life business (ABC Assicura, BCC Assicurazioni, CattRE, TUA Assicurazioni, Vera Assicurazioni, Estinvest, All Risks Solutions, Satec, Mediterranea Underwriting, Meteotec and Qubo Insurance Solutions, and the closed-end real estate funds allocated to the non-life portfolio) and the Life business (BCC Vita, Berica Vita, Cattolica Life, Lombarda Vita, Vera Financial, Vera Protezione, Vera Vita, and the closed-end real estate funds allocated to the life portfolio).

Other business includes the agricultural-real estate sector of Cattolica Agricola and Cattolica Beni Immobili and the operating services of Cattolica Services and Cattolica Immobiliare, instrumental in the performance of the Group's activities.

For an analysis of results per business segment, reference should be made to Table 6, where each segment is represented net of the eliminations between sectors. The notes to the accounts contain tables relating to the operating segments (gross of eliminations between sectors).

Profit (loss) for the period

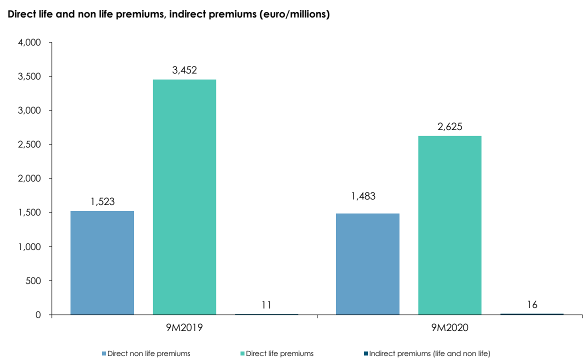
The first nine months close with a consolidated net result of € 72 million (-34%) attributable to the Non-life business for € 74 million (+43.8%), the Life business with a profit of € 4 million (-93.4%) and the Other business with a loss of € 6 million (-100%).

The Group's net profit amounted to € 42 million (-50.5%). This result was impacted by € 87 million in write-downs, of which: € 10 million in non-life business, relating to write-downs on investment property and € 4 million on AFS securities; € 61 million in life business, relating to the write down of goodwill on Vera Vita, € 3 million on AFS securities, € 5 million on equity investments and € 1 million on investment property; and € 3 million in other business, relating to write-downs on investment property.

The operating result shows an increase of 37.5% to € 297 million.

Premiums

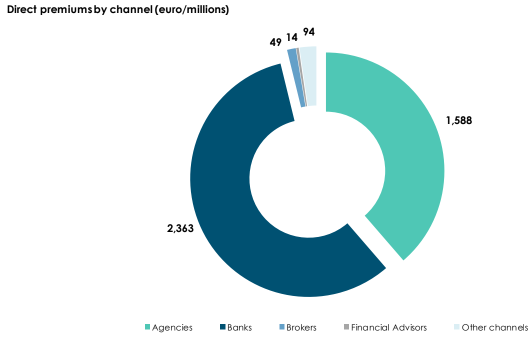
Gross consolidated premiums (which comply with the definition of insurance policy as per IFRS 4) at the end of the third quarter amounted to € 4,087 million (-16.8%). Also taking into account investment contracts, total premiums written came to € 4,124 million (-17.3%).



Gross direct non-life premiums totalled € 1,483 million (-2.6%) and account for 36.4% of total direct premium business (31.1% as at September 30th, 2019).

Gross direct life premiums totalled € 2,588 million (-23.4%): total life premiums written amounted to € 2,625 million (-24%). Life premiums represented the majority share of total direct business (63.6% compared with 68.9% as at September 30th, 2019).

Direct business premium collection, per distribution channel, is broken down as follows: agencies 38.7%, banks 57.5%, brokers 1.2%, advisors 0.3% and other channels 2.3%.



Other administrative expenses

Other administrative expenses amounted to € 150 million overall (-5.8%).

With reference to direct business, the ratio of other non-life administrative expenses to premiums written for the period rose from 6.9% to 7.2%, while the ratio of other life administrative expenses to life premiums is unchanged at 1.5%.

The Group by segments

Non-life business

Non-life business, as already reported, closed the first nine months with a profit of € 74 million (+43.8%). Net non-life premiums amounted to € 1,384 million (-0.2%). The combined ratio of direct business was 89.7%, versus 95.3% for September 30th, 2019. The claims ratio (claim/premium ratio) is equal to 57% (66.1%), while the ratio of other administrative expenses, as stated, is 7.2%. The combined ratio of retained business decreased from 95.1% to 90% despite the provision to take account of the voucher for Motor customers, which accounts for 3.3% of net premiums written.

Financial operations, which were affected by write-downs before taxes for € 16 million, ended the half-year with a result of € 34 million (-40.4%) and were mainly characterised by net income deriving from other financial instruments and investment property for € 47 million (-23%), with net interest and other net income amounting to € 51 million (-12.1%), with net realised gains totalling € 10 million (-16.7%) and with net losses from valuation that came to € 14 million (+55.6%).

The contribution of financial operations to operating income, i.e. net of interest expense on subordinated loans, realisation and valuation results, is € 64 million (-12.1%).

The operating result came to € 172 million (+59.6%). The performance of the operating result benefitted mainly by the improvement of combined ratio, due mainly to lower claims rate in the period. The other operating components are substantially in line with the first nine months of 2019.

Life business

The life business closed the first nine months with a profit of € 4 million (-93.4%).

Net life premiums amounted to € 2,573 million (-23.4%), and financial operations[6] closed with a result of € 346 million (-6.7%), which was affected by impairment losses gross of taxes and shadow accounting for € 25 million, with net income from other financial instruments and investment property amounting to € 383 million (-2.3%), of which interest and other net income amounted to € 326 million (-5.5%), net realised gains amounted to € 80 million (+40.4%) and net losses from valuation amounted to € 23 million compared to € 10 million as at September 30th, 2019.

The operating result came to € 128 million (+14.4%).

Other business

Other business recorded a loss of € 6 million at the end of the period compared with a loss of € 3 million as at September 30th, 2019, mainly due to the write down of investment property by € 3 million (net of taxes).

Sectors by geographic area

Premiums written, which are nearly exclusively taken in Italy, are mainly concentrated in Central-Northern Italy, an area similar in terms of risk and return and therefore not significant for the purposes of the secondary segmentation envisaged by IFRS 8.

[6] With the exclusion of investments whose risk is borne by the policyholders and the change in other financial liabilities.

Investments

Investments amounted to € 32,637 million (-2.3%). Their breakdown and variation compared to 2019 is represented in the following table.

Table 9 - Total investments

(€ millions)	September 30th, 2020	% of total	December 31st, 2019	% of total	Changes Amount	%
Investment Property	879	2.7	851	2.5	28	3.4
Property	205	0.6	211	0.6	-6	-2.5
Investments in subsidiaries, associated companies and joint ventures	168	0.5	160	0.5	8	5.1
Loans and receivables	1,229	3.8	1,072	3.3	157	14.6
Held to maturity investments	202	0.6	212	0.6	-10	-5.0
Available for sale financial assets	23,827	73.0	23,823	71.3	4	0.0
Financial assets at fair value through profit or loss	5,538	17.0	6,605	19.8	-1,067	-16.1
Cash and cash equivalents	589	1.8	468	1.4	121	25.7
TOTAL	**32,637**	**100.0**	**33,402**	**100.0**	**-765**	**-2.3**

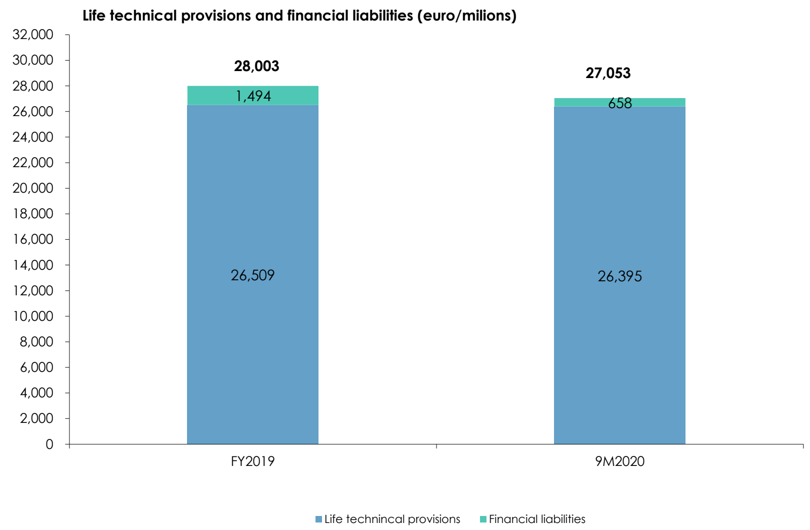
The result of financial operations, with the exclusion of investments whose risk is borne by the policyholders and gross of the tax effects and the change in other financial liabilities, came - as already mentioned - to € 374 million (-11.8%), after gross impairment losses of € 45 million.

Technical provisions

Non-life technical provisions (premiums and claims) amounted to € 3,580 million (-3.4%).

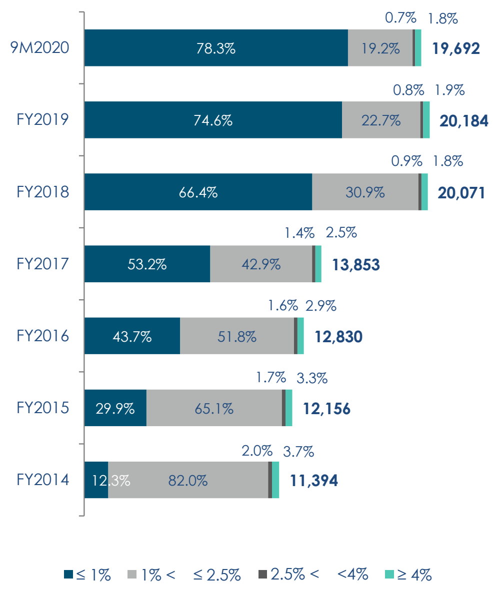
Technical provisions for life business (actuarial provisions inclusive of shadow accounting) amounted to € 26,395 million (-0.4%). Also taking into account financial liabilities relating to investment contracts, the technical provisions and deposits relating to life business amounted to € 27,053 million, a decrease of 3.4%.

Life technical provisions include the shadow accounting provision, which takes into account the share of unrealised capital gains and losses on assets in segregated funds ascribable to policyholders.



With reference to the composition of the Segregated Management Schemes, the Technical Provisions for Guaranteed Minimum are represented below. The average guaranteed minimum rate for the Group's stock of provisions at September 30th, was 0.51% (0.58% FY2019).

(euro/millions)



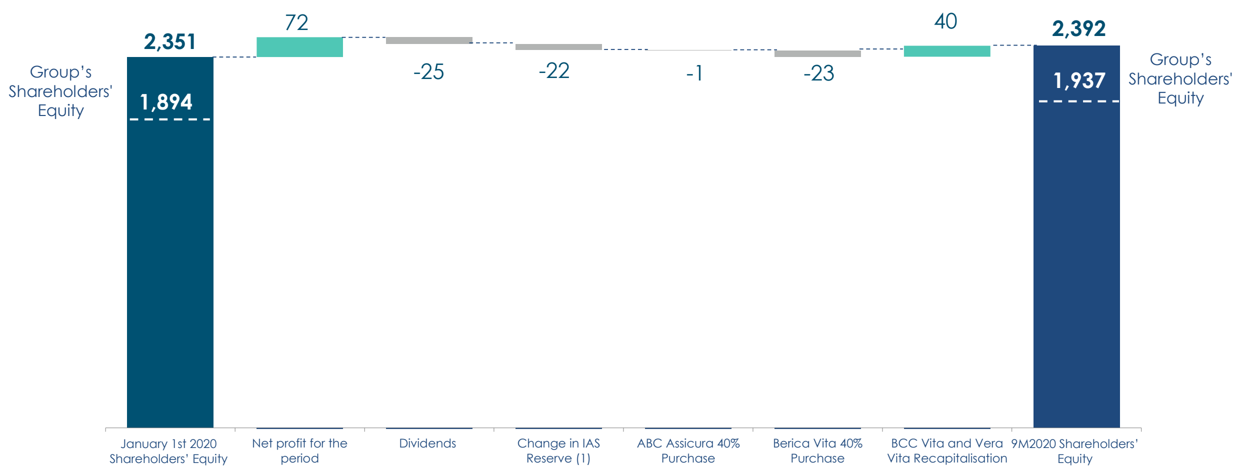
Shareholders' equity and its trend

The change in consolidated shareholders' equity since last year is attributable primarily to the result for the first nine months amounting to € 72 million, the effect of recapitalisations on minority interests amounting to € 40 million, the distribution to third parties of dividends amounting to € 25 million, the change in IAS reserves amounting to € 22 million (inclusive of the change in the AFS reserve and profit/loss recognised directly in shareholders' equity), and the effect of the purchase of 40% of ABC Assicura for € -1 million and 40% of Berica for € -23 million.

Consolidated shareholders' equity at the end of the third quarter amounted to € 2,392 million (+1.8%).
The Group shareholders' equity amounts to € 1,937 million (+2.3%) and includes gains on available for sale financial assets amounting to € 60 million (-21.8%).
Portions of shareholders' equity pertaining to minority interests amounted to € 455 million (-0.6%) and include gains on available for sale financial assets amounting to € 9 million (-20%).

Trend of consolidated Shareholders' Equity as at September 30th, 2020

(euro/millions)



(1) Including the change in the AFS reserve (net of shadow accounting and taxes) and other gains and losses recognised directly in shareholders' equity and other minor changes in reserves.

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INSURANCE BUSINESS AND OTHER SECTORS OF ACTIVITIES

Group insurance business

The following table shows the breakdown of the insurance premiums and of the investment contracts.

Table 10 - Total premiums written

(€ millions)	September 30th, 2020	% of total	September 30th, 2019	% of total	Changes Amount	Changes %
Accident and injury	133	3.3	141	2.9	-8	-6.1
Health	60	1.5	69	1.4	-9	-13.8
Land vehicle hulls	110	2.7	108	2.2	2	2.4
Goods in transit	5	0.1	6	0.1	-1	-21.9
Fire & natural forces	110	2.7	110	2.2	0	0.4
Other damage to assets	168	4.1	176	3.7	-8	-5.0
TPL - Land motor vehicles	647	15.9	691	14.1	-44	-6.3
TPL - General	136	3.3	131	2.7	5	3.8
Credit	0	n.s.	0	n.s.	0	n.a.
Suretyship	15	0.4	15	0.3	0	12.8
Sundry financial losses	20	0.5	14	0.3	6	38.3
Legal protection	16	0.4	14	0.3	2	14.1
Assistance	40	1.0	35	0.7	5	13.5
Other classes (1)	23	0.5	13	0.2	10	79.7
Total non-life business	**1,483**	**36.4**	**1,523**	**31.1**	**-40**	**-2.6**
Insurance on the duration of human life - class I	1,890	46.4	2,244	45.8	-354	-15.8
Insurance on the duration of human life linked to investment funds - class III	629	15.5	1,054	21.5	-425	-40.3
Health insurance - class IV	1	n.s.	1	n.s.	0	n.a.
Capitalisation transactions - class V	60	1.5	74	1.5	-14	-18.5
Pension funds - class VI	8	0.2	7	0.1	1	2.0
Total life business	**2,588**	**63.6**	**3,380**	**68.9**	**-792**	**-23.4**
Total direct business	**4,071**	**100.0**	**4,903**	**100.0**	**-832**	**-17.0**
Indirect business	**16**		**11**		**5**	**34.6**
Total insurance premiums	**4,087**		**4,914**		**-827**	**-16.8**
Insurance on the duration of human life linked to investment funds - class III	10	25.5	14	20.6	-4	-37.4
Pension funds - class VI	27	74.5	58	79.4	-31	-52.5
Total investment contracts	**37**	**100.0**	**72**	**100.0**	**-35**	**-49.4**
TOTAL PREMIUMS WRITTEN	**4,124**		**4,986**		**-862**	**-17.3**

(1) includes railway rolling stock, aircraft, sea and inland water vessels/hulls and TPL aircraft and sea and inland water vessels.

n.s. = not significant

n.a. = not applicable

In particular, life premiums written, taking into account both insurance premiums and investment contracts, are broken down per class as follows:

Table 11 - Total life premiums written (insurance premiums and investment contracts)

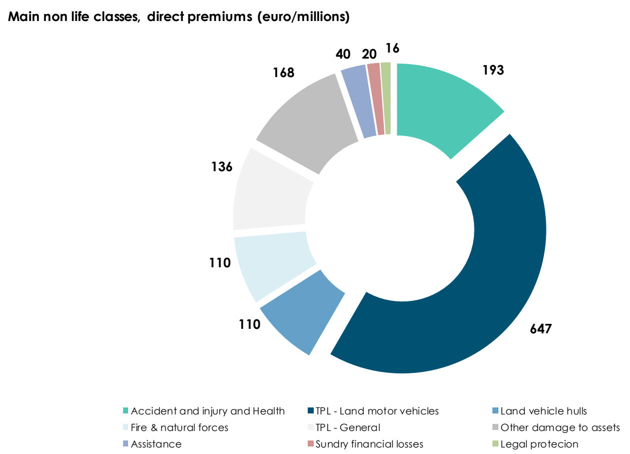
Life business (€ millions)	September 30th, 2020	% of total	September 30th, 2019	% of total	Changes Amount	%
Insurance on the duration of human life - class I	1,890	72.0	2,244	65.0	-354	-15.8
Insurance on the duration of human life linked to investment funds - class III	639	24.4	1,068	31.0	-429	-40.2
Health insurance - class IV	1	n.s.	1	n.s.	0	10.3
Capitalisation transactions - class V	60	2.3	74	2.1	-14	-18.5
Pension funds - class VI	35	1.3	65	1.9	-30	-46.3
Total life premiums - direct business	**2,625**	**100.0**	**3,452**	**100.0**	**-827**	**-24.0**

n.s. = not significant

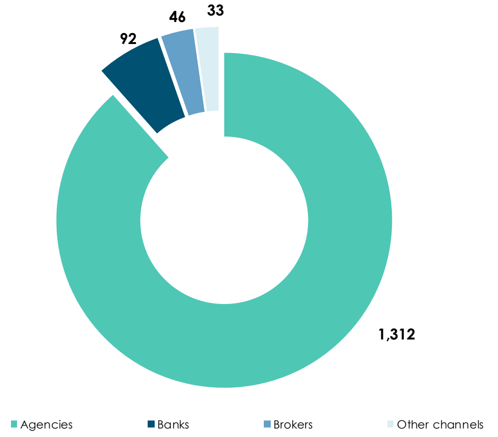
Non-life business - Premiums written

The direct premiums written of the non-life business decreased by 2.6% to € 1,483 million of which € 726 million in the non-motor segment (+0.2%) and € 757 million in the motor segment (-5.1%).
Indirect premiums came to € 16 million (+34.6%).

Direct non-life premiums written were generated as follows: the agency channel with € 1,312 million (-2.5%), the banking channel with € 92 million (-17.4%), brokers with € 46 million (+32.9%) and other channels with € 33 million (+6.7%).

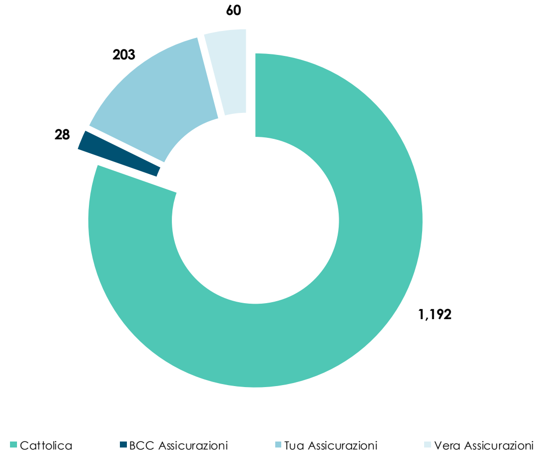


Premiums by channel, non life direct premiums (euro/millions)



Direct non-life premiums are attributable mainly to the Parent Company for € 1,192 million, BCC Assicurazioni for € 28 million, TUA Assicurazioni for € 203 million and Vera Assicurazioni for € 60 million.

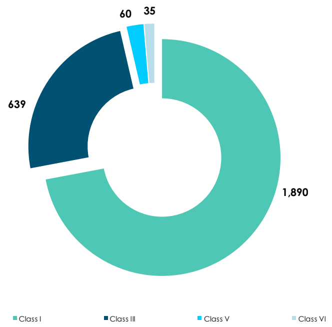
Premiums by company of Group, non life direct premiums (euro/millions)



Life business – Premiums written

Insurance premiums in the life business totalled € 2,588 million (-23.4%). Premiums written relating to investment contracts amounted to € 37 million (-49.4%). Total direct life premiums written, amounting to € 2,625 million, were down by 24%.

Main life classes, direct premiums (euro/millions)



During 2020, the Group continued its strategy centred on the offer of investment solutions connected with multi-class products with the segregated management component characterised by "non cliquet" guarantee, which allow less capital absorption.

Total class III premiums written (insurance on the duration of human life linked to investment funds) amounted to € 639 million (-40.2%) and consisted of unit linked contracts. Investment contracts amounted to € 10 million (-37.4%).

The ongoing health emergency, low interest rates and the uncertainty of the overall economic framework have led to a reduction in total life business premiums. There was a greater contraction in premiums relating to class III: the high volatility of the markets and the period of suffering of the real economy, which characterised 2020 thus far, have particularly compromised the collection of policies with a higher financial component (attributable to unit linked contracts, linked to Internal Funds, external UCITS or SICAV segments).
Group life premiums written continue to be driven by the bancassurance channel, which is, in any case, the channel most affected by the economic and financial trends of the period. The agents channel also recorded a reduction in life premiums compared to last year, but to a lesser extent compared to bancassurance.
The performance of premiums written relating to products linked to segregated funds is constantly monitored, with a view to ensuring sustainability over time of the returns offered, which could be partly compromised by the diluting effect deriving from the significant decrease in the interest rates on investments linked to new incoming assets. The Group continues to concentrate its new business in class I towards segregated management with profit provisions, with the goal of making the return for policyholders more stable when sudden market fluctuations occur.

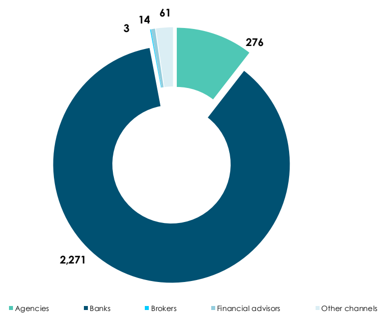
Class I premiums written amounted to € 1,890 million (-15.8%).

Class V premiums written (capitalisation) amounted to € 60 million (-18.5%).

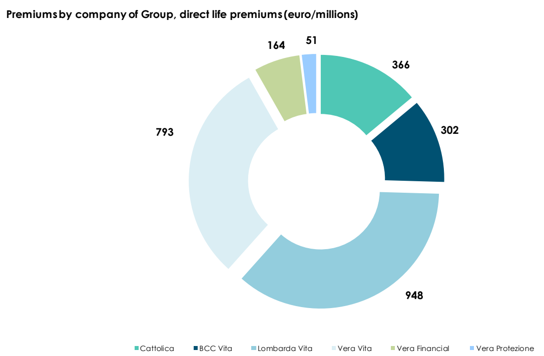
Total class VI premiums written (pension funds) amounted to € 35 million (-46.3%) and were mainly generated by investment contracts.

Direct life business premiums written were generated as follows: the agency channel with € 276 million (-6.6%), the banking channel with € 2,271 million (-25.5%), brokers with € 3 million (-26.7%), financial advisors with € 14 million compared with € 4 million as at September 30th, 2019 and other channels with € 61 million (-39.2%).

Premiums by channel, direct life premiums (euro/millions)



The contribution made to the consolidated amount on life premiums attributable to the Parent Company totalled € 366 million, to BCC Vita € 302 million, to Berica Vita € 1 million, to Lombarda Vita for € 948 million, to Vera Financial for € 164 million, to Vera Protezione for € 51 million and Vera Vita for € 793 million.



Reinsurance

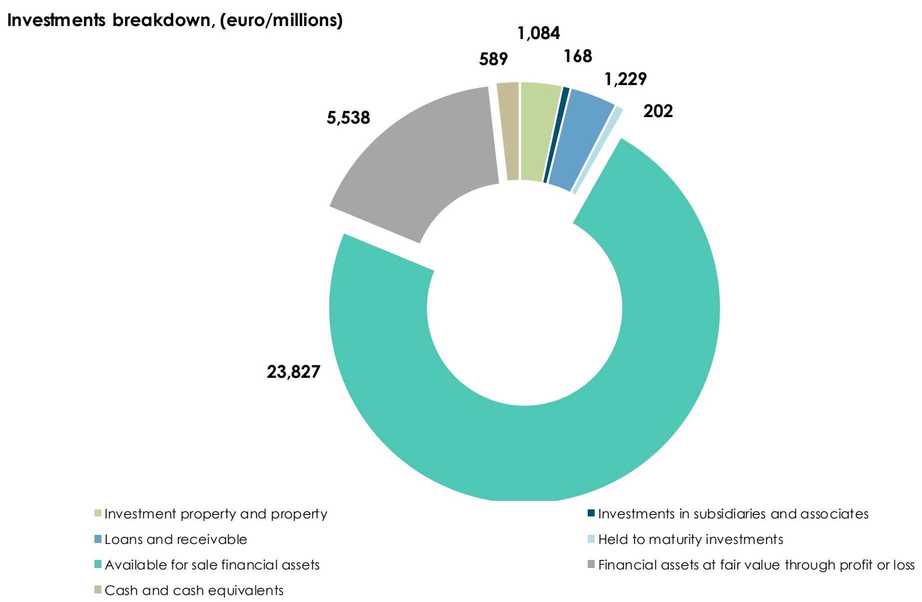
Dealings with reinsurance companies, which present the best prospects of continuity over the long-term, have been preferred for all the Group companies. When selecting partners, particular attention was paid to the solidity and reliability of the same, directing the choice towards those with the best rating or those less exposed, in the composition of the portfolio, to risk categories liable to technical-economic imbalances.

When defining the reinsurance programme, the companies adhered to the internal guidelines contained in the reinsurance policy and to the provisions of IVASS regulation No. 38 of July 3rd, 2018.

In November 2019, the Board of Directors approved the changes provided in the plan of Reinsurance transfers for the year 2020.

For details of the Reinsurance Programme of the Parent Company and Group companies, please refer to the Consolidated Interim Report 2020.

FINANCIAL AND ASSET MANAGEMENT



Investment property and properties

Acquisitions and property transactions

In the third quarter of 2020, several property transactions were finalised, with the aim of creating constant and foreseeable flows of income, in addition to diversifying the real estate equity.

In particular, the following are pointed out:

- the purchase of an office building in Milan Bicocca rented to a tenant of primary standing, through the purchase of 100% of the shares of the vehicle that owns the real estate ("Fondo Titan"), through the Fondo Girolamo;
- the continuation of investments in the Fondo Innovazione Salute (a sector fund dedicated to the health sector and residences for the elderly) with a new structure in Imperia (Liguria). The undertaking in Fondo Innovazione Salute, which today has 11 units leased in Coopselios, consolidates Cattolica's presence in the healthcare real estate sector, in which it is present starting from 2008 with the acquisition of three nursing homes;
- the continuation of investments in the Mercury Nuovo Tirreno real estate fund, a joint venture with the CONAD Group, with the purchase of three new supermarkets, for an equity investment in the fund of € 20.3 million;
- the entry into a foreign-law fund, diversified by sector and by European country;
- the purchase of a new photovoltaic system in Piedmont, through the Fondo Perseide;
- the continuation of the investments in the Fondo Ca' Tron /HCampus, for the completion of the development of the new structures in the "HCampus" real estate complex, for an equity investment of € 8.4 million into the fund.

It is also worth mentioning the inauguration, on September 7th, of "HCampus", an initiative in the "education" sector promoted by a real estate fund, which sees Cattolica listed with a target commitment of 60% (now 61.65%) together with Cassa Depositi e Prestiti (40%).

For details of the Group's acquisitions and real estate transactions that took place in the first half of 2020, reference should be made to the Consolidated Interim Report 2020.

Securities investments

During the third quarter of the year, the diversification of the portfolio continued through market and forward sales of domestic government bonds, which were replaced by European government bonds, mainly of German, French and supranational institutions. Purchases on this component focused on the short section of the curve, maturities of less than two years, and on the long and extra-long section, maturities from ten years ahead.

With regard to the corporate component, operation continued to reduce exposure to issuers more sensitive to the new macroeconomic scenario and the current pandemic, in favour of investments in issuers less exposed to the cyclical nature of the market. In terms of ratings, "Investment Grade" issues were preferred against sales of securities with lower credit ratings. In general, the credit market continued to benefit from the support of central banks that, thanks to market purchases, further compressed credit spreads, reducing returns on second and third quarter lows.

In the third quarter, operations in relation to the share segment focused on gains from certain European and American positions purchased for tactical purposes. Securities from the so-called defensive sectors have been purchased and geographical diversification has been increased.

The management of alternative investments in the portfolio also continued. Investments are especially concentrated in Europe, in this way contributing to the strategy of overall diversification of the portfolio and of keeping adequate profitability levels. During the quarter there were calls on funds on which a commitment had previously been left. These refer to private debt, private equity and infrastructure funds.

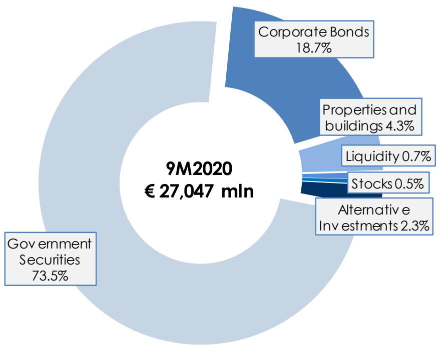
The property component rose marginally during the quarter through the subscription of new commitments and simultaneous capital recalls of several funds already in the portfolio. These funds operate both on Italian territory and at a continental level.

The portfolio is denominated principally in Euro, with marginal exposures in US dollars and GBP. Issuers place products primarily in Europe, and to a lesser extent in the United States. However, many companies presented spheres of operations highly diversified in geographic terms, for the purpose of reducing recession risks as far as possible.

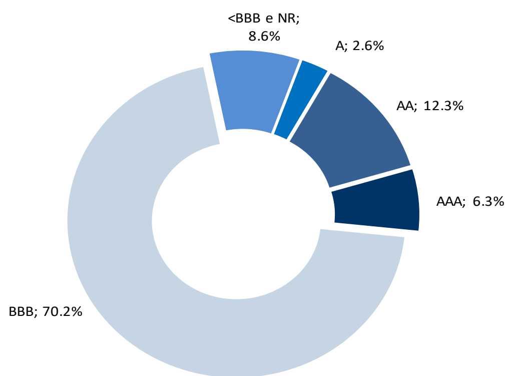
For details of the securities investment activity in the first half of the year, reference should be made to the Consolidated Interim Report 2020.

With reference to the volumes managed as at September 30th, 2020 (excluding the equity investments and contributions of foreign companies), the following details are pointed out.

Asset allocation



Bond rating breakdown



Financial operations

Financial operations closed with a result, gross of tax effects, amounting to € 374 million (-11.8%), after gross impairment losses of € 45 million.

With reference to net income from other financial instruments and investment property, this aggregate was characterised by the decrease in net income from interest and other net proceeds, which fell to € 377 million (-6.5%), by net profits realised of € 90 million (+30.7%) and net impairment losses on financial assets of € 41 million compared to € 20 million as at September 30th, 2019, as well as net losses from investments in associated companies of € 13 million compared to € 4 million as at September 30th, 2019.

PERFORMANCE IN THE THIRD QUARTER

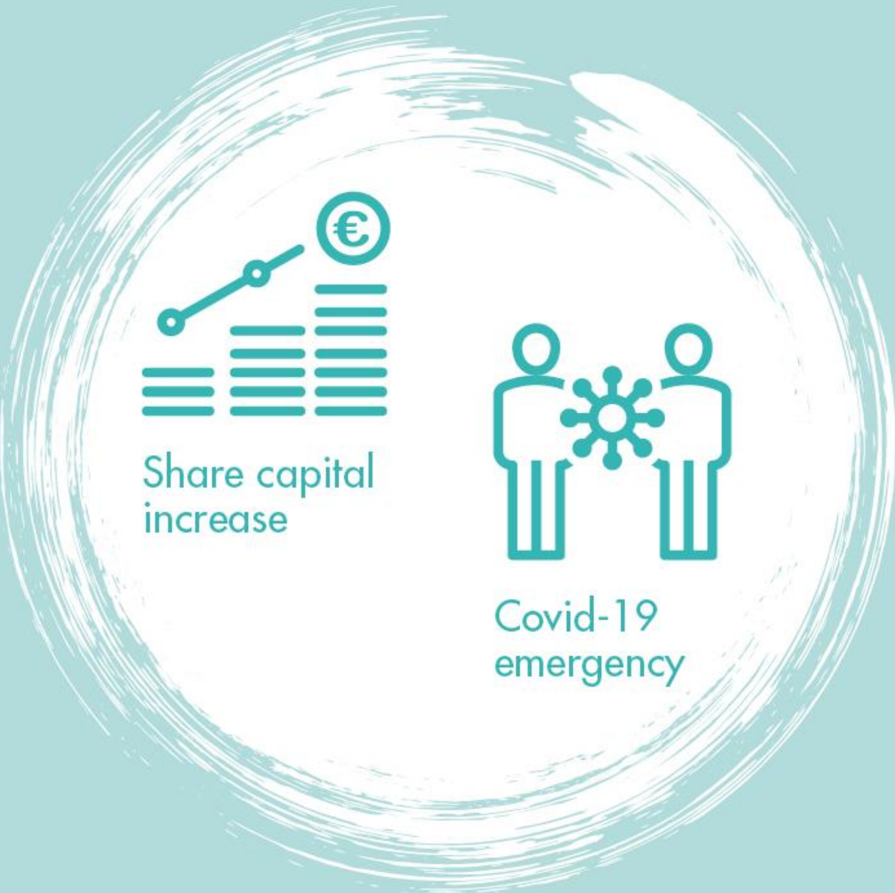
The Group's result as at September 30th benefited from a profit of € 32 million in the third quarter, while the consolidated result benefited from the positive third quarter result of € 44 million.

UNREALISED CAPITAL GAINS AND LOSSES

At the end of the third quarter, unrealised capital gains net of tax effects were recorded on held to maturity investments for € 17 million, along with unrealised capital gains net of tax effects on loans and receivables for € 133 million, relating to bonds and other fixed-income securities.

The overall fair value of the held to maturity investments and loans and receivables as at September 30th amounted to € 1,648 million.

Net of the tax effects on properties and on investment property, unrealised capital gains - on the basis of estimates made by appointed outside experts - totalled € 155 million. The overall fair value of property and investment property came to € 1,308 million.


Share capital
increase
Covid-19
emergency

INTERIM MANAGEMENT REPORT

The Group in the first nine months of 2020

Business performance for the period

Significant events and other information

SIGNIFICANT EVENTS AND OTHER INFORMATION

SIGNIFICANT TRANSACTIONS CARRIED OUT DURING THE PERIOD

The significant events that occurred during the first nine months of the year as part of managing the investments in Group companies and the consequent rationalisation of activities are set out below, in addition to other significant events during the period.

You are hereby reminded that the Parent Company's Board of Directors resolved to comply, with effect as from December 13th, 2012, with the opt-out regime as per Arts. 70, paragraph 8 and 71, paragraph 1 bis, of the Issuers' Regulation, therefore availing itself of the faculty to depart from the obligations to publish the disclosure documents laid down at the time of significant merger, spin-off, share capital increase via conferral of assets in kind transactions, acquisitions and transfers.

Cattolica and the Group

On January 16th, Cattolica's Board of Directors approved the organisational change at the senior management level of the Parent Company, which became appropriate following the assignment to Carlo Ferraresi, Cattolica's General Manager, of the powers already delegated of Managing Director. An Insurance Division Joint General Directorate has been established to report to Carlo Ferraresi and under the responsibility of Valter Trevisani, appointed Insurance Division Joint General Manager.

On the same date, Cattolica's Board of Directors resolved, accepting the request of several shareholders, received on December 18th, 2019, to convene the Extraordinary Shareholders' Meeting of Cattolica Assicurazioni for March 6th, 2020, in first call, and the following day, March 7th, 2020, in second call, according to the agenda proposed by the same shareholders, requesting: "New corporate governance rules: amendments, deletion and additions to Articles 1, 22, 23, 24, 27, 29, 30, 31, 32, 33, 37, 38, 39, 40, 41, 43, 46, 47, 48, 59 of the Articles of Association. Inherent and consequent resolutions".

On February 6th, the Board of Directors of the Parent Company approved the Cattolica Group's 2020-22 Rolling Plan and also took note of the initial results in relation to economic performance for 2019. The Board noted and approved new projections for 2020, slightly lower than those previously communicated to the financial markets during the presentation of the 2018-20 Business Plan: the expected Operating Result will be in a range between € 350 and € 375 million compared to the range previously communicated (€ 375 - 400 million), with a deviation of -6% between the two average values.

On February 20th, the Parent Company completed the purchase of 40% of ABC Assicura S.p.A. from Banca Popolare di Vicenza in compulsory administrative liquidation. Following the acquisition, Cattolica holds 100% of the share capital of ABC Assicura. The transaction was part of the wider context of rationalisation and simplification of the Cattolica Group and did not have a significant impact on the solvency position of the Cattolica Group.

On February 25th, the Board of Directors, having assessed the situation that had arisen as a result of the Covid-19 epidemiological emergency, decided, due to the objective circumstance that had arisen, to revoke the call of the Extraordinary Shareholders' Meeting scheduled for March 6th/7th, 2020 and postponed the meeting to April 24th/25th, 2020, at the same time as the scheduled Shareholders' Meeting for approval of the financial statements.

On March 10th, the Board of Directors defined, based on the relevant opinion and the findings of the Remuneration Committee, in line with planned and current remuneration policies and taking into account the provisions of laws and regulations, the amount due to the former Managing Director following the revocation of his powers on October 31st, 2019.

The Board of Directors of Cattolica of April 7th, accepted the resignation of Enrico Mattioli, Deputy General Manager and CFO of the Group up to April 30th, 2020, appointing, as from May 1st, Atanasio Pantarrotas as the new CFO of the Group, assigning him all the powers provided for in the role. On April 30th, Mr Pantarrotas was also appointed as Manager in charge of preparing the Company's financial reports.

On May 15th, Cattolica's Board of Directors resolved to call the Extraordinary and Ordinary Shareholders' Meeting for June 26th and 27th, 2020, on first and second call respectively.

In the Extraordinary session, the proposed amendments involved various articles concerning the composition and functioning of the Board of Directors and incorporated a number of indications from the Shareholders Francesco Brioschi, Massimiliano Cagliero, Giuseppe Lovati Cottini, Credit Network & Finance S.p.A. and SH64 S.r.l., who, on December 18th, 2019, had requested the convening of the Extraordinary Shareholders' Meeting with a proposal for various amendments to the Articles of Association on the agenda: this Extraordinary Shareholders' Meeting, first called for March 6th/7th, 2020, was then postponed due to the Covid-19 emergency.

It was also proposed to the Shareholders' Meeting to grant the Board of Directors the power, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital against payment, in one or more tranches, by June 30th, 2025, for a maximum total amount of € 500 million, including any share premium.

In compliance with the recommendations of the Supervisory Bodies in the context generated by the pandemic, the Board of Directors of the Parent Company proposed not to distribute dividends, with the 2019 result allocated to reserves.

On June 27th, Cattolica Assicurazioni's Extraordinary and Ordinary Shareholders' Meeting was held, which approved all the items on the agenda, including the delegation of powers to the Board of Directors for the capital increase.

In particular, the Shareholders' Meeting resolved to appoint PriceWaterHouseCoopers S.p.A. for the nine-year period 2021 - 2029 to audit the accounts and, in accordance with ISVAP regulation No. 38 dated July 3rd, 2018, the Shareholders' Meeting approved the Remuneration Policies for the year 2020 with reference to the Group and Cattolica relating to the directors and officers, the key personnel and other parties contemplated as recipients of general principles by said Regulation.

The Board of Directors' meeting of May 15th confirmed the forecasts for the closing of the operating result between € 350 and € 375 million, provided by the Board of Directors on February 6th, taking into account a number of potential risks that would lead to a reduction in this result should they materialise (significant claims emerging, growth in the frequency of claims, etc.).

On May 27th, Cattolica received a letter from IVASS regarding the performance of the solvency situation of the Cattolica Group. In particular, the Supervisory Body noted the need for capitalisation interventions through the full use of the proxy proposed to the Extraordinary Shareholders' Meeting called for June 26th/27th, 2020, equal to a capital increase of € 500 million to be carried out by the beginning of the autumn. In this context, by the end of July, it was also requested that a plan be submitted to the Institute at Group level describing the actions taken with reference to the subsidiaries, particularly with regard to the monitoring of solvency and liquidity positions, as well as an analysis of the choice of Risk Appetite Framework limits and a number of additions and extensions to the analyses and measures of the so-called "Reinforced Emergency Plan". Finally, IVASS has requested the suspension of the payment of the variable component of remuneration to company representatives.

The IVASS note was promptly submitted for examination to the Board of Directors on May 31st, which took note of the indications, giving the management a mandate to prepare a plan within the required time frame, in order to strengthen the Group's solvency.

On July 24th, 2020, the Company responded to the above-mentioned letter of May 27th, 2020, by providing a response to IVASS to the various requests made by the Institution and, in particular, describing the initiatives put in place, aimed both at strengthening the capital position of the Group and the individual subsidiaries and updating the Reinforced Emergency Plan.

The Board of Directors also noted that, on the evening of May 29th, Alberto Minali resigned as a member of the Board of Directors of the Parent Company and immediately afterwards, through his lawyers, served a summons on the Parent Company in order to obtain recognition of his financial claims following the withdrawal, in relation to the alleged lack of just cause, for a total of approximately € 9.6 million, and never previously formalised.

On June 4th, Cattolica, after having obtained the necessary authorisations from the competent authorities, finalised the acquisition of 40% of Cattolica Life from Banca Popolare di Vicenza in compulsory administrative liquidation and the simultaneous sale of 100% of the same company to the Monument Re reinsurance group. The sale of Cattolica Life is part of the wider context of rationalisation and simplification of the Cattolica Group and has no material effects on the Solvency II ratio.

On June 24th, the Parent Company and Assicurazioni Generali S.p.A. signed an agreement that provides for the launch of a strategic partnership with industrial and commercial content directed at:

(i) generating immediate direct opportunities and benefits for the two Groups in four strategic business areas: Asset management, Internet of Things, Health business and Reinsurance, with ad hoc implementation agreements;
(ii) a project to strengthen Cattolica's share capital, with the provision, as part of the share capital increase in exercise of the powers delegated to the Board of Directors submitted to the approval of the Extraordinary Shareholders' Meeting of June 26th/27th, 2020, of a tranche of share capital increase reserved for Assicurazioni Generali for € 300 million, to be resolved together with a further tranche to be offered as an option to all shareholders and which Assicurazioni Generali will have the right to subscribe pro-rata.
The commitment to the subscription of the capital increase tranche reserved for Assicurazioni Generali was subject, among other things, to the Cattolica transformation into a public limited company, which was submitted and approved by the Extraordinary Shareholders' Meeting held on July 31st, 2020.
The Agreement provides that:

- the transformation of Cattolica into a public limited company is effective as from April 1st, 2021;
- reinforced statutory rights of Assicurazioni Generali at the Shareholders' Meeting and the Board of Directors of Cattolica in relation to certain significant matters, as well as the appointment of three directors expressed by Assicurazioni Generali, are adopted in the pre-transformation phase.

In connection with the partnership with Assicurazioni Generali and depending on the path of capitalisation following the indications of the Supervisory Authority, the Board of Directors on June 29th resolved to convene the Ordinary and Extraordinary Shareholders' Meeting for July 30th and 31st, 2020, on first and second call respectively. The resolutions submitted to the Extraordinary Shareholders' Meeting concerned:

(i) the proposal for the transformation of Cattolica into a public limited company and the adoption of a completely updated text of the Articles of Association typical of this model, with the identification of the procedures for the exercise of the right of withdrawal granted to Members and Shareholders; (ii) the proposal for certain amendments to the Articles of Association relating to Cattolica's current governance, which, however, have been applied in the phase prior to the effectiveness of the pure deliberate transformation of Cattolica into a public limited company. In ordinary session, the Shareholders' Meeting was called upon to resolve, with candidatures on the basis of lists in accordance with current legislation and the Articles of Association, the appointment of a director to replace an outgoing member.

On July 17th, a group of Cattolica's shareholders, representing 0.03% of the share capital, challenged before the Court of Venice the shareholders' resolution passed on June 27th, concerning the granting of proxy to the Issuer's Board of Directors for the Capital Increase, for the purpose of declaring the resolution to be invalid, as well as ordering Cattolica to pay compensation for the damage claimed by the applicants, at the same time proposing, pursuant to Article 2378(3) of the Italian Civil Code, to suspend this resolution.
By order notified on August 24th, the judge of the Venice Business Court rejected the application for suspension of the aforementioned shareholders' resolution, referring the case back to the proceedings on the merits for the continuation and for payment of the costs of the proceedings.

On July 22nd, IVASS approved the resolutions of the Extraordinary Shareholders' Meeting of June 27th, concerning the various amendments to the Articles of Association, including, in particular, the delegation of powers to the Board of Directors to increase share capital up to € 500 million.

On July 28th, Cattolica completed the purchase of 40% of Berica Vita S.p.A. from Banca Popolare di Vicenza in compulsory administrative liquidation. Following the acquisition, Cattolica Assicurazioni holds 100% of the share capital of Berica Vita.

On July 31st, Cattolica Assicurazioni's Shareholders' Meeting was held that, in extraordinary session, approved the amendments to the Articles of Association, the transformation into a public limited company and the consequent adoption of a new text of the Articles of Association.
As regards the ordinary session, the Shareholders' Meeting approved the appointment of Carlo Ferraresi (former General Manager of the Company) as a member of the Board of Directors.

On July 31st, on a mandate from the Public Prosecutor's Office of Verona and in relation to inspections carried out by CONSOB, the Guardia di Finanza (Italian Financial Police) carried out a search and acquisition of documentation at the registered office of Verona, notifying a number of company representatives with a notice of investigation for the alleged violation of Article 2636 of the Italian Civil Code (unlawful influence over the meeting). At the same time, it was communicated to the Company, pursuant to Italian Legislative Decree No. 231

of June 8th, 2001, the notice of investigation pursuant to Article 369 of the Code of Criminal Procedure.

On August 4th, the Board of Directors unanimously resolved to appoint Carlo Ferraresi as Managing Director of Cattolica, remaining in his capacity as General Manager.
On the same date, the Board of Directors also exercised the proxy granted by the Shareholders' Meeting to increase the share capital by € 500 million, divided into two tranches, the first, amounting to € 300 million, reserved for Assicurazioni Generali and the second, amounting to € 200 million, which will be offered as an option to all shareholders.
As regards the tranche allocated to Generali, the resolution is consistent with the provisions of the Framework Agreement dated June 24th.

On September 9th, IVASS approved amendments to the Articles of Association approved by the Shareholders' Meeting on July 31st and the Articles of Association of the Public Limited Company, which will come into force on April 1st, 2021. The transformation resolution has been registered with the competent Company Register on the same date and, from this period, the possibility of exercising the related right of withdrawal, as described below, has expired.

Recapitalisations

In April, the Parent Company resolved to subscribe to a capital increase of € 15 million in favour of CattRE for financing the business growth plan while ensuring a high rating for the company through a high solvency position.

In May, the Parent Company resolved to make a capital contribution of € 8 million to Cattolica Beni Immobili, to be made in several tranches during the year:

- 6 million by May 31st and
- 2 million by November 30th, 2020;

to provide the company with the necessary financial resources to carry out the investments planned for 2020 and to cover the cash requirements for ordinary operations, in line with the Parent Company's general Rolling Plan.

In June, the Parent Company made a capital contribution of € 2 million to ABC Assicura to strengthen the company's solvency position.

On June 22nd, in execution of the capital-strengthening plan approved by BCC Vita S.p.A., including through adequate recapitalisation for a total of € 50 million, the Parent Company made a capital contribution of € 35 million to the subsidiary (€ 15 million was paid by ICCREA). Starting from July, the second tranche of strengthening of the company's capital position of € 50 million took place, to be carried out for € 25 million (of which € 17.5 million held by Cattolica) by means of a capital contribution and for € 25 million (of which € 17.5 million held by Cattolica) by means of a bond loan with the characteristics to be recorded in Tier 2 of the Solvency II Own Funds, issued on August 5th.

With regard to Vera Vita, the Parent Company (jointly with Banco BPM, a shareholder of Vera Vita), approved the execution of a capital strengthening of € 150 million, of which € 50 million by means of a capital contribution made in July (of which € 32.5 million by the Parent Company Cattolica). In addition, Vera Vita benefited from a loan of € 100 million with the characteristics of being recognised in Tier 2 of the Solvency II Own Funds, which was subscribed in two tranches of € 50 million each; in particular, the first tranche was subscribed in July (with € 32.5 million held by the Parent Company) and the second in October (with € 32.5 million held by the Parent Company).

Other events

In February, Cattolica increased the equity investment held in UBI S.p.A. from the previous 0.50% (long held) to 1.01%, thus exceeding the 1% threshold envisaged by the Agreement for the appointment of a member of the aforementioned Reference Shareholders' Committee (CAR).
On February 26th, the Parent Company announced that it had received acceptance from the CAR Committee, the UBI's Reference Shareholders' Committee, regarding its participation in the Shareholders' Consultation Agreement concerning shares of UBI Banca S.p.A.
On June 5th, with regard to the expiry of the life bancassurance agreements with UBI Banca, Cattolica Assicurazioni agreed to postpone the expiry of the distribution agreements in place until June 30th, 2021. The deadline for the possible communication by one of the parties of the termination of the agreements (which, in the absence of termination, would be renewed under the conditions currently established) is also postponed, with a consequent postponement of the deadline for the communication of the possible exercise of the optional mechanisms associated with this event.
On July 13th, Cattolica Assicurazioni's Board of Directors, considering its interest in light of the supervisory authorisations obtained by the offerer, the issuer's press release and the market trend, unanimously resolved Cattolica's acceptance of the public exchange offer launched by Banca Intesa San Paolo on UBI Banca S.p.A.

shares, both pursuant to and for the purposes of Article 123 of the Consolidated Law on Finance.

Italian Revenue Agency

During the month of February, an audit was initiated at the Parent Company by the Veneto Regional Directorate of the Italian Revenue Agency, the Large Taxpayers Office, limited to certain specific items relating to the financial years 2015, 2016, 2017 and 2018. The audit falls within the annual plan for the inspection of large taxpayers.

On October 5th, 2020, at the end of the control operations, the report on the findings process was communicated and, therefore, the related events are not, at present, the subject of notices of assessment or litigation.

Supervisory Authority

On December 18th, 2019, IVASS and CONSOB launched independent inspection activities with regard to Cattolica.

The checks conducted by IVASS are aimed at verifying the governance structure, with particular regard to the correct functioning of the monistic system, also in relation to the main issues for the attention of corporate bodies and the verification of the Group's real estate risks.

The activities carried out by CONSOB concerned the acquisition of documentation in relation to: the information provided to the market on the occasion of the publication of the Press Release concerning the revocation of the powers of the Managing Director by the Board of Directors; the functioning of the corporate bodies, also with regard to the procedures for calling and recording minutes of Board meetings; the procedures for holding the Shareholders' Meeting of April 13th, 2019, with specific regard to the mechanism for collecting voting proxies; the investment policy adopted and the consequent assessment methods used with regard to certain financial instruments held.

In both cases, the checks are still ongoing.

RISK MANAGEMENT

For further information on the Group's Risk Management System and the related Management Procedures, reference should be made to the information provided in detail in the Consolidated Interim Report 2020.

TRANSACTIONS WITH RELATED PARTIES

Pursuant to CONSOB Regulation No. 17221 of March 12th, 2010, and subsequent amendments and additions, as from January 1st, 2011 the "Procedure for the management of transactions with related parties" approved by the Board of Directors and last updated by resolution dated December 19th, 2019, applies to the situations envisaged by regulations.

The document relating to this procedure - which should be referred to for details - is published on the website of the Parent Company at www.cattolica.it in the "Governance" section.

With reference to disclosure on transactions with related parties, please see Part D - Other information in the notes to the accounts.

RATIOS PER SHARE

A summary of the main ratios per share is presented below as at September 30th:

Table 12 - Ratios per share

(amounts in €)	September 30th, 2020	September 30th, 2019
Number of outstanding shares (*)	167,085,687	167,257,019
Premiums written per share (insurance premiums and investment contracts)	24.68	29.81
Group profit per share	0.25	0.50
Group shareholders' equity per share	11.59	11.58

(*) The number of shares in circulation is calculated in pursuance of IAS 33

SIGNIFICANT EVENTS AFTER THE END OF THE THIRD QUARTER

On October 5th and 6th, 2020, the Implementing Agreements were signed, as provided for in the Framework Agreement between Cattolica and Generali of June 24th, 2020, concerning the industrial and commercial synergies between the relevant groups, and a further condition precedent envisaged by the execution of the Framework Agreement has thus occurred.

On October 23rd, 2020, Assicurazioni Generali subscribed the capital increase reserved for Cattolica Assicurazioni for a total amount of € 300 million, approved by Cattolica Assicurazioni's Board of Directors on August 4th, 2020, in exercise of the proxy granted following the shareholders' meeting resolution dated June 27th, 2020. As a result of this transaction, Generali holds an equity investment equal to 24.46% (calculated by dividing its own shares) in the share capital of Cattolica. The share capital increase reserved for Generali led to the issue of 54,054,054 Cattolica shares at an issue price per share of € 5.55, of which € 2.55 by way of share premium, for a nominal share capital increase of € 162,162,162.00.

On the same date, Cattolica's Board of Directors, following the resignation of the Directors Pierantonio Riello (effective September 28th, 2020), Chiara de' Stefani (effective October 20th, 2020) and Carlo Napoleoni (effective October 20th, 2020), co-opted Stefano Gentili, Roberto Lancellotti and Elena Vasco as Directors, and appointed also Stefano Gentili as Chairman of the Corporate Governance, Sustainability and Value Generation Committee and Roberto Lancellotti as Chairman of the Remuneration Committee.

In addition, again following the aforementioned resignation of directors, the composition of the Appointments Committee was supplemented with the appointment of Director Anna Strazzera as a member as was the composition of the Remuneration Committee with the appointment of a new member in the person of Director Eugenio Vanda.

Also on October 23rd, following the outcome of the checks on the withdrawal declarations received (the right of withdrawal was exercised for 20,621,205 ordinary Cattolica shares, for a total value of € 112,797,991.35 calculated at the liquidation value of € 5.47 per share), the shares subject to withdrawal were offered as options, pursuant to Article 2437-quater of the Italian Civil Code, to all Cattolica shareholders holding Cattolica shares for which the right of withdrawal has not been exercised. The option offer was filed with the Verona Companies' Register at the offer price of € 5.470 for each share purchased at an option ratio of 18 Shares for every 175 rights. The offer period shall run from October 27th, 2020, until November 26th, 2020, inclusive.

On October 26th, 2020, Standard & Poor's confirmed Cattolica's rating at BBB, adjusting the outlook, in accordance with the Agency's criteria, to that of the sovereign debt of the Italian Republic, which on October 23rd, 2020, was revised from negative to stable.

The Agency has also raised the rating from BB to BB+ for both listed bond issues issued by the Cattolica Group, as the strengthening of the Group's Solvency II ratio and the capital increase reserved for Generali have significantly reduced the risk of coupon deferral.
Cattolica's stand-alone credit profile (SACP) is confirmed at bbb+, slightly higher than the BBB financial strength rating. Although the capital increase has strengthened Cattolica's financial risk profile, which is now assessed by Standard and Poor's as "satisfactory", the agency maintains its rating unchanged, especially in view of the worsening economic uncertainties and the market in general.

On October 29th, 2020, Cattolica concluded the sale of shares in Ima Servizi to the subsidiaries BCC Assicurazioni, Vera Assicurazioni and TUA Assicurazioni: each company purchased 1% from the transferor for a single transfer consideration of € 16,583.30.
As a result of these transfers, our Group's interests in IMA Servizi are as follows:

- Cattolica 6%
- Cattolica Services 1%
- Tua Ass.ni 1%
- Vera Ass.ni 1%
- BCC Ass.ni 1%.

OUTLOOK FOR BUSINESS ACTIVITIES

In light of the solid performance of the operating result, Cattolica's Board of Directors confirms the guidance indicated on February 6th, 2020, and subsequently confirmed the results for the first and second quarters. Therefore, the operating profit forecast for the current year is between € 350 and € 375 million.
However, it is worth mentioning a number of potential risks, including the significant emergence of claims linked to Covid-19, which we are not aware of at this point, including a sharp increase in Life claims (which have not yet occurred) or a particularly negative trend in claims in the last part of the year.
The net profit at the end of 2020 will also depend on other factors that cannot be weighted to date.

THE BOARD OF DIRECTORS

Verona, November 10th, 2020

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Total assets

36,172 € MLN

Total shareholders' equity

2,392 € MLN

CONSOLIDATED FINANCIAL STATEMENTS

E-MARKET SDIR CERTIFIED

STATEMENT OF FINANCIAL POSITION

ASSETS

Company: CATTOLICA ASSICURAZIONI GROUP

(€ millions)		September 30th, 2020	December 31st, 2019
1	**INTANGIBLE ASSETS**	**777**	**881**
1.1	Goodwill	488	548
1.2	Other intangible assets	289	333
2	**TANGIBLE ASSETS**	**231**	**238**
2.1	Property	205	211
2.2	Other tangible assets	26	27
3	**TECHNICAL PROVISIONS - REINSURANCE AMOUNT**	**635**	**619**
4	**INVESTMENTS**	**31,843**	**32,723**
4.1	Investment Property	879	851
4.2	Investments in subsidiaries, associated companies and joint ventures	168	160
4.3	Held to maturity investments	202	212
4.4	Loans and receivables	1,229	1,072
4.5	Available for sale financial assets	23,827	23,823
4.6	Financial assets at fair value through profit or loss	5,538	6,605
5	**SUNDRY RECEIVABLES**	**580**	**688**
5.1	Receivables deriving from direct insurance transactions	352	461
5.2	Receivables deriving from reinsurance transactions	84	107
5.3	Other receivables	144	120
6	**OTHER ASSET ITEMS**	**1,517**	**1,724**
6.1	Non-current assets or disposal group held for sale	0	197
6.2	Deferred acquisition costs	16	19
6.3	Deferred tax assets	768	688
6.4	Current tax assets	491	592
6.5	Other assets	242	228
7	**CASH AND CASH EQUIVALENTS**	**589**	**468**
	TOTAL ASSETS	**36,172**	**37,341**

SHAREHOLDERS’ EQUITY AND LIABILITIES

Company: CATTOLICA ASSICURAZIONI GROUP

(€ millions)		September 30th, 2020	December 31st, 2019
1	**SHAREHOLDERS' EQUITY**	**2,392**	**2,351**
1.1	**pertaining to the Group**	**1,937**	**1,894**
1.1.1	Share capital	523	523
1.1.2	Other equity instruments	0	0
1.1.3	Capital reserves	712	712
1.1.4	Revenue reserves and other equity reserves	657	560
1.1.5	(Own shares)	-51	-50
1.1.6	Reserve for net exchange differences	0	0
1.1.7	Gains or losses on available for sale financial assets	60	78
1.1.8	Other gains or losses recognised directly in equity	-6	-4
1.1.9	Profit (loss) for the period pertaining to the Group	42	75
1.2	**pertaining to minority interests**	**455**	**457**
1.2.1	Capital and reserves pertaining to minority interests	416	419
1.2.2	Profits or losses recognised directly in equity	9	10
1.2.3	Profit (loss) for the period pertaining to minority interests	30	28
2	**PROVISIONS AND ALLOWANCES**	**55**	**62**
3	**TECHNICAL PROVISIONS**	**30,578**	**30,892**
4	**FINANCIAL LIABILITIES**	**1,571**	**2,345**
4.1	Financial liabilities at fair value through profit or loss	666	1,494
4.2	Other financial liabilities	905	851
5	**PAYABLES**	**413**	**410**
5.1	Payables deriving from direct insurance transactions	132	134
5.2	Payables deriving from reinsurance transactions	53	28
5.3	Other payables	228	248
6	**OTHER LIABILITY ITEMS**	**1,163**	**1,281**
6.1	Liabilities of disposal group held for sale	0	194
6.2	Deferred tax liabilities	762	671
6.3	Current tax liabilities	181	264
6.4	Other liabilities	220	152
	TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	**36,172**	**37,341**

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INCOME STATEMENT

Company: CATTOLICA ASSICURAZIONI GROUP

(€ millions)		September 30th, 2020	September 30th, 2019
1.1	Net premiums	3,957	4,744
1.1.1	*Gross premiums written*	4,151	4,965
1.1.2	*Ceded premiums*	-194	-221
1.2	Commissions income	2	5
1.3	Income and charges from financial instruments at fair value through profit or loss	-88	296
1.4	Income from investments in subsidiaries, associated companies and joint ventures	4	4
1.5	Income from other financial instruments and investment property	652	637
1.5.1	*Interest income*	415	449
1.5.2	*Other income*	66	78
1.5.3	*Realised gains*	171	110
1.5.4	*Valuation gains*	0	0
1.6	Other revenues	94	98
1	**TOTAL REVENUES AND INCOME**	**4,621**	**5,784**
2.1	Net charges relating to claims	-3,315	-4,595
2.1.1	*Amounts paid and change in technical provisions*	-3,443	-4,748
2.1.2	*Reinsurance amount*	128	153
2.2	Commissions expense	-3	-4
2.3	Charges from investments in subsidiaries, associated companies and joint ventures	-17	0
2.4	Charges from other financial instruments and investment property	-226	-185
2.4.1	*Interest expense*	-101	-119
2.4.2	*Other charges*	-3	-5
2.4.3	*Realised losses*	-81	-41
2.4.4	*Valuation losses*	-41	-20
2.5	Operating expenses	-565	-603
2.5.1	*Commission and other acquisition costs*	-376	-407
2.5.2	*Operating expenses relating to investments*	-39	-37
2.5.3	*Other administrative expenses*	-150	-159
2.6	Other costs	-330	-222
2	**TOTAL COSTS AND CHARGES**	**-4,456**	**-5,609**
	PROFIT (LOSS) FOR THE PERIOD BEFORE TAXATION	**165**	**175**
3	Taxation	-93	-67
	PROFIT (LOSS) FOR THE PERIOD NET OF TAXATION	**72**	**108**
4	**PROFIT (LOSS) FROM DISCONTINUED OPERATIONS**	**0**	**0**
	CONSOLIDATED PROFIT (LOSS)	**72**	**108**
	pertaining to the Group	**42**	**84**
	pertaining to minority interests	**30**	**24**

STATEMENT OF COMPREHENSIVE INCOME

Company: CATTOLICA ASSICURAZIONI GROUP

(€ millions)	September 30th, 2020	September 30th, 2019
CONSOLIDATED PROFIT (LOSS)	**72**	**108**
Other income components net of income taxes without reclassification in the income statement	**0**	**0**
Change in the shareholders' equity of investee companies	0	0
Change in intangible assets revaluation reserve	0	0
Change in tangible assets revaluation reserve	0	0
Income and charges relating to non-current assets or disposal group held for sale	0	0
Actuarial gains and losses and adjustments related to defined-benefit plans	0	0
Other items	0	0
Other income components net of income taxes with reclassification in the income statement	**-21**	**161**
Change in reserve for net exchange differences	0	0
Gains or losses on available for sale financial assets	-19	166
Profits or losses on cash flow hedging instruments	0	0
Profits or losses on instruments hedging a net investment in foreign operations	0	0
Change in the shareholders' equity of investee companies	-2	-5
Income and charges relating to non-current assets or disposal group held for sale	0	0
Other items	0	0
TOTAL OF THE OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME	**-21**	**161**
TOTAL OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**51**	**269**
pertaining to the Group	**22**	**226**
pertaining to minority interests	**29**	**43**

The undersigned declare that this statement is true and consistent with the underlying accounting records.

The legal representatives of the company (*)

The Managing Director CARLO FERRARESI ______________________ (**)

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(*) For foreign companies, the signature must be that of the general representative for Italy.

(**) Indicate the office covered by the signee.

CASH FLOW STATEMENT

Company: CATTOLICA ASSICURAZIONI GROUP

(€ millions)	September 30th, 2020	September 30th, 2019
Profit (loss) for the period before taxation	**165**	**175**
Changes in non-monetary items	**-303**	**390**
Change in non-life premium provision	-60	-27
Change in provision for outstanding claims and other non-life technical provisions	-84	13
Change in mathematical provisions and other life technical provisions	-548	353
Change in deferred acquisition costs	1	3
Change in provisions and allowances	-7	-2
Non-monetary income and charges from financial instruments, investment property and equity investments	250	-13
Other changes	145	63
Change in receivables and payables generated by operating activities	**158**	**180**
Change in receivables and payables deriving from direct insurance and reinsurance transactions	147	73
Change in other receivables/payables, other assets/liabilities	11	107
Taxes paid	**-59**	**-93**
Net liquidity generated/absorbed by monetary items pertaining to investments and financing activities	**-826**	**-232**
Liabilities from financial contracts issued by insurance companies	-826	-232
Payables due to banking and interbank customers	0	0
Loans and receivables due from banking and interbank customers	0	0
Other financial instruments at fair value through profit or loss	0	0
TOTAL NET LIQUIDITY DERIVING FROM OPERATING ACTIVITIES	**-865**	**420**
Net liquidity generated/absorbed by investment property	-47	-77
Net liquidity generated/absorbed by investments in subsidiaries, associated companies and joint ventures	-25	-6
Net liquidity generated/absorbed by loans and receivables	-158	-306
Net liquidity generated/absorbed by held to maturity investments	9	14
Net liquidity generated/absorbed by available for sale financial assets	185	1,064
Net liquidity generated/absorbed by tangible and intangible assets	-30	-33
Other net liquidity flows generated/absorbed by investment activities	1,022	-630
TOTAL NET LIQUIDITY DERIVING FROM INVESTMENT ACTIVITIES	**956**	**26**
Net liquidity generated/absorbed by capital instruments pertaining to the Group	-23	-42
Net liquidity generated/absorbed by own shares	-1	0
Distribution of dividends pertaining to the Group	0	-70
Net liquidity generated/absorbed by capital and reserves pertaining to minority interests	16	-18
Net liquidity generated/absorbed by subordinated liabilities and by participative financial instruments	25	0
Net liquidity generated/absorbed by sundry financial liabilities	13	18
TOTAL NET LIQUIDITY DERIVING FROM FINANCING ACTIVITIES	**30**	**-112**
Effect of the exchange differences on cash and cash equivalents	**0**	**0**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	468	406
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	121	334
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	589	740

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Company: CATTOLICA ASSICURAZIONI GROUP

(€ millions)		Balance as of December 31st, 2018	Change in closing balances	Charges	Adjustments from reclassification to income statement	Transfers	Changes in investment holdings	Balance as at September 30th, 2019
	Share capital	523	0	0		0		523
	Other equity instruments	0	0	0		0		0
Shareholders' equity	Capital reserves	739	0	-27		0		712
pertaining to	Revenue reserves and other equity reserves	496	0	136		-70	-2	560
the Group	(Own shares)	-50	0	0		0		-50
	Profit (loss) for the period	107	0	-23		0		84
	Other components of the statement of comprehensive income	-35	0	129	13	0	0	107
	Total pertaining to the Group	**1,780**	**0**	**215**	**13**	**-70**	**-2**	**1,936**
Shareholders' equity	Capital and reserves pertaining to minority interests	446	0	32		-19	-40	419
pertaining to	Profit (loss) for the period	30	0	-6		0		24
minority interests	Other components of the statement of comprehensive income	0	0	16	3	0	0	19
	Total pertaining to minority interests	**476**	**0**	**42**	**3**	**-19**	**-40**	**462**
TOTAL		**2,256**	**0**	**257**	**16**	**-89**	**-42**	**2,398**

(€ millions)		Balance as at December 31st, 2019	Change in closing balances	Charges	Adjustments from reclassification to income statement	Transfers	Changes in investment holdings	Balance as at September 30th, 2020
	Share capital	523	0	0		0		523
	Other equity instruments	0	0	0		0		0
Shareholders' equity	Capital reserves	712	0	0		0		712
pertaining to	Revenue reserves and other equity reserves	560	0	78		0	19	657
the Group	(Own shares)	-50	0	0		-1		-51
	Profit (loss) for the period	75	0	-33		0		42
	Other components of the statement of comprehensive income	73	0	59	-78	0	0	54
	Total pertaining to the Group	**1,894**	**0**	**104**	**-78**	**-1**	**19**	**1,937**
Shareholders' equity	Capital and reserves pertaining to minority interests	419	0	64		-24	-43	416
pertaining to	Profit (loss) for the period	28	0	2		0		30
minority interests	Other components of the statement of comprehensive income	11	0	28	-30	0	0	9
	Total pertaining to minority interests	**457**	**0**	**94**	**-30**	**-24**	**-43**	**455**
TOTAL		**2,351**	**0**	**198**	**-108**	**-25**	**-24**	**2,392**

The undersigned declare that this statement is true and consistent with the underlying accounting records.

The legal representatives of the company (*)

The Managing Director CARLO FERRARESI ______________________ (**)

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(*) For foreign companies, the signature must be that of the general representative for Italy.
(**) Indicate the office covered by the signee.

NOTES TO THE ACCOUNTS

NOTES TO THE ACCOUNTS

Part A - Basis of presentation and consolidation area

PART A
BASIS OF PRESENTATION AND CONSOLIDATION AREA

Applicable legislation

The consolidated interim report as at September 30th, 2020, comprising the interim management report and the condensed consolidated financial statements has been drawn up by the Parent Company Cattolica di Assicurazione Soc. Coop. pursuant to Article 154-ter, paragraphs 2, 3, 4 of Italian Legislative Decree No. 58 dated February 24th, 1998, "Regulations concerning financial brokers" and Article 95 of Italian Legislative Decree No. 209 of September 7th, 2005, in compliance with the provisions of IAS/IFRS and SIC/IFRIC interpretations, with reference to those approved by the European Commission by September 30th, 2020.

The condensed consolidated financial statements as at September 30th comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the accounts drawn up in compliance with IAS 34.

The provisions set forth by CONSOB Regulation No. 11971 dated May 14th, 1999, and subsequent additions and amendments, and CONSOB recommendations, have also been followed.

Recommendations contained in the joint Bank of Italy/CONSOB/IVASS Documents regarding the application of the IAS/IFRS and the CONSOB communications regarding the areas deemed to be of greatest relevance indicated by ESMA in its communication of May 20th, 2020 ("Implications of the COVID-19 outbreak on the half-yearly financial reports") were also taken into consideration.

Accounting reference date

The condensed consolidated financial statements closed as at September 30th, 2020, a date, which coincides with that of the financial statements of all companies included within the consolidation area.

The statements drawn up according to the international accounting standards (IAS/IFRS) as approved by the Boards of Directors of the respective companies who are not obliged to adopt the aforementioned international accounting standards for the purpose of drawing up the report as at September 30th, have been used for the preparation of the Condensed Consolidated Financial Statements as at September 30th, 2020. Vera Financial prepared its report for the first nine months of 2020 in compliance with the international accounting standards. The statements drawn up by the management companies have been used for the funds.

CONSOLIDATION METHODS

a) Line-by-line consolidation

Pursuant to IFRS 10, the line-by-line method was used to consolidate all subsidiaries in relation to which the Parent Company is exposed to variable returns, or holds rights on these returns, deriving from its relationship with the same, and at the same time has the ability to affect said returns by exercising its power over the subsidiaries.

When using the line-by-line consolidation method, the book value of the equity investments is eliminated against the related shareholders' equity and all the assets and liabilities of the subsidiary company, including potential liabilities, are included.

The positive difference, which is generated between the purchase cost and the fair value of the net shareholdings acquired, independently identifiable, with reference to the date of acquisition of control over the investment, is recorded under the item "Goodwill". This value is subject to an annual impairment test as governed by IAS 36.

In the periods subsequent to the acquisition of control, the difference between the book value of the investment and the portion of shareholders' equity pertaining to the

Group is recorded, for the part exceeding the above described allocation referring to the acquisition date, in the item "revenue reserves and other reserves".

The portions of shareholders' equity, inclusive of the fair value as of the date of acquisition of the equity investment, and of the net result for the period pertaining to minority interests, are recorded in specific statement of financial position liability and income statement accounts.

b) Equity method

In accordance with IAS 28, the equity method is applied to investments in associated companies and jointly controlled companies.

By means of this method, the book value of the investment is adjusted in the consolidated interim report as at September 30th, 2020, to reflect the book value of the shareholders' equity pertaining to the Group, which can be taken from the last set of financial statements of the investee company and adjusted by the sum total of the dividends distributed by said company.

If the cost is greater than the pertinent portion of shareholders' equity, the difference remaining from the recognition to amortisable/depreciable assets is identified as "goodwill" implicitly recognised in the item "Investments in subsidiaries, associated companies and joint ventures", and subject to impairment testing as governed by IAS 36.

The effects of the equity method on the Group shareholders' equity and consolidated result for the year are identical to those produced by line-by-line consolidation.

c) Companies carried at cost

The cost method is used to value investments in subsidiaries, which, due to their size, are considered not to be significant and whose exclusion from the consolidation area does not prejudice the reliability of the representation of the equity and financial standing, the economic result and the financial flows of the Group.

d) Main consolidation adjustments

The main consolidation adjustments are:

- the elimination of balances and intercompany transactions, including revenues, costs and dividends collected;
- the elimination of gains and losses deriving from intercompany transactions included in the book value of the assets and liabilities;
- the determination of the deferred taxation, in accordance with the methods envisaged by IAS 12, on the temporary differences deriving from the elimination of gains or losses originating from intercompany transactions;
- the adjustment of the effects recorded in individual financial statements, generated by extraordinary intercompany transactions.

The decreases in value emerging subsequent to intercompany transactions are maintained in the consolidated interim report as at September 30th, 2020.

CONSOLIDATION AREA

The consolidation area includes the financial statements of the Parent Company and those of the subsidiaries, in accordance with IFRS 10.

Compared to December 31st, 2019, the scope of consolidation has changed as a result of the following transactions:

- deconsolidation of Cattolica Life following the sale, on June 4th, of 100% of the same company to the Monument Re reinsurance group;
- purchase of the investment in Mediterranea Underwriting S.r.l. (MUW S.r.l.), 100% controlled by Estinvest, which established it in June. It carries out insurance and reinsurance brokerage activities, with share capital of € 60 thousand;
- purchase, through the Fondo Girolamo (wholly owned by the Group), of 100% of the units of the real estate fund called "Titan".

As at September 30th, 2020, the consolidation area comprised 11 insurance companies, one reinsurance company, two companies that carry out agricultural real estate activities, one holding company, one real estate services company, seven service companies and seven real estate property mutual funds. In addition to companies in the consolidation area, the Group includes three service companies, an insurance company, the Fondo Immobiliare Mercury, structured in three segments, the Fondo HCampus and the Fondo Mercury Nuovo Tirreno, measured at equity because they are under joint control.

Significant assumptions and assessments for establishing the consolidation area

The reason why the Cattolica Group believes it does not control the internal insurance funds (in relation to which it holds 100% of the units in circulation), the equity and real estate funds and the SPV segments held, lies in the failure to jointly observe all the conditions envisaged for control as per IFRS 10. In detail, in relation to these investments, the Cattolica Group believes that all the following conditions are not satisfied:

- exercise of power, as defined in IFRS 10, over the entity subject to investment;
- being subject in a significant manner to the variable returns of the entity subject to investment;
- being able to exercise its power over the entity subject to investment so as to affect the amount of the returns of the same.

The analysis carried out by the Cattolica Group, also by means of the aid of independent experts, particularly concerned the mutual investment funds and the notes issued by the SPVs.

These activities, having taken into account that the conditions envisaged for the control by IFRS 10 are not satisfied, are classified in the consolidated financial statements in the category "Available for sale" in item 4.5 of the statement of financial position - available for sale financial assets (AFS) and in the category "Loans and receivables" (LOANS) in item 4.4 of the statement of financial position, on a consistent basis with the characteristics and the provisions of IAS 39. The valuation of these entities recognised in the "Available for sale" category is at fair value; the amortised cost for the entities recognised under LOANS.

The following table lists the companies included in the consolidated interim report as at September 30th, 2020, on a **line-by-line basis**, in accordance with IFRS 10.

Table 13 - Consolidation area

Name	Registered offices and operating headquart	Method (1)	Activity (2)	% direct investment	% total holding (3)	% of votes available during ordinary shareholders' meetings (4)	% consolidation
Società Cattolica di Assicurazione - Soc. Coop.	086	G	1				
ABC Assicura s.p.a.	086	G	1	100.00%	100.00%		100%
BCC Assicurazioni s.p.a.	086	G	1	70.00%	70.00%		100%
BCC Vita s.p.a.	086	G	1	70.00%	70.00%		100%
Berica Vita s.p.a.	086	G	1	100.00%	100.00%		100%
Cattolica Agricola s.a.r.l.	086	G	10	100.00%	100.00%		100%
Cattolica Beni Immobili s.r.l.	086	G	10	100.00%	100.00%		100%
Cattolica Immobiliare s.p.a.	086	G	11	100.00%	100.00%		100%
Cattolica Services s.c.p.a.	086	G	11	99.96%	99.99%		100%
Fondo Euripide	086	G	10	69.33%	89.09%		100%
Fondo San Zeno (formerly MOI)	086	G	10	68.02%	89.14%		100%
Fondo Perseide	086	G	10	79.42%	94.27%		100%
Lombarda Vita s.p.a.	086	G	1	60.00%	60.00%		100%
TUA Assicurazioni s.p.a.	086	G	1	99.99%	99.99%		100%
Vera Assicurazioni s.p.a.	086	G	1	65.00%	65.00%		100%
Vera Financial d.a.c.	040	G	2		65.00%		100%
Vera Protezione s.p.a.	086	G	1		65.00%		100%
Vera Vita s.p.a.	086	G	1	65.00%	65.00%		100%
Fondo Innovazione Salute	086	G	10	66.11%	76.68%		100%
Fondo Andromaca	086	G	10	100.00%	100.00%		100%
Cattre s.a.	092	G	5	100.00%	100.00%		100%
Estinvest	086	G	9		100.00%		100%
Meteotec	086	G	11		100.00%		100%
Satec	086	G	11		100.00%		100%
Qubo Insurance Solutions	086	G	11		51.00%		100%
All Risks Solutions s.r.l.	086	G	11		100.00%		100%
Fondo Girolamo	086	G	10	91.97%	100.00%		100%
Campo dei Fiori s.r.l.	086	G	11		89.14%		100%
Mediterranea Underwriting s.r.l.	086	G	11		100.00%		100%
Fondo Titan	086	G	10		100.00%		100%

(1) Method of consolidation: Line-by-line=G, Proportional=P, Line-by-line by single HQ=U.

(2) 1=Italian insurance; 2=EU insurance; 3=non-EU insurance; 4=insurance holding company; 4.1 = mixed financial holding company; 5=EU reinsurance; 6=non-EU reinsurance; 7=banks; 8=SGR; 9=other holding; 10=real estate11=other.

(3) This is the product of the investment relationships relating to all the companies that, placed along the investment chain, may be interposed between the company that draws up the consolidated financial statements and the company in question. If the latter is directly invested in by several subsidiaries companies, it is necessary to add together the individual products.

(4) Overall percentage available of the votes at ordinary shareholders' meeting if different from direct or indirect shareholding.

With regard to the bank joint ventures, the agreements contain rights of protection of the minority interests, which cannot significantly limit Cattolica's ability to access the assets, or use them, or discharge the liabilities of the Group (IFRS 12, paragraph 13, letter b).
The Cattolica Group in fact controls all the significant activities, with the exception of the sale of the product, carried out by the banking partner.

The agreements also envisage that the Cattolica Group and the banking partners must operate in favour of the investee companies making sure that in the same the protective rights of the minorities are recognised, in particular within the sphere of extraordinary transactions and/or the undertaking of strategic policies inconsistent with the shared objectives of the partnerships.
The agreements have the purpose of protecting both parties from the risk of any conduct not consistent with the pacts.

In conclusion, these protection rights relate to qualified majorities envisaged for deeds of transfer of assets or rights in bulk, deeds of transfer of businesses or business segments, as well as equity investments, provided that the fee for the individual transaction is higher than a pre-established threshold, as well as to financial transactions of any kind when the related fee of the individual transaction is higher than pre-established thresholds of the shareholders' equity.

With regard to non-consolidated structured entities, it should be noted that they are represented for € 825 million by special purpose vehicles (SPVs) with underlying securities issued by the Italian government and swaps and for € 73 million by investment funds.

There are no circumstances, which might compromise the recovery of the initial investment for reasons not attributable to the deterioration of the credit of the issuer or the assets of the structured entity, as well as for any other financial instrument.

The companies valued using the equity or cost method follow:

1. The following companies are accounted for using the **equity method** in accordance with IAS 28:

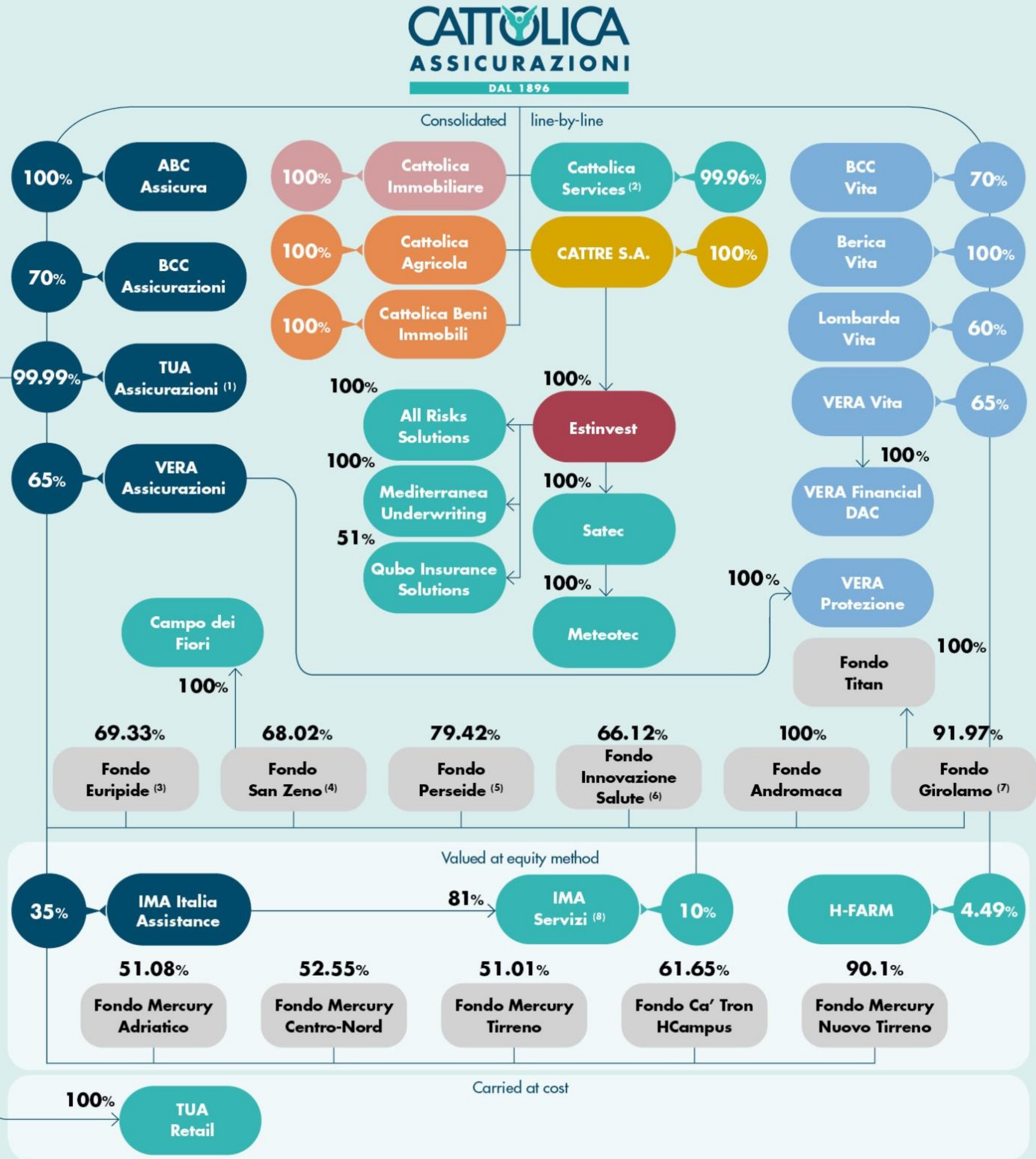
- **Multi-segment real estate investment fund** known as "**Mercury**". The Parent Company holds units equal to around 51% in each of the three segments for a total book value of € 70 million;
- **Real estate investment fund** called "**HCampus**" divided into two classes of units. The Parent Company subscribed to class A and class B units, equivalent to 61.65% for a total book value of € 27 million;
- **Real estate investment fund** called "**Mercury Nuovo Tirreno**". The Group holds 90.1% of the units with a book value of € 62 million;
- **Ima Italia Assistance S.p.A.** with registered office in Sesto San Giovanni, share capital of € 11 million, exercises non-life insurance and reinsurance activities. The Parent Company holds a direct investment of 35%;
- **Ima Servizi S.c.a.r.l.:** with its registered office in Sesto San Giovanni, share capital of € 100 thousand, exercises claims management activities for Ima Italia, which controls it with an 81% interest. The Group holds a direct equity investment of 10% while the equity interest is 38.35%.
- **H-FARM S.p.A.** with registered office in Roncade (TV), share capital of € 9 million, engaged in the field of innovation.

2. The company reported as follows is valued at cost in the consolidated interim report as at September 30th, 2020, since it is not significant and its exclusion from the scope of consolidation does not prejudice the reliability of the representation of the financial and equity standing, the economic result and the financial flows of the Group:

- **TUA Retail s.r.l.** with registered office in Milan, share capital of € 50 thousand. It is wholly owned by TUA Assicurazioni. It carries out the general agency activities of TUA Assicurazioni.

A schedule of the Group companies with indication of the consolidation method adopted is shown below.

CONSOLIDATION AREA



[1] TUA Assicurazioni wholly owns TUA Retail.

[2] 0.005% of the share capital of Cattolica Services is held individually by ABC Assicura, BCC Assicurazioni, BCC Vita, Berica Vita, Cattolica Immobiliare, Lombarda Vita. TUA Assicurazioni holds 0.01% of the share capital of Cattolica Services.

[3] The remaining 30.67% is held as follows: 16.72% by Lombarda Vita, 10.19% by VERA Vita, 1.89% by TUA Assicurazioni, 1.35% by VERA Protezione and 0.52% by VERA Assicurazioni.

[4] The remaining 31.98% is held as follows: 19.33% by BCC Vita and 12.65% by Lombarda Vita.

[5] The remaining 20.58% is held as follows: 10.86% by Lombarda Vita, 5.09% by TUA Assicurazioni and 4.63% by BCC Vita.

[6] The remaining 10.86% is held as follows: 9.86% by TUA Assicurazioni and 1% by BCC Assicurazioni.

[7] The remaining 8.03% is held by TUA Assicurazioni.

[8] Ima Servizi is 9% owned by Cattolica and 1% by Cattolica Services.

Non-life insurance | Holding | Agricultural-real estate sector | Reinsurance
Funds | Life insurance | Operating services | Real estate services

As at September 30th, 2020

NOTES TO THE ACCOUNTS

Part B - Accounting standards

PART B
ACCOUNTING STANDARDS

Format

The statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity and the statement of cash flows have been drawn up in line with the consolidated financial statement formats laid down by the instructions in ISVAP Regulation No. 7 dated July 13th, 2007.

Accounting standards

The accounting standards adopted for the preparation of the consolidated interim report as at September 30th, 2020 are consistent with the provisions of each IAS/IFRS standard and each SIC/IFRIC, taking as reference those endorsed by the European Commission.
The Group drew up the condensed consolidated financial statements as at September 30th, 2020 using the same standards adopted for the consolidated financial statements for the year ended December 31st, 2019.

Reporting currency used in the financial statements

The reporting currency for the consolidated interim report as at September 30th, 2020 is the Euro. The report has been drawn up in millions of Euro without decimals, duly rounded off as per the applicable legislation. The amounts have been rounded up or down to the closest unit. The rounded off amount of totals and subtotals in the statement of financial position and income statement is the sum of the rounded off amounts of the individual items.

Foreign currency items

In accordance with IAS 21, monetary assets and liabilities in foreign currencies, with the exception of financial instruments, are recorded using the spot exchange rate ruling as at the period end date and the related exchange gains and losses are booked to the income statement.

Section 1

Illustration of the accounting standards

The accounting standards adopted to draw up this consolidated interim report as at September 30th, 2020, except for that reported above, are compliant with those used for the consolidated financial statements as at December 31st, 2019; therefore, reference should be made to Part B of the Notes to the consolidated annual accounts for a detailed illustration of the accounting standards and the contents of the items in the accounting schedules.
The accounting standards adopted for the drafting of the consolidated interim report as at September 30th, 2020 are the same as those used to prepare the IAS/IFRS statements of the Parent Company and the other Group companies who are not obliged to adopt the aforementioned international accounting standards for the purpose of drawing up the consolidated interim report as at September 30th, 2020. Vera Financial has produced the accounting figures included in the consolidated interim report as at September 30th, 2020, in accordance with international accounting standards.
No significant consolidation adjustments were necessary in order to adapt the consolidated companies' accounting standards and principles to those of the Parent Company, with the exception of investment property held by the real estate property funds, which in their accounts value said properties at fair value and therefore, for the purpose of the consolidated interim report as at September 30th, 2020 are stated at historic cost net of the related accumulated depreciation and any impartment losses made to align the depreciated cost to fair value (if lower).
The preparation of the Group's financial statements requires the directors to make discretionary evaluations, estimates based on past experience and assumptions considered reasonable and realistic on the basis of information known at the time of the estimate. The use of these estimates influences the book value of assets and liabilities, identification of potential liabilities at the date of the financial statements, as well as the volumes of revenues and costs in the reference period. The assumptions made are deemed appropriate for the preparation of the condensed consolidated financial statements as at September 30th, 2020 and, consequently, the statements have been prepared with the intention of clarity and provide a true and fair view of

the capital and business-performance status and cash flows for the half year. However, it must be noted that changes in these estimates and assumptions could have a significant effect on the capital and business-performance status if different elements of judgement intervene compared to those expressed.

In light of the effects of the pandemic, the Group has carried out an analysis of the main areas of the financial statements that involve a high degree of recourse to discretionary evaluations, assumptions, estimates and hypotheses relating to issues that are by their nature uncertain, confirming the following in the condensed consolidated financial statements as at September 30th, 2020:

- the technical provisions;
- the fair value of the assets and liabilities if not directly observable on active markets;
- the analysis for the purpose of the impairment test on intangible assets;
- the recoverable nature of the prepaid taxes;
- the defined-benefit plans;
- the provisions and allowance for risks and charges.

Going concern

In accordance with the provisions of Bank of Italy/CONSOB/ISVAP document No. 2 of February 6th, 2009, it should be noted that, despite the uncertainties in the outlook also related to the effects development of the Covid-19 pandemic, the economic expectations and the solidity of the Group's fundamentals do not generate or leave any doubt as to its ability to continue as a going concern.

Moreover, also with reference to the Solvency Position of the Group and its subsidiaries, with the positive performance of the Group's Solvency Ratio rising to 161% as at September 30th, following the subscription by Assicurazioni Generali to the reserved share capital increase of € 300 million on October 23rd, which allowed for a further increase in the solvency ratio as at October 31st, (approximately 205%), as well as the actions taken by the Board of Directors, it is believed that there are no uncertainties as to the Group's ability to continue as a going concern.

NOTES TO THE ACCOUNTS

Part C – Information on the consolidated statement of financial position and income statement

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PART C
STATEMENT OF FINANCIAL POSITION - ASSETS

The statement of financial position by sector of activities is presented below.

Table 14 - Statement of financial position by sector of activities

(€ millions)	Non-life business		Life business		Other		Eliminations between sectors		Total	
	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019
1 INTANGIBLE ASSETS	**225**	**225**	**109**	**110**	**127**	**141**	**316**	**405**	**777**	**881**
2 TANGIBLE ASSETS	**80**	**85**	**13**	**15**	**138**	**138**	**0**	**0**	**231**	**238**
3 TECHNICAL PROVISIONS - REINSURANCE AMOUNT	**607**	**557**	**139**	**142**	**0**	**0**	**-111**	**-80**	**635**	**619**
4 INVESTMENTS	**5,762**	**5,670**	**29,271**	**30,053**	**39**	**39**	**-3,229**	**-3,039**	**31,843**	**32,723**
4.1 Investment property	393	399	451	417	36	36	-1	-1	879	851
4.2 Investments in subsidiaries, associated companies and joint ventures	1,729	1,698	431	408	0	0	-1,992	-1,946	168	160
4.3 Held to maturity investments	105	106	97	106	0	0	0	0	202	212
4.4 Loans and receivables	542	499	734	569	1	1	-48	3	1,229	1,072
4.5 Available for sale financial assets	2,888	2,916	22,127	22,002	0	0	-1,188	-1,095	23,827	23,823
4.6 Financial assets at fair value through profit or loss	105	52	5,431	6,551	2	2	0	0	5,538	6,605
5 SUNDRY RECEIVABLES	**443**	**589**	**241**	**216**	**59**	**44**	**-163**	**-161**	**580**	**688**
6 OTHER ASSET ITEMS	**363**	**388**	**1,147**	**1,322**	**15**	**16**	**-8**	**-2**	**1,517**	**1,724**
6.1 Deferred acquisition costs	0	0	16	19	0	0	0	0	16	19
6.2 Other assets	363	388	1,131	1,303	15	16	-8	-2	1,501	1,705
7 CASH AND CASH EQUIVALENTS	**103**	**67**	**482**	**391**	**4**	**10**	**0**	**0**	**589**	**468**
TOTAL ASSETS	**7,583**	**7,581**	**31,402**	**32,249**	**382**	**388**	**-3,195**	**-2,877**	**36,172**	**37,341**
1 SHAREHOLDERS' EQUITY									**2,392**	**2,351**
2 PROVISIONS AND ALLOWANCES	**41**	**44**	**9**	**11**	**5**	**7**	**0**	**0**	**55**	**62**
3 TECHNICAL PROVISIONS	**3,694**	**3,787**	**27,080**	**27,276**	**0**	**0**	**-196**	**-171**	**30,578**	**30,892**
4 FINANCIAL LIABILITIES	**608**	**591**	**955**	**1,704**	**59**	**50**	**-51**	**0**	**1,571**	**2,345**
4.1 Financial liabilities at fair value through profit or loss	0	0	666	1,494	0	0	0	0	666	1,494
4.2 Other financial liabilities	608	591	289	210	59	50	-51	0	905	851
5 PAYABLES	**291**	**247**	**198**	**228**	**62**	**72**	**-138**	**-137**	**413**	**410**
6 OTHER LIABILITY ITEMS	**253**	**296**	**878**	**945**	**1**	**2**	**31**	**38**	**1,163**	**1,281**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES									**36,172**	**37,341**

1. INTANGIBLE ASSETS

Table 15 - Intangible assets

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	Changes %
Goodwill	488	548	-60	-11.1
Other intangible assets:	289	333	-44	-12.9
insurance portfolios	158	187	-29	-15.5
software	93	108	-15	-13.6
models and projects	1	2	-1	-57.6
patent rights, trademarks and similar rights	9	8	1	9.1
other	28	28	0	3.5
Total	**777**	**881**	**-104**	**-11.8**

1.1 Goodwill

Table 16 - Goodwill – changes during the period

(€ millions)	Goodwill
Gross balance as at December 31st, 2019	**571**
Accumulated amortisation	23
Net balance as at December 31st, 2019	**548**
Increases due to:	**0**
write-backs	0
Decreases due to:	**61**
write-downs	61
Gross balance as at September 30th, 2020	**511**
Accumulated amortisation	**23**
Net balance as at September 30th, 2020	**488**
of which cumulative permanent losses as at September 30th, 2020	*154*

Goodwill is recorded at the related cost net of any impairment according to IFRS 3.

The accumulated amortisation in the above table refers to amortisation prior to the application of the international accounting standards.

In order to ascertain any impairment losses, goodwill has been allocated to cash generating units (CGUs) or to groups of units in observance of the maximum aggregation restriction, which cannot exceed the individual business (non-life, life and other). Therefore, when assigning goodwill to cash generating units, the minimum level at which goodwill is monitored for internal management control purposes was considered, or rather the Cattolica Danni CGU, Cattolica Vita CGU, Vera Vita CGU (including Vera Financial), the CattRe CGU (including subsidiaries) and legal entities included within the consolidation area.

In detail, the goodwill recognised in relation to the various CGUs as at September 30th, 2020, is the following:

- € 151 million concerning the Cattolica Danni CGU, represented by the goodwill relating to the purchase transactions of Duomo Assicurazioni, Uni One Assicurazioni, FATA Assicurazioni and the partial demerger of B.P.Vi Fondi SGR, which to date have been merged into the Cattolica Danni CGU;
- € 3 million in Berica Vita, relating to the initial purchase of 50% of the company;
- € 71 million in Vera Assicurazioni, following the acquisition of 65% of the company;
- € 100 million in Vera Protezione, following the acquisition of 65% of the company;
- € 150 million in Vera Vita, following the acquisition of 65% of the company;
- € 12 million in CattRe, relating to the acquisition of the companies included in this CGU.

The recoverable value of the CGUs is defined as the fair value less cost to sell, or the value in use, whichever is higher.
It should be noted that during the preparation of the condensed interim consolidated financial statements as at June 30th, 2020, a goodwill impairment test was carried out, in consideration of the existence of certain factors deemed potentially suitable to represent indicators of the existence of impairment losses: these indicators were substantially attributable to the level of the stock market prices of Cattolica shares with a consequent capitalisation lower than the value of the Group's shareholders' equity and to the potential effects of the health emergency generated by Covid-19 on the Group's equity and solvency situation and income prospects.
For the purposes of the preparation of the condensed consolidated financial statements as at September 30th, 2020, in the absence of any different trigger events than those already noted in the preparation of the condensed interim consolidated financial statements, an analysis was carried out on the main parameters of the Impairment Test model on June 30th. This analysis highlighted the absence of any worsening deviations with respect to the assessment already carried out and approved by Cattolica's Board of Directors on September 10th, 2020. The results of the Impairment Test carried out as at June 30th, 2020 were therefore still considered valid.

With regard to the assumptions, methods and metrics used for the purposes of the impairment test pursuant to IAS 36, as well as the sensitivity analyses carried out, reference should be made to the notes to the condensed interim consolidated financial statements as at June 30th.

The impairment loss on goodwill, already recognised as at June 30th, 2020, amounting to € 61 million, was recorded as at September 30th, 2020 and attributable entirely to the Vera Vita CGU.

It should be noted that several bancassurance agreements provide for the possibility of early closing (also through call options granted to the partner), in certain cases, such as the change of control of Cattolica Assicurazioni. Such early closing would take place at a value that may not allow for the full recovery of goodwill recognised in the balance sheet. As at September 30th, this goodwill associated with bancassurance agreements amounted to € 321 million.
The subscription of the capital increase of € 300 million and the consequent acquisition of a percentage equal to 24.4% of Cattolica Assicurazioni's share capital by Assicurazioni Generali is not an element that may configure control of the same in relation to Cattolica Assicurazioni. Consequently, it was decided not to amend the assessment of the recoverability of the aforementioned goodwill as at September 30th, 2020.

1.2 Other intangible assets

As per IAS 38, the item "other intangible assets" includes assets, which can be autonomously identified and which will generate future economic benefits in terms of cost savings or future income.

Table 17 - Other intangible assets - changes during the period

(€ millions)	Insurance portfolios	Software	Models and projects	Patent rights, trademarks and similar rights	Other intangible assets	Total
Gross balance as at December 31st, 2019	**279**	**377**	**8**	**12**	**30**	**706**
Accumulated amortisation	92	269	6	4	2	373
Net balance as at December 31st, 2019	**187**	**108**	**2**	**8**	**28**	**333**
Increases due to:	**0**	**25**	**0**	**2**	**0**	**27**
purchase	0	23	0	2	0	25
other	0	2	0	0	0	2
Decreases due to:	**0**	**0**	**0**	**0**	**2**	**2**
other	0	0	0	0	2	2
Gross balance as at September 30th, 2020	**279**	**402**	**8**	**14**	**28**	**731**
Amortisation	29	38	0	1	0	68
Other changes in acc. amortisation	0	0	1	0	0	1
Accumulated amortisation	**121**	**307**	**7**	**5**	**2**	**442**
Net balance as at September 30th, 2020	**158**	**95**	**1**	**9**	**26**	**289**
of which cumulative permanent losses as at September 30th, 2020	*2*	*1*	*0*	*0*	*0*	*3*

The "other intangible assets" held by the Group are characterised by a finite useful life and, as such, are subject to a systematic amortisation process whose period:

- varies between 6 and 12 years for the insurance portfolios, on the basis of the average residual duration of the underlying contracts;
- is on average 5 years for software, models and projects, patent, trademarks and similar rights, except in specific cases.

The Group has software in use or software being created or being developed held mainly by Cattolica Services. This includes software already operative used in previous years, software that was enhanced and adapted to legal provisions during the period, as well as software "under construction" referring to projects launched but not yet concluded and therefore not yet used during the period.

The cumulative impairment losses during previous years have been deducted from the gross amount and are due to the obsolescence of some software.

2. TANGIBLE ASSETS

The changes in tangible assets, pursuant to IAS 16, were as follows during the period:

Table 18 - Tangible assets

(€ millions)	September 30th, 2020	December 31st, 2019	Changes	
			Amount	%
Property	205	211	-6	-2.5
Other tangible assets:	26	27	-1	1.9
furniture, office machines and internal means of transport	9	10	-1	-4.4
movable assets recorded in public registers	2	3	-1	-5.0
plant and equipment	13	14	-1	n.s.
inventories and miscellaneous assets	2	0	2	n.a.
Total	**231**	**238**	**-7**	**-2.2**

n.s. = not significant

2.1 Property

The item includes property used for the performance of the Group companies' activities; in particular, it includes the property belonging to the Parent Company, Cattolica Agricola and Satec. In addition, € 37 million in property under right of use pursuant to IFRS 16 have been recognised.

The fair value of property held by the Group came to € 236 million.

2.2 Other tangible assets

The item comprises the assets regulated by IAS 16 and IFRS 16, not included under the property category.
Right of use assets attributable to furniture, office machinery and means of transport are recognised for € 5 million and movable assets recorded in public registers for € 2 million.

The increase in inventories and miscellaneous assets is attributable to Cattolica Agricola.

As indicated in the accounting policies, total property and other tangible assets held by the Group are subject to a systematic depreciation process using a rate of 3% for properties used for the Group's business activities and, except in specific cases, using a rate:

- of 12% for ordinary office furniture and machines;
- of 20% for electronic machines and hardware;
- of 25% for movable assets recorded in public registers;
- of 15% for plant and equipment;
- between 9% and 25% for other agricultural assets.

No significant changes took place during the period, in either the accounting estimates or the depreciation methods used.

3. TECHNICAL PROVISIONS - REINSURANCE AMOUNT

Table 19 - Analysis of technical provisions - Reinsurance amount

(€ thousands)	September 30th, 2020	December 31st, 2019
Non-life provisions	**496**	**477**
Life provisions	**139**	**142**
Technical provisions for contracts where the investment risk is borne by the policyholders and deriving from the management of pension funds	0	0
Other provisions	139	142
Total	**635**	**619**

The reinsurance amount of technical provisions is calculated using the method adopted for provisions pertaining to direct business.

4. INVESTMENTS

Table 20 - Investments

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	Changes %
Investment Property	879	851	28	3.4
Investments in subsidiaries, associated companies and joint ventures	168	160	8	5.1
Held to maturity investments	202	212	-10	-5.0
Loans and receivables	1,229	1,072	157	14.6
Available for sale financial assets	23,827	23,823	4	0.0
Financial assets at fair value through profit or loss	5,538	6,605	-1,067	-16.1
Total	**31,843**	**32,723**	**-880**	**-2.7**

4.1 Investment property

"Investment property" is represented by the properties not occupied by Group companies.

The item includes land and buildings belonging to the Andromaca, Euripide, Girolamo, Innovazione Salute, Perseide, San Zeno and Titan funds, Cattolica Agricola, Cattolica Beni Immobili and the Parent Company.

Table 21 - Investment property – changes during the period

(€ millions)	Investment Property	Property under construction	Total
Gross balance as at December 31st, 2019	**921**	**2**	**923**
Accumulated depreciation	72	0	72
Net balance as at December 31st, 2019	**849**	**2**	**851**
Increases due to:	**51**	**0**	**51**
purchase	41	0	41
other	10	0	10
Decreases due to:	**8**	**2**	**10**
write-downs	8	0	8
other	0	2	2
Gross balance as at September 30th, 2020	**964**	**0**	**964**
depreciation	13	0	13
Accumulated depreciation	**85**	**0**	**85**
Net balance as at September 30th, 2020	**879**	**0**	**879**
of which cumulative permanent losses as at September 30th, 2020	*24*	*0*	*24*

The increases refer to the purchases carried out by Fondo Titan for € 34 million, Cattolica Beni Immobili for € 4 million and Fondo Perseide for € 3 million, to the reclassification of real estate from the assets in process of formation item for € 2 million as well as for € 8 million to incremental expenses made on owned properties.

The decreases are due to depreciation and write-downs (€ 1 million for a property owned by the Parent Company,

€ 3 million for properties owned by Fondo Euripide and € 4 million for properties owned by Cattolica Beni Immobili).

Revenues for rents generated during the period amounted to € 44 million.

Buildings included under investment property are subject to a systematic depreciation process calculated in relation to the useful life, generally equal to 50 years (2% amortisation rate), with the exception of the properties owned by Fondo Perseide for which the useful life is estimated in relation to the duration of the related surface rights.

There were no significant changes in the amortisation methods used during the accounting period and accounting estimates.

The fair value of the investment property held by the Group, estimated by an external and independent expert amounted to € 1,072 million.

The Cattolica Group avails itself of three main procedures for estimating the value of properties, as indicated below. For each assessment, the selection of the most suitable method is assessed according to the type and specific characteristics of the property being valued. In particular, the main procedures for estimating the value of properties are as follows:

- Market Approach: this provides an indication of the value comparing the asset subject to assessment with identical or similar assets for which information on prices is available. The comparison between the assets subject to estimation and similar assets takes place on the basis of the technical parameter represented by the measurement of the land registry surface areas for the agricultural land and the uncovered appurtenances of the buildings and the commercial surface areas for the buildings, structured differently in relation to the intended uses of the same. If the asset being estimated presents differences with respect to the comparable assets and the reference types of the sources, weighting (or differentiation) factors are resorted to, which permit a correct comparison procedure. The estimate of these factors is carried out with reference to the indications of specialised literature in the sector.

- Cost Approach: based on the depreciated replacement cost used for certain properties, with particular characteristics. The estimate of the fair value of the assets by means of the depreciated replacement cost is broken down into three phases and is carried out on the basis of the technical parameter of the gross surface area:
  - the estimate of the current value of the land referring to the purchase cost of similar land in terms of location and intended use;
  - the estimate of the depreciation reconstruction cost obtained from the estimate of the reconstruction cost as new of the building appropriately depreciated in relation to the useful and residual life of the buildings;
  - the estimate of the market value of the assets as the sum of the market value of the area and the depreciated replacement cost of the constructions.

- Financial Profit Method based on two approaches:
  - direct capitalisation: this is based on the capitalisation at a rate taken from the property market, of the net future income generated;
  - discounted cash flow, based on the determination: for a period of n years of the future income deriving from the lease; on the market value of the property by means of perpetual capitalisation, at the end of this period, of the net income and in conclusion on the discounting, as of the date of assessment, of the net income (cash flows).

Taking into account the macroeconomic context linked to Covid-19, which has generated financial difficulties for several tenants, the Group has also updated its property valuations, starting from the preparation of the 2020 interim financial report, introducing a strengthening of the valuation process for the Group's property activities. In particular, in order to strengthen the valuation process, if the valuation method identified as most suitable is the so-called comparative method (which can be traced back to the "Market Approach" method), this so-called "main" valuation was accompanied by the use of one or more "control methods", discounted cash-flow (which can be traced back to the "Financial Income Method"), evaluating, where deemed appropriate, the application of further sensitivity valuations.

The Group has applied the criteria of cost net of the accumulated depreciation and any impairment losses to total assets disciplined by IAS 40, IAS 16 and IAS 38.

4.2 Investments in subsidiaries, associated companies and joint ventures

Table 22 - Investments in subsidiaries, associated companies and joint ventures

(€ millions)	September 30th, 2020	December 31st, 2019	Changes	
			Amount	%
Subsidiaries	0	0	0	n.s.
Associated companies and joint ventures	168	160	8	5.1
Total	**168**	**160**	**8**	**5.1**

n.s. = not significant

The item includes investments in subsidiaries excluded from the consolidation area, associated companies and joint ventures, over which the Group exercises significant influence, which are accounted for using the equity method.

Investments in subsidiaries
The item mainly comprises the cost of the equity investment in TUA Retail, a company that is not significant for consolidation purposes.

Investments in associated companies and Joint ventures
The item includes investments, accounting for using the equity method, in companies over which the Group exercises significant influence, such as the multi-sector real estate investment fund called "Mercury", the real estate funds Ca' Tron HCampus, the "Mercury Nuovo Tirreno" fund, Ima Italia Assistance, Ima Servizi and H-FARM.

Table 23 - Analysis of non-consolidated equity investments

(€ millions) Name	Registered offices and operating headquarters	Assets (1)	Type (2)	% direct investment	% total holding (3)	% of votes available during ordinary shareholders' meetings (4)	Book value
Ima Italia Assistance S.p.A.	086	1	b	35.00%	35.00%		9
Ima Servizi S.c.a.r.l.	086	11	b	10.00%	38.35%		0
TUA Retail s.r.l.	086	11	a	100.00%	99.99%		0
Fondo Mercury Centronord	086	10	c	52.55%	52.55%		27
Fondo Mercury Adriatico	086	10	c	51.08%	51.08%		16
Fondo Mercury Tirreno	086	10	c	51.01%	51.01%		27
Fondo Mercury Nuovo Tirreno	086	10	c	90.10%	90.10%		62
Fondo Ca' Tron Hcampus	086	10	c	61.65%	61.65%		27
H-Farm S.p.a.	086	11	b	4.49%	4.49%		0
Total							**168**

(1) 1=Italian insurance; 2=EU insurance; 3=non-EU insurance; 4=insurance holding companies; 4.1=mixed financial holding companies; 5=EU reinsurance; 6=non-EU reinsurance; 7=banks; 8=SGR; 9=other holding; 10=real estate11=other.

(2) a=subsidiaries (IFRS 10); b=associated companies (IAS 28); c=joint ventures (IFRS 11).

(3) this is the product of the equity investment relationships relating to all the companies that, placed along the equity investment chain, may be interposed between the company that draws up the consolidated financial statements and the company in question. If the latter is directly invested in by several subsidiaries companies, it is necessary to add together the individual products.

(4) Overall percentage available of the votes at ordinary shareholders' meeting if different from direct or indirect shareholding.

As at September 30th, the investment in H-Farm was written down by € 5 million and the assets of the Fondo H-Campus, of which H-Farm is the sole manager of the real estate project, were written down by € 14 million as a result of the recent economic results of the subsidiary, impacted by the effects of the spread of the pandemic, which weakened its financial situation.

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Financial investments

Financial investments included the financial instruments disciplined by IAS 39: held to maturity investments, loans and receivables, available for sale financial assets and financial assets at fair value through profit or loss.

No significant category reclassifications have taken place during the year and in previous periods, therefore compilation of the analysis of reclassified financial assets and the effects on the income statement and on comprehensive profitability were not carried out.

The reclassifications carried out in 2008 relate to securities transferred from the "financial assets at fair value through profit or loss" to the "available for sale financial assets" for a book value of € 21 million as at September 30th, 2020.
As a result of the reclassification carried out in 2008, higher capital losses would have been recognised in the income statement during the year for € 1 million.

Table 24 - Financial investments

					Changes	
(€ millions)	September 30th, 2020	%	December 31st, 2019	%	Amount	%
Held to maturity investments	202	0.6	212	0.7	-10	-5.0
Loans and receivables	1,229	4.0	1,072	3.4	157	14.6
Available for sale financial assets	23,827	77.4	23,823	75.1	4	0.0
Financial assets at fair value through profit or loss	5,538	18.0	6,605	20.8	-1,067	-16.1
Total	**30,796**	**100.0**	**31,712**	**100.0**	**-916**	**-2.9**

The decrease in financial assets at fair value through profit or loss is mainly attributable to the reduction in investments deriving from the Parent Company's closed-end pension funds, in relation to the termination of the agreements that were active until last year. The change in this item was also affected by the negative net premiums recorded by Vera Vita on class III policies, which led to a consequent reduction in financial investments.

Table 25 - Analysis of financial assets

Financial investments (disciplined by IAS 39)	Held to maturity investments		Loans and receivables		Available for sale financial assets		Financial assets at fair value through profit or loss: Financial assets held for trading		Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss		Total book value	
(€ millions)	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019
Equities and derivatives carried at cost	0	0	0	0	0	0	0	0	0	0	0	0
Equities at fair value	0	0	0	0	72	101	6	2	30	36	108	139
of which listed	*0*	*0*	*0*	*0*	*35*	*55*	*6*	*2*	*30*	*36*	*71*	*93*
Debt securities	202	212	1,152	1,003	22,956	22,921	622	700	868	1,541	25,800	26,377
of which listed	*202*	*212*	*0*	*0*	*22,904*	*22,875*	*622*	*700*	*868*	*1,541*	*24,596*	*25,328*
UCIT units	0	0	0	0	799	801	3	1	4,000	4,316	4,802	5,118
Loans and receivables due from banking customers	0	0	0	0	0	0	0	0	0	0	0	0
Interbank loans and receivables	0	0	0	0	0	0	0	0	0	0	0	0
Deposits with ceding companies	0	0	14	10	0	0	0	0	0	0	14	10
Receivable financial components of insurance contracts	0	0	0	0	0	0	0	0	0	0	0	0
Other loans and receivables	0	0	63	59	0	0	0	0	0	0	63	59
Non-hedging derivatives	0	0	0	0	0	0	9	9	0	0	9	9
Hedging derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other financial investments	0	0	0	0	0	0	0	0	0	0	0	0
Total	**202**	**212**	**1,229**	**1,072**	**23,827**	**23,823**	**640**	**712**	**4,898**	**5,893**	**30,796**	**31,712**

4.3 Held to maturity investments

All financial assets, excluding derivatives, with a pre-established maturity and payments which are fixed or can be determined, which the Group intends to or has the ability to hold until maturity, are classified in this category.
In detail, the item mainly includes Italian government securities.

4.4 Loans and receivables

Assets with a pre-established maturity and payments, which are fixed or can be determined, not listed on active markets, which are not recorded in any of the other categories, are classified in this category.
Specifically, the category includes all the loans and financing, amounts receivable for agent compensation, deposits from re-insurers with ceding companies and bonds not listed on active markets.

4.5 Available for sale financial assets

This category includes all the financial assets, valued at fair value, other than derivative instruments, both debt instruments and equities, which are not classified in the other categories and are disciplined by IAS 39. Specifically, this category comprises the equity investments deemed to be strategic in companies which are not subsidiary or associated companies, whose fair value derives from prices taken from active markets, or, in the case of securities not listed on active markets, from commonly applied valuation methods. In particular, the valuation methods adopted were chosen taking into account the pertinent sector.

The Board of Directors of the Cattolica Group, in continuity with the year 2019, approved the following thresholds for determining permanent impairment losses, at its July 13th, 2020 meeting.
Equities are written down against a reduction in the fair value calculated on the valuation date:

- compared to the purchase cost higher than 30% (significant) or
- compared to the purchase cost extended for more than 12 months (prolonged).

Following the performance of the impairment test on all the financial instruments included in the "loans and receivables", "held to maturity investments", and "available for sale financial assets" categories, as governed by IAS 39, permanent losses in value were revealed (impairment losses), before tax effects, on shares totalling €6 million and on mutual investment funds for € 13 million.

4.6 Financial assets at fair value through profit or loss

This category comprises the classification of financial assets, including derivatives, held for trading and those designated by the Group as valued at fair value through profit or loss. Specifically, besides assets held for trading purposes, the item also includes the financial assets designated at fair value through profit or loss related to:

- insurance or investment contracts issued by the Group whose investment risk is borne by the policyholders;
- the management of pension funds.

Derivatives
The consolidated balance sheet assets include non-hedging derivatives amounting to € 9 million, held for trading. Derivatives recognised on the liabilities side of the consolidated balance sheet are discussed in the appropriate section of the notes to the accounts.

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The tables below provide a breakdown of the Cattolica Group's residual exposures as at September 30th, 2020, in debt securities issued or guaranteed by European Union countries.

Table 26 - Exposure in government debt securities issued or guaranteed by EU zone countries - Available for sale financial assets

Country (€ millions)	Maturity up to 5 years	Maturing between 6 to 10 years	Maturity beyond 10 years	Total fair value	Gross AFS provision gross
Italy	3,982	2,845	4,931	**11,758**	1,087
Spain	207	1,300	238	**1,745**	139
Portugal	2	144	97	**243**	35
Ireland	4	50	85	**139**	10
France	101	580	1,073	**1,754**	105
Other EU countries	103	1,220	1,199	**2,522**	143
TOTAL	**4,399**	**6,139**	**7,623**	**18,161**	**1,519**

Table 27 - Exposure in government debt securities issued or guaranteed by EU zone countries - Financial assets at fair value through profit or loss

Country (€ millions)	Maturity up to 5 years	Maturing between 6 to 10 years	Maturity beyond 10 years	Total fair value*
Italy	275	35	37	**347**
Spain	25	5	8	**38**
Portugal	0	1	4	**5**
Ireland	0	0	1	**1**
France	318	5	9	**332**
Other EU countries	141	10	10	**161**
TOTAL	**759**	**56**	**69**	**884**

* of which the value of financial assets at fair value through profit or loss amounts to € 265 million.

Table 28 - Exposure in debt securities issued or guaranteed by EU zone countries - Held to maturity investments

Country (€ millions)	Maturity up to 5 years	Maturity between 6 and 10 years	Maturity beyond 10 years	Total book value	Total fair value
Italy	155	43	0	**198**	222
Spain	0	0	0	**0**	0
Portugal	0	0	0	**0**	0
Ireland	0	0	0	**0**	0
France	0	0	0	**0**	0
Other EU countries	0	0	0	**0**	0
TOTAL	**155**	**43**	**0**	**198**	**222**

Table 29 - Assets and liabilities valued at fair value on a recurrent and non-recurrent basis: breakdown by fair value hierarchy

(€ millions)		Level 1 September 30th, 2020	Level 1 December 31st, 2019	Level 2 September 30th, 2020	Level 2 December 31st, 2019	Level 3 September 30th, 2020	Level 3 December 31st, 2019	Total September 30th, 2020	Total December 31st, 2019
Assets and liabilities valued at fair value on a recurrent basis									
Available for sale financial assets		22,556	22,404	601	825	670	594	23,827	23,823
Financial assets at fair value through profit or loss	Financial assets held for trading	629	696	1	6	10	10	640	712
	Financial assets at fair value through profit or loss	1,723	2,527	3,111	3,142	64	224	4,898	5,893
Investment Property		0	0	0	0	0	0	0	0
Tangible assets		0	0	0	0	0	0	0	0
Intangible assets		0	0	0	0	0	0	0	0
Total assets at fair value on a recurrent basis		**24,908**	**25,627**	**3,713**	**3,973**	**744**	**828**	**29,365**	**30,428**
Financial liabilities at fair value through profit or loss	Financial liabilities held for trading	0	0	0	0	8	0	8	0
	Financial liabilities at fair value through profit or loss	0	0	658	1,494	0	0	658	1,494
Total liabilities at fair value on a recurrent basis		**0**	**0**	**658**	**1,494**	**8**	**0**	**666**	**1,494**

Fair value valuation techniques for financial investments

The valuation techniques are used when a listed price is not available. Generally, for the measuring of the fair value the use of observable data collected is maximised and the use of non-observable data is reduced.

Debt securities
If available and if the market is defined as active, the fair value is equal to the market price.
Otherwise, the fair value is determined using the market approach and the income approach. The main input for the market approach are prices listed for identical or comparable assets on active markets, where the comparability between the security and the benchmark determines the fair value level. Depending on the possibility of observing these parameters, the security is classified in level 2 or level 3. They are valued by making reference respectively:

- to the price provided by the counterparty, if binding (executable) for the counterparty;
- at the price recalculated by means of internal valuation instruments or provided by third parties and corroborated by suitable disclosure on the model and on the input data used.

In the event that the use of a valuation model is necessary, the "plain vanilla" debt securities are valued applying the discounted cash flow model technique, while structured securities are valued by splitting the security into a portfolio of elementary instruments; the fair value of the structured product can thus be obtained by adding together the individual valuations of the elementary instruments into which it has been split.

Debt securities and equities in default are recognised at the recovery value based on information originating from the appointed law firm.

Equities
If available and if the market is defined as active, the fair value is equal to the market price.
Otherwise, the fair value is determined using the market approach and the income approach. The main input for

the market approach are prices listed for identical or comparable assets on active markets, where the comparability between the security and the benchmark determines the fair value level; depending on the possibility of observing these parameters, the security is classified in level 2 or level 3.

UCIT UNITS

With regard to undertakings for collective investment (UCITS), the reference value, for the purposes of the determination of the fair value, is represented by the official NAV communicated by the asset management company (SGR) or the fund administrator or obtained from information providers.

Derivatives

The fair value of the over the counter (OTC) derivatives is determined by making reference to the price provided by external counterparties (if binding "executable"), to the price provided by the central counterparties (CCP) for the derivatives, which fall within the sphere of the EMIR procedures or to the price recalculated by means of internal valuation instruments or provided by third parties and corroborated by suitable disclosure on the model and on the input data used.

Financial assets where the risk is borne by the policyholders and deriving from the management of pension funds

If available and if the market is defined as active, the fair value is equal to the market price. Otherwise, the valuation methods listed above for the various classes of assets are used.

Level 3 financial assets and liabilities at fair value on a recurrent basis

Securities present in the portfolio at fair value hierarchy level 3 are measured based primarily on valuations and analysis by the issuer or third parties, which cannot be directly found on the market but only monitored by dynamics observed indirectly on market factors and on the basis of objective elements communicated by said counterparties.

Based on the securities in the portfolio, the parameters that cannot be observed, but are capable of influencing the valuation of Level 3 instruments are represented specifically by:

- estimates and assumptions used to value unlisted hedge funds, private equity, unlisted real estate funds: with regard to these investments, it is very difficult to estimate the fair value's sensitivity to changes in various, non-observable inputs, which together could have off-setting effects, therefore the reasonableness of the effects caused by the stated changes on the objective elements considered in the valuations are verified;
- estimates and assumptions used to value equity investments in unlisted companies using the stock market multiples method, which determines the economic capital value of a company or of a business unit based on market multipliers (Stock Market Multipliers) and the Discount Cash Flow, which estimates the value of a company or of a business unit on the basis of the future cash flows.

Table 30 - Analysis of changes in level 3 financial assets and liabilities valued at fair value on a recurrent basis

		Financial assets at fair value through profit or loss					Financial liabilities at fair value through profit or loss	
(€ millions)	Available for sale financial assets	Financial assets held for trading	Financial assets at fair value through profit or loss	Investments property	Tangible assets	Intangible assets	Financial liabilities held for trading	Financial liabilities at fair value through profit or loss
Opening balance	**594**	**10**	**224**	**0**	**0**	**0**	**0**	**0**
Purchases/Issues	118	0	21	0	0	0	0	0
Sales/Repurchases	-33	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
Gain or loss through profit or loss	-1	0	-57	0	0	0	8	0
- of which valuation profits/losses	-10	0	0	0	0	0	0	0
Gain or loss recorded in other components of the statement of comprehensive income	-19	0	0	0	0	0	0	0
Transfers to level 3	10	0	0	0	0	0	0	0
Transfers to other levels	0	0	-124	0	0	0	0	0
Other changes	1	0	0	0	0	0	0	0
Closing balance	**670**	**10**	**64**	**0**	**0**	**0**	**8**	**0**

The transfers from level 3 to 2 involved bonds classified in "Financial assets at fair value through profit or loss" for a total amount of € 124 million.

The transfers from level 2 to 3 involved funds classified under "Available for sale financial assets" for a total amount of € 10 million.

The transfers from level 1 to 2, for a total of € 220 million, concerned:

- "Available for sale financial assets": bonds for an equivalent value of € 69 million;
- "Financial assets at fair value through profit or loss": investment funds for a value of € 151 million.

In conclusion, the transfers from level 2 to 1, for a total of € 172 million, concerned:

- "Available for sale financial assets": bonds for an equivalent value of € 166 million;
- "Financial assets at fair value through profit or loss": bonds for a value of € 4 million and funds for a value of € 2 million.

Table 31 - Assets and liabilities not valued at fair value: breakdown by fair value hierarchy

	Book value		Fair Value							
			Level 1		Level 2		Level 3		Total	
(€ millions)	**September 30th, 2020**	**December 31st, 2019**	**September 30th, 2020**	**December 31st, 2019**	**September 30th, 2020**	**December 31st, 2019**	**September 30th, 2020**	**December 31st, 2019**	**September 30th, 2020**	**December 31st, 2019**
Assets										
Held to maturity investments	202	212	222	237	5	5	0	0	227	242
Loans and receivables	1,229	1,072	0	0	376	224	1,045	1,016	1,421	1,240
Investments in subsidiaries, associated companies and joint ventures	168	160	0	0	0	0	184	181	184	181
Investment Property	879	851	0	0	0	0	1,072	1,058	1,072	1,058
Tangible assets	231	238	0	0	0	0	262	283	262	283
Total assets	**2,709**	**2,533**	**222**	**237**	**381**	**229**	**2,563**	**2,538**	**3,166**	**3,004**
Liabilities	**905**	**851**	**0**	**0**	**844**	**805**	**35**	**36**	**879**	**841**
Other financial liabilities	905	851	0	0	844	805	35	36	879	841

Loans and receivables include the deposits with re-insurers and receivables for right of offset whose book value is considered to be a good approximation of the fair value. The fair value of investment property is estimated on the basis of the methods described previously.

Investments in subsidiaries, associated companies and joint ventures include the real estate investment funds whose reference value, for the purposes of the determination of the fair value, is represented by the NAV communicated by the asset management company. The fair value level assigned is 3.

The fair value of the other financial liabilities is recognised using the income approach technique.

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5. SUNDRY RECEIVABLES

Table 32 - Sundry receivables

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	%
Receivables deriving from direct insurance transactions	**352**	**461**	**-109**	**-23.8**
Policyholders	180	212	-32	-15.2
Insurance brokers	112	180	-68	-38.0
Insurance companies - current accounts	18	29	-11	-39.6
Policyholders and third parties for claims to be settled	42	40	2	5.7
Receivables deriving from reinsurance transactions	**84**	**107**	**-23**	**-21.9**
Insurance and reinsurance companies	84	107	-23	-21.9
Reinsurance brokers	0	0	0	n.a.
Other receivables	**144**	**120**	**24**	**20.3**
Total	**580**	**688**	**-108**	**-15.8**

n.a. = not applicable

On the basis of the experience of previous accounting periods, the item was adjusted for a total of € 64 million for write-downs due to doubtful collection.

The item "Other receivables" includes amounts due for management fees deriving from the management of internal and external funds of unit-linked products, as well as amounts receivable for advances to suppliers, amounts due from employees, amounts due from tenants, amounts due from guarantee funds and guarantee deposits.

6. OTHER ASSET ITEMS

Other asset items are made up as follows:

Table 33 - Other asset items

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	%
Non-current assets or disposal group held for sale	0	197	-197	-100.0
Deferred acquisition costs	16	19	-3	-17.0
Deferred tax assets	768	688	80	11.7
Current tax assets	491	592	-101	-17.1
Other assets	242	228	14	6.5
Total	**1,517**	**1,724**	**-207**	**-12.0**

6.1 Non-current assets or disposal group held for sale

The change compared to the previous year is due to the sale of the investment held in Cattolica Life to Monument Re.

6.2 Deferred acquisition costs

The deferred acquisition costs relate to insurance contracts, as agreed upon by IFRS 4.

Deferred and current tax assets

6.3 Deferred tax assets

In accordance with the definition contained in IAS 12, these comprise the amounts of income taxes recoverable in future accounting periods.

Amounts receivable for deferred tax assets, recorded under "Deferred tax assets" derive from the deductible timing differences, such as the write-down of receivables, the deductible portion of the change in the provision for outstanding non-life business claims, the capital losses on shares, the amortisation of the insurance portfolio, the allowances to provisions for risks and charges, as well as from the carrying forward of tax losses not used and the freeing up as per Italian Decree Law No. 185/2008, for € 65 million, of the prepaid taxes recorded on goodwill and on other intangible assets.

They also comprise deferred tax assets, which have arisen from the temporary misalignment between accrual-basis accounting laid down by the international accounting standards and Italian tax legislation. This misalignment is mainly due to the representation in the income statement and under shareholders' equity of capital gains and losses from valuation generated on financial assets at fair value through profit or loss and on available for sale financial assets, recalculation of the employee severance indemnity in accordance with revised IAS 19, calculation of deferred income revenue (DIR) associated with investment contracts held by the Group, recalculation of depreciation plans for properties and investment properties in accordance with IAS 16 and 40, recalculation of the supplementary provisions and the recording of the shadow accounting provision.

Deferred tax assets were determined according to the rate established by Article 1, paragraph 33, letter E (with reference to IRES) and Article1, paragraph 50, letter H (with reference to IRAP) of Italian Law No. 244 dated December 24th, 2007, "2008 Finance Law", taking into account the amendments introduced by Article 23, paragraph 5 of Italian Law No. 98 of July 6th, 2011, containing 'Urgent provisions for financial stabilisation' (so-called "corrective manoeuvre"), as well as the regulatory provisions referred to in Article 1, paragraph 61, of Italian Law No. 208 of December 28th, 2015, ("2016 Stability Law").

6.4 Current tax assets

This item is represented by amounts due from tax authorities and mainly derives from the surplus emerging from the tax returns submitted, withholdings made on bank interest, tax credits on income deriving from equity investments in mutual investment funds, the advance tax on employee severance indemnities as per Article3, paragraph 213 of Italian Law No. 662 dated December 23rd, 1996 and from amounts due from tax authorities transferred to the Parent Company by the subsidiaries who have complied with the tax consolidation system. Amounts due from tax authorities also include prepaid taxes pursuant to Italian Law No. 265 dated November 22nd, 2002, concerning the taxation of the life provisions, and amounts due from tax authorities for the payment of the annual advance of tax on premiums envisaged by Article 9, paragraph 1-bis, of Italian Law No. 1216.

6.5 Other assets

This item includes deferred commissions expense (DAC - deferred acquisition cost), accrued income and prepaid expenses and other assets.

Table 34 - Other assets

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	%
Deferred commissions expense associated with investment contracts	0	2	-2	-100.0
Accruals and deferrals	12	9	3	33.3
Sundry assets	230	217	13	6.0
Total	**242**	**228**	**14**	**6.1**

The item "deferred commissions expense associated with investment contracts" refers to deferred acquisition costs associated with investment contracts or contracts not complying with the definition of insurance contract as per IFRS 4.

The "accruals and deferrals" item mainly refers to usage licences and software maintenance.

Sundry assets include the amount relating to the taxation on the mathematical reserves of the life business accrued during the period for € 99 million and the balance of the liaison account between the life and non-life businesses recorded by the Parent Company for € 75 million, which is recorded for the same amount in other liabilities.

7. CASH AND CASH EQUIVALENTS

The item "cash and cash equivalents" represents the balance as at the end of the accounting period of current accounts held with various banks. The book value of these assets significantly approximates their fair value. Deposits and bank current accounts are remunerated at both fixed and floating rates.

PART C
STATEMENT OF FINANCIAL POSITION - LIABILITIES

1. SHAREHOLDERS' EQUITY

As at September 30th, 2020, this item was made up as follows:

Table 35 - Shareholders' equity

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	%
Shareholders' equity				
pertaining to the Group	**1,937**	**1,894**	**43**	**2.3**
Share capital	523	523	0	0
Other equity instruments	0	0	0	n.a.
Capital reserves	712	712	0	0
Revenue reserves and other equity reserves	657	560	97	17.5
(Own shares)	-51	-50	-1	-2.5
Reserve for net exchange differences	0	0	0	n.a.
Gains or losses on available for sale financial assets	60	78	-18	-21.8
Other gains or losses recognised directly in equity	-6	-4	-2	-38.8
Profit (loss) for the period pertaining to the Group	42	75	-33	-44.9
pertaining to minority interests	**455**	**457**	**-2**	**-0.6**
Capital and reserves pertaining to minority interests	416	419	-3	-0.6
Gains and losses recognised directly in equity	9	10	-1	-20.0
Profit (loss) for the period pertaining to minority interests	30	28	2	8.0
Total	**2,392**	**2,351**	**41**	**1.8**

n.a. = not applicable

1.1 Shareholders' equity pertaining to the Group

This item, whose value as at September 30th, amounted to € 1,937 million, includes:

1.1.1 Share capital

The fully subscribed share capital amounts to € 523 million and is made up of 174,293,926 ordinary shares lacking par value, further to the amendment of Article 6 of the Articles of Association approved by the Extraordinary Shareholders' Meeting held on April 25th, 2015.

1.1.3 Capital reserves

This item includes the share premium reserve of the Parent Company.

1.1.4 Revenue reserves and other equity reserves

This item comprises the gains and losses deriving from initial application of international accounting standards (IFRS 1) and the reserves envisaged by the Italian Civil Code (consolidation reserve, legal reserve and extraordinary reserve) and by special laws prior to the adoption of international accounting standards and the provision relating to the stock-based payment of the Parent Company, in relation to the Performance Shares plan. The change is attributable to the allocation of profit for the previous year, the change in consolidation reserves and the capital reserve connected to the aforementioned Performance Shares. The change compared to the previous period is mainly due to the carry-forward of last year's result of € 75 million.

1.1.5 Own shares

As at September 30th, 2020, the Parent Company held 7,324,851 own shares.

1.1.7 Gains or losses on available for sale financial assets

The changes, net of related deferred taxation, recorded during the period are mainly attributable to:

- the transfer of net capital gains to the income statement following disposals for € 89 million, and net capital losses from impairment for €11 million;
- net positive fair value changes in financial instruments included in the corresponding asset item for € 61 million.

1.1.8 Other gains or losses recognised directly in equity

The change in this item is mainly due to the decrease by € 2 million in the value of the capital reserves of associated companies and joint ventures.

1.2 Shareholders' equity pertaining to minority interests

This account comprises the values pertaining to minority interests regarding the companies included in the consolidation area. With reference to the item “gains or losses recognised directly in equity”, variations during the period, net of the related deferred taxation, are due to:

- net positive fair value changes in financial instruments included in the corresponding asset item for € 28 million;
- net capital losses from impairment of € 3 million;
- the transfer of net capital gains from realisation of € 33 million.

2. PROVISIONS AND ALLOWANCES

Table 36 - Provisions and allowances – changes during the period

(€ millions)	December 31st, 2019	Increases	Decreases	September 30th, 2020
Provisions and allowances	**62**	8	15	**55**

As at September 30th, the item Provisions, recorded at € 55 million, includes provisions for contingent liabilities identified and valued in accordance with international accounting standards.
These mainly include provisions for legal disputes and costs (€ 15 million), provision for agents' leaving indemnity (€ 9 million), the intersectoral solidarity fund (€ 10 million), the claims division fund (€ 4 million) and the provision for future liabilities relating to CPI products (€ 3 million).

Furthermore, other provisions are included for legal disputes related to employment relationships, disputes related to tax issues and with the insurance industry's Supervisory Body for acts of dispute.
The amounts recorded under this item, which are expected to be disbursed in the short term, are therefore not subject to discounting.

3. TECHNICAL PROVISIONS

This item includes provisions associated with insurance contracts, and those deriving from investment contracts involving discretionary profit sharing (DPF), gross of reinsurance.
The fairness of the liabilities as at September 30th, 2020, was ascertained by means of the method envisaged by sections 15 et seq. of IFRS 4 (liability adequacy test). The assessment was carried out on liabilities relating to portfolios classified as insurance contracts or financial contracts with Discretionary Participation Features (DPF).
The test was carried out by comparing the technical provisions, decreased by the acquisition costs still to be amortised and the value of any other related intangible assets, with the current value of the expected cash flows generated by the policy, including the liquidation and management costs.

In the event of insufficiency of the provisions, the difference is booked to the income statement with an increase in liabilities. The analyses carried out have confirmed that the provisions as at September 30th, 2020, are adequate and therefore no supplementary provision is required.
With regard to non-life business, for the purpose of checking the fairness of the insurance liabilities, a check is carried out at ministerial class level by testing the calculation of the supplementary provision for risks underway with the simplified method as envisaged by Article 8 of Attachment No. 15 of the ISVAP Regulation No. 22 dated April 4th, 2008, amended by means of IVASS Provision No. 53 dated December 6th, 2016. Since the claims for the period were valued at ultimate cost, and not discounted back, it is possible to consider the future flows of the payments as implicitly checked.

The current estimates have confirmed that the provisions as at September 30th, 2020 are adequate and therefore no further additions to reserves are required.

Table 37 - Analysis of technical provisions

	Total value for the period	
(€ millions)	**September 30th, 2020**	**December 31st, 2019**
Non-life provisions	**3,583**	**3,707**
Premium provision	816	880
Provision for outstanding claims	2,764	2,824
Other provisions	3	3
of which provisions allocated following the assessment of fairness of the liabilities	*0*	*0*
Life provisions	**26,995**	**27,185**
Provision for outstanding claims	507	577
Mathematical provisions	20,275	20,781
Technical provisions for contracts where the investment risk is borne by the policyholders and deriving from the management of pension funds	4,472	4,365
Other provisions	1,741	1,462
of which provisions allocated following the assessment of fairness of the liabilities	*0*	*0*
of which deferred liabilities due to policyholders	*1,648*	*1,363*
Total Technical Provisions	**30,578**	**30,892**

NON-LIFE BUSINESS

Premium provision

In accordance with Italian legislation, the item comprises both the provision for unearned premiums, supplemented by the premium provision, calculated for certain classes as per specific ministerial requirements, and the provision for unexpired risks.

Provision for outstanding claims

The item includes, based on domestic regulations, both the provision for claims reported, and the one relating to claims that have occurred but have not yet been reported, as well as the provision for settlement costs.

LIFE BUSINESS

Mathematical provisions

The mathematical provisions include those envisaged by Attachment No. 14 of the ISVAP Regulation No. 22 dated April 4th, 2008, amended by the IVASS Provision No. 53 dated December 6th, 2016.

Technical provisions for contracts where the investment risk is borne by the policyholders and provisions deriving from the management of pension funds

This item exclusively comprises the provisions relating to index-linked and unit-linked polices and the provisions relating to pension funds.

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Other provisions

Other provisions mainly comprise provisions for future costs associated with insurance contracts for € 88 million and the shadow accounting provision totalling € 1,648 million.

4. FINANCIAL LIABILITIES

The table below provides an analysis of the financial liabilities undertaken by the Group, expressed according to nature and in accordance with the IAS classification criteria.

Table 38 - Analysis of financial liabilities

	Financial liabilities at fair value through profit or loss							
	Financial liabilities held for trading		Financial liabilities at fair value through profit or loss		Other financial liabilities		Total value for the period	
(€ millions)	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019	September 30th, 2020	December 31st, 2019
Participative financial instruments	0	0	0	0	0	0	0	0
Subordinated liabilities	0	0	0	0	726	679	726	679
Liabilities from investment contracts issued by insurance companies deriving	0	0	658	1,494	0	0	658	1,494
from contracts where the investment risk is borne by the policyholders	*0*	*0*	*644*	*811*	*0*	*0*	*644*	*811*
from the management of pension funds	*0*	*0*	*14*	*683*	*0*	*0*	*14*	*683*
from other contracts	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Deposits received from re-insurers	0	0	0	0	35	36	35	36
Financial liability components of insurance contracts	0	0	0	0	0	0	0	0
Debt securities issued	0	0	0	0	0	0	0	0
Payables due to banking customers	0	0	0	0	0	0	0	0
Interbanking payables	0	0	0	0	0	0	0	0
Other loans received	0	0	0	0	0	0	0	0
Non-hedging derivatives	0	0	0	0	0	0	0	0
Hedging derivatives	8	0	0	0	0	0	8	0
Sundry financial liabilities	0	0	0	0	144	136	144	136
Total	**8**	**0**	**658**	**1,494**	**905**	**851**	**1,571**	**2,345**

4.1 Financial liabilities at fair value through profit or loss

The item, which represents approximately 42.4% of total financial liabilities, includes the financial liabilities at fair value through profit or loss, defined and governed by IAS 39, relating to:

- investment contracts, not falling within the scope of IFRS 4, issued by Group insurance companies, where the investment risk is borne by the policyholders, equal to € 644 million;
- management of pension funds, not falling within the scope of IFRS 4, equal to € 14 million;
- hedging derivatives amounting to € 8 million.

4.2 Other financial liabilities

The item represents approximately 57.6% of total financial liabilities and it includes the financial liabilities defined and regulated by IAS 39 not included among the financial liabilities at fair value through profit or loss.

Subordinated liabilities include not only those issued by the Parent Company, but also those issued in the third quarter of 2020 to the banking minority interests of BCC Vita (€ 8 million) and Vera Vita (€ 18 million).

Other financial liabilities include loans of € 99 million and liabilities recognised by effect of the adoption of IFRS 16 of € 45 million.

The following table provides the features of the subordinated liabilities and loans.

Table 39 - Analysis of other financial liabilities

(€ millions)

Beneficiary company	Type of liability	Amount	Contracting bank	Stipulation date	Maturity	Repayment plan
Società Cattolica di Assicurazione	Subordinated loan	80	UBI	September 2010	Unspecified	Possibility of early repayment as from September 2020. A subordination condition is envisaged with respect to all the unsubordinated creditors including the policyholders
Società Cattolica di Assicurazione	Subordinated loan	105		December 2013	December 2043	The possibilities for optional early repayment are envisaged after 10 years from issue and on each payment date of the subsequent coupon. The securities can be reimbursed in advance and subject to IVASS authorisation, also in the presence of regulatory or tax changes or changes in accounting standards implemented by the rating agencies
Società Cattolica di Assicurazione	Subordinated loan	515		December 2017	December 2047	The possibilities for optional early repayment are envisaged after 10 years from issue and on each payment date of the subsequent coupon. The securities can be reimbursed in advance and subject to IVASS authorisation, also in the presence of regulatory or tax changes or changes in accounting standards implemented by the rating agencies
Vera Vita	Subordinated loan	18	Banco BPM	July 2020	July 2030	Reimbursement on the relevant due date. Optional early repayment options are provided after 5 years from the issue, in whole or in part (for an amount of at least € 5 million and its multiples), giving creditors at least 10 days written notice. Securities may also be redeemed early for regulatory and/or tax reasons.
BCC Vita	Subordinated loan	8	Iccrea Banca Impresa	August 2020	August 2030	Reimbursement on the relevant due date. Optional early repayment options for all securities (and not in part) are provided at the first Call Date and at each subsequent interest payment date, giving creditors no less than 30 and no more than 60 calendar days' notice. Securities may also be redeemed early for regulatory and/or tax reasons.
Cattolica	Balance due for credit facility	8		June 2020		
Cattolica Services	Unsecured loan	20	Banca Popolare di Sondrio	June 2019	June 2022	The loan is repayable in quarterly instalments
Cattolica Services	Loan	10	UBI	June 2019	March 2021	The loan is repayable in quarterly instalments
Cattolica Services	Loan	3	Banca di Verona	July 2019	July 2021	Single repayment at the maturity date
Cattolica Services	Loan	2	UBI	July 2019	March 2021	The loan is repayable in monthly instalments
Cattolica Services	Loan	10	UBI	December 2019	December 2022	The loan is repayable in quarterly instalments
Cattolica Services	Loan	10	Banca Popolare di Sondrio	June 2020	June 2023	Single repayment at the maturity date
Cattolica Services	Loan	4	Banca di Verona	September 2020	June 2022	Single repayment at the maturity date
Fondo Perseide	Financial lease	2	Iccrea Banca Impresa	June 2009	January 2029	The loan is repayable in monthly instalments
Fondo Innovazione Salute	Financial lease	30	UBI, BPER	July 2018	July 2025	Single repayment at the maturity date
TOTAL		**825**				

5. PAYABLES

The account group comprises trade payables disciplined by IAS 39, mainly represented by payables deriving from direct insurance transactions, reinsurance payables and other payables.

Table 40 - Payables

(€ millions)	September 30th, 2020	December 31st, 2019	Changes	
			Amount	%
Payables deriving from direct insurance transactions	**132**	**134**	**-2**	**-2.0**
Insurance brokers	72	86	-14	-17.0
Insurance companies - current accounts	10	7	3	30.5
Policyholders for guarantee deposits and premiums	47	40	7	17.6
Guarantee funds in favour of policyholders	3	1	2	n.s.
Payables deriving from reinsurance transactions	**53**	**28**	**25**	**90.2**
Insurance and reinsurance companies	53	28	25	90.2
Insurance brokers	0	0	0	n.a.
Other payables	**228**	**248**	**-20**	**-8.0**
For taxes payable by policyholders	28	50	-22	-43.0
Amounts due to social security and welfare institutions	4	5	-1	-23.5
Sundry payables	196	193	3	1.4
Total	**413**	**410**	**3**	**0.6**

n.s. = not significant

n.a. = not applicable

5.1 Payables deriving from direct insurance transactions

"Payables deriving from direct insurance transactions" mainly comprise the amounts due to insurance brokers and amounts due to policyholders for guarantee deposits and premiums.

In detail, amounts due to insurance brokers take into account the supplementary period-end registrations pertaining to the assessment of the production premiums and the timing mismatch registered in the settlement of the relative commission with the bancassurance channel.

5.2 Payables deriving from reinsurance transactions

"Payables deriving from reinsurance transactions" include the items with debt balances associated with reinsurance.

5.3 Other payables

These include payables for taxes payable by insured parties, amounts due to welfare and social security institutions and other sundry payables.

In particular, sundry payables includes amounts: to suppliers, to employees and for employee benefits, including the provision for severance indemnities (€ 13 million), seniority bonuses (€ 9 million) and health bonuses for retired staff (€ 10 million).

The payable for employee severance indemnity is subject to actuarial calculation, which takes into account the future developments of the employment relationship. The future flows of the employee severance indemnity have been discounted back as of the reference date on the basis of the method expressly requested by paragraph 68 of IAS 19, known as the Projected Unit Credit Method.

The projected benefits, which can be disbursed in the event of death, incapacity, resignation or retirement based on the applicable actuarial bases, have been determined for all the employees active as of the date of assessment and distributed uniformly over all the years of service for each employee as from the date of employment until the date the events take place.
With regard to Group companies with at least 50 employees, the employee severance indemnity accrued up to December 31st, 2006 is treated like a defined benefit plan and is therefore subject to actuarial calculation, while the employee severance indemnity allocated as from January 1st, 2007 to a specific Treasury Fund set up with INPS (national social security institute) is treated as a defined contribution plan. For the companies with less than 50 employees, the entire liability has been treated as a defined benefit plan.
The employee severance indemnity represents the effective value of the foreseeable obligation, net of any assets serving the plans, adjusted to reflect any actuarial losses or gains not amortised. The discounting back of the future cash flows is carried out on the basis of the interest rate of high quality corporate securities. For the main assumptions used and for the sensitivity analysis of the value of the defined benefit obligation (DBO), reference should be made to the Condensed Interim Consolidated Financial Statements as at June 30th.
The change in payables for severance indemnities, seniority bonuses and health bonuses from December 31st, 2019 to September 30th, 2020 is shown below.

Table 41 - Employee severance indemnity, seniority bonuses and premiums on health contracts

(€ millions)	**Liabilities for employee benefits**
Balance as at December 31st, 2019	**32**
Interest cost	0
Service cost	1
Change in the demographic actuarial component	0
Change in the rate actuarial component	0
Disbursements and transfers	-1
Business combinations	0
Balance as at September 30th, 2020	**32**

6. OTHER LIABILITY ITEMS

Table 42 - Other liability items

(€ millions)	**September 30th, 2020**	**December 31st, 2019**	**Changes**	
			Amount	**%**
Liabilities of disposal group held for sale	0	194	-194	-100.0
Deferred tax liabilities	762	671	91	13.4
Current tax liabilities	181	264	-83	-31.3
Other liabilities	220	152	68	44.9
Total	**1,163**	**1,281**	**-118**	**-9.2**

6.1 Liabilities of disposal group held for sale

The change in the item compared to the previous year is attributable to the sale of the equity investment held in Cattolica Life to Monument Re.

6.2 Deferred tax liabilities

This item comprises the deferred tax liabilities defined and disciplined by IAS 12.

As at September 30th, 2020, deferred tax liabilities consisted of the following:

- deferred taxes, which have arisen from taxable timing differences due to the deferral of the taxability of positive income elements realised and recorded through profit or loss, which will be settled when the aforementioned revenues are taxed;
- the deferred taxes which have arisen from the temporary misalignment between the principle of economic competence laid down by the international accounting standards and tax legislation, due mainly to the statement in the income statement and under shareholders' equity of the capital gains on valuations recorded respectively on the "financial assets at fair value through profit or loss" and on the "available for sale financial assets".

Deferred tax liabilities were determined according to the IRES and IRAP rates in force.

6.3 Current tax liabilities

This item comprises the current tax liabilities defined and disciplined under IAS 12.
The item essentially comprises the current liability for income taxes for the year, the liability deriving from the tax assessment on the life business mathematical provisions pertaining to the period, liabilities for withholding taxes made, liabilities resulting from taxation on premiums as provided for by Italian Law No. 1216 of October 29th, 1961, and the liabilities for VAT to be paid.

6.4 Other liabilities

The item mainly comprises the deferred fee income associated with contracts not falling with the scope of IFRS 4, accrued expenses and deferred income and sundry liabilities.

Table 43 - Other liabilities

(€ millions)	September 30th, 2020	December 31st, 2019	Changes Amount	Changes %
Deferred income revenue (DIR)	3	7	-4	-48.4
Transitory reinsurance accounts - payable	0	0	0	0
Liaison account	75	70	5	6.7
Other liabilities	130	64	66	n.s.
Accrued expenses and deferred income	12	11	1	16.7
of which for interest	*3*	*4*	*-1*	*-15.6*
Total	**220**	**152**	**68**	**44.9**

n.s. = not significant

Other liabilities include the liaison account between the life and non-life businesses recognised by the Parent Company as at September 30th, 2020 for an amount of € 75 million. The amount is recorded for an equal balance under Other assets.
The balances for premiums collected on policies being issued as of September 30th are also included, for € 31 million along with commission on premiums being collected for € 35 million.
Deferred income includes the Parent Company's portion of the extraordinary coupon relating to bonds acquired for the restructuring transactions of the main segregated fund entered into in 2005 and deferred to subsequent years on the basis of the residual duration of the securities.

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PART C
INCOME STATEMENT

The income statement as at September 30th, closed with a consolidated profit of € 72 million (€ 108 million, as at September 30th, 2019); the Group's net profit was € 42 million (€ 84 million as at September 30th, 2019).

INSURANCE BUSINESS

With reference to insurance business, in addition to the matters illustrated below, reference should be made to the table in the interim management report "Reclassified consolidated income statement by segment of activities".

Analysis is presented below relating to the technical insurance items and the insurance operating expenses net of eliminations between sectors.

Table 44 - Insurance business

(€ millions)	September 30th, 2020			September 30th, 2019		
	Gross balance	Reinsurance amount	Net balance	Gross balance	Reinsurance amount	Net balance
Non-life business						
NET PREMIUMS	**1,563**	**-179**	**1,384**	**1,585**	**-198**	**1,387**
a Premiums written	1,499	-169	1,330	1,534	-179	1,355
b Change in premium provision	64	-10	54	51	-19	32
NET CHARGES RELATING TO CLAIMS	**-895**	**120**	**-775**	**-1,046**	**142**	**-904**
a Claims paid	-972	96	-876	-1,023	109	-914
b Change in provision for outstanding claims	61	24	85	-44	33	-11
c Change in recoveries	17	0	17	21	0	21
d Change in other technical provisions	-1	0	-1	0	0	0
Life business						
NET PREMIUMS	**2,588**	**-15**	**2,573**	**3,380**	**-23**	**3,357**
NET CHARGES RELATING TO CLAIMS	**-2,548**	**8**	**-2,540**	**-3,702**	**11**	**-3,691**
a Claims paid	-3,106	11	-3,095	-3,481	10	-3,471
b Change in provision for outstanding claims	-72	0	-72	30	3	33
c Change in mathematical provisions	506	-3	503	123	-2	121
d Change in technical provisions for contracts where the investment risk is borne by the policyholders and deriving from the management of pension funds	43	0	43	-456	0	-456
e Change in other technical provisions	81	0	81	82	0	82

Table 45 - Analysis of insurance operating expenses

(€ millions)	Non-life business September 30th, 2020	Non-life business September 30th, 2019	Life business September 30th, 2020	Life business September 30th, 2019
Commissions and other acquisition costs, net of commissions and profit-sharing received from re-insurers	-292	-290	-84	-117
Acquisition commissions	*-258*	*-254*	*-60*	*-93*
Other acquisition expenses	*-65*	*-63*	*-17*	*-21*
Change in deferred acquisition costs	*0*	*0*	*-2*	*-2*
Collection commissions	*-9*	*-13*	*-7*	*-6*
Commissions and profit-sharing received from re-insurers	*40*	*40*	*2*	*5*
Operating expenses relating to investments	-7	-7	-30	-28
Other administrative expenses	-111	-108	-39	-51
Total	**-410**	**-405**	**-153**	**-196**

In addition to the matters observed in the above table, operating expenses relating to investments, recorded during the period, comprise general expenses and expenses for employees relating to the management of investment property and equity investments. In the life business, commissions and other acquisition costs, net of commissions and profit-sharing received from re-insurers, include acquisition costs relating to insurance contracts and investment contracts with discretionary participation features.

FINANCIAL OPERATIONS

The table which follows discloses the income and charges deriving from financial operations as presented in the income statement for the first half.

Table 46 - Financial operations

(€ millions)	September 30th, 2020	September 30th, 2019	Changes Amount	Changes %
Net income from financial instruments at fair value through profit or loss	**-88**	**296**	**-384**	**n.s.**
Income from investments in subsidiaries, associated companies and joint ventures	4	4	0	**1.3**
Charges from investments in subsidiaries, associated companies and joint ventures	-17	0	-17	**n.a.**
Result deriving from equity investments in subsidiaries, associated companies and joint ventures	**-13**	**4**	**-17**	**n.s.**
Income from other financial instruments and investment property	652	637	15	**2.4**
Charges from other financial instruments and investment property	-226	-185	-41	**-22.2**
Result deriving from other financial instruments and investment property	**426**	**452**	**-26**	**-5.7**

n.s. = not significant

Commissions income

Commissions income mainly comprises the commission relating to investment contracts issued by the Group's insurance companies (DIR); specifically, the item includes the explicit and implicit premium loading encumbering the investment contracts issued.

Commissions expense

The item comprises the acquisition costs associated with investment contracts (DAC) recorded during the period.

OTHER REVENUES AND OTHER COSTS

Other revenues

The item amounts to € 94 million, of which € 57 million is in other net technical income associated with insurance contracts.

Other revenues amount to € 37 million, of which € 15 million relating to recoveries from provisions for risks and charges and € 3 million relating to withdrawals from the write down allowance.

Other costs

The item, which amounts to € 330 million, comprises other net technical charges associated with insurance contracts for € 162 million and other charges for € 168 million, mainly represented by amortisation on intangible assets for € 68 million, impairment on goodwill of the Vera Vita CGU for € 61 million, provisions for risks and charges for € 8 million and loan adjustments totalling € 7 million.

INCOME TAXES

This item records current taxes (IRES - company earnings tax and IRAP - regional business tax), deferred taxes of individual Group companies recorded in observance of accounting standard No. 25 on income taxes and deferred taxes, which have arisen from the temporary misalignment between accrual-basis accounting as laid down by the international accounting standards (IAS 12) and tax legislation.

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income amounted to € 51 million, of which € 22 million pertaining to the Group and € 29 million pertaining to minority interests.

Analysis of the other components of the statement of comprehensive income follows. The balances are stated net of income taxes, which is in any event indicated in the specific column.

Table 47 - Analysis of the statement of other comprehensive income – net amounts

(€ millions)	Charges		Adjustments from reclassification to income statement		Other changes		Total changes		Taxation		Balance	
	September 30th, 2020	September 30th, 2019	September 30th, 2020	September 30th, 2019	September 30th, 2020	September 30th, 2019	September 30th, 2020	September 30th, 2019	September 30th, 2020	September 30th, 2019	September 30th, 2020	December 31st, 2019
Other income components net of income taxes without reclassification in the income statement	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-2**	**-2**
Provisions deriving from changes in the shareholders' equity of investee companies	0	0	0	0	0	0	0	0	0	0	0	0
Intangible assets revaluation reserve	0	0	0	0	0	0	0	0	0	0	0	0
Tangible assets revaluation reserve	0	0	0	0	0	0	0	0	0	0	0	0
Income and charges relating to non-current assets or disposal group held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Actuarial gains and losses and adjustments related to defined-benefit plans	0	0	0	0	0	0	0	0	0	0	-2	-2
Other items	0	0	0	0	0	0	0	0	0	0	0	0
Other income components net of income taxes with reclassification in the income statement	**87**	**146**	**-108**	**16**	**0**	**0**	**-21**	**161**	**-9**	**72**	**66**	**87**
Reserve for net exchange differences	0	0	0	0	0	0	0	0	0	0	0	0
Gains or losses on available for sale financial assets	89	151	-108	16	0	0	-19	166	-8	74	70	89
Profits or losses on cash flow hedging instruments	0	0	0	0	0	0	0	0	0	0	0	0
Profits or losses on instruments hedging a net investment in foreign operations	0	0	0	0	0	0	0	0	0	0	0	0
Provisions deriving from changes in the shareholders' equity of investee companies	-2	-5	0	0	0	0	-2	-5	-1	-2	-4	-2
Income and charges relating to non-current assets or disposal group held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Other items	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OF THE OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME	**87**	**146**	**-108**	**16**	**0**	**0**	**-21**	**161**	**-9**	**72**	**64**	**85**

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The following table shows the income statement by sector of activities, gross of eliminations between sectors.

Table 48 - Income statement by sector of activities

	Non-life business		Life business		Other		Eliminations between sectors		Total	
(€ millions)	September 30th, 2020	September 30th, 2019	September 30th, 2020	September 30th, 2019	September 30th, 2020	September 30th, 2019	September 30th, 2020	September 30th, 2019	September 30th, 2020	September 30th, 2019
1.1 Net premiums	1,385	1,388	2,574	3,358	0	0	-2	-2	3,957	4,744
1.1.1 Gross premiums written	1,635	1,625	2,589	3,381	0	0	-73	-41	4,151	4,965
1.1.2 Ceded premiums	-250	-237	-15	-23	0	0	71	39	-194	-221
1.2 Commissions income	0	0	2	5	0	0	0	0	2	5
1.3 Income and charges from financial instruments at fair value through profit or loss	-1	0	-87	296	0	0	0	0	-88	296
1.4 Income from investments in subsidiaries, associated companies and joint ventures	33	28	4	6	0	0	-33	-30	4	4
1.5 Income from other financial instruments and investment property	113	123	583	556	1	1	-45	-43	652	637
1.6 Other revenues	158	142	95	98	7	9	-166	-151	94	98
1 TOTAL REVENUES AND INCOME	**1,688**	**1,681**	**3,171**	**4,319**	**8**	**10**	**-246**	**-226**	**4,621**	**5,784**
2.1 Net charges relating to claims	-805	-935	-2,550	-3,698	0	0	40	38	-3,315	-4,595
2.1.1 Amounts paid and change in technical provisions	-975	-1,101	-2,558	-3,709	0	0	90	62	-3,443	-4,748
2.1.2 Reinsurance amount	170	166	8	11	0	0	-50	-24	128	153
2.2 Commissions expense	0	0	-3	-4	0	0	0	0	-3	-4
2.3 Charges from investments in subsidiaries, associated companies and joint ventures	-54	-1	-20	-1	0	0	57	2	-17	0
2.4 Charges from other financial instruments and investment property	-50	-41	-185	-142	-5	-2	14	0	-226	-185
2.5 Operating expenses	-485	-470	-189	-227	-3	-4	112	98	-565	-603
2.6 Other costs	-157	-97	-101	-114	-6	-7	-66	-4	-330	-222
2 TOTAL COSTS AND CHARGES	**-1,551**	**-1,544**	**-3,048**	**-4,186**	**-14**	**-13**	**157**	**134**	**-4,456**	**-5,609**
PROFIT (LOSS) FOR THE PERIOD BEFORE INCOME TAXES	**137**	**137**	**123**	**133**	**-6**	**-3**	**-89**	**-92**	**165**	**175**

NOTES TO THE ACCOUNTS

Part D – Other information

PART D
OTHER INFORMATION

Group headcount

Group employees calculated as per FTE, amounted to 1,737 (1,717 as at December 31st, 2019).

Earnings for shares in circulation

With reference to earnings per share in circulation, reference should be made to the section "Significant events and other information" in the Interim Management Report.

Transactions with related parties

As already disclosed in the Interim Management Report, pursuant to CONSOB Regulation No. 17221 dated March 12th, 2010, and subsequent amendments and supplements, as from January 1st, 2011 the "Procedure for the management of transactions with related parties" approved by the Board of Directors with last update by means of resolution dated December 19th, 2019, applies to the situations envisaged by the regulations.

With regard to transactions with related parties, without prejudice to the approval procedures described in the Parent Company's Corporate Governance on the website www.cattolica.it, shareholders are hereby informed that, for reporting purposes, a procedure has been set up for detecting outstanding transactions, via the prior acquisition of the necessary information to identify related parties in relation to international accounting standard IAS 24 and subsequent extrapolation of the transactions relating to the same.

The following table shows the equity transactions and relationships resulting from the aforementioned related party transactions as of September 30th, 2020.

The balance presented in the "Joint ventures, associated companies and their subsidiaries" column represents investments in joint ventures, over which the Group exercises significant influence: these include the real estate investment fund "Mercury", the real estate fund "HCampus", Ima Italia Assistance and its subsidiary Ima Servizi and H-Farm.

The "Other related parties" column includes all the relationships with the directors, the statutory auditors as well as the General Managers and the executives with strategic responsibilities of the Parent Company and related parties.

In particular, it should be noted that on September 22nd, 2020, the Parent Company's Board of Directors, with a view to prudence and focusing on the state of maturity of the partnership and the state of fulfilment of many of the conditions envisaged by the Framework Agreement, resolved to include Assicurazioni Generali in the Company's list of related parties as of that date and, to this end, a specific investigation was carried out with regard to the conclusion of the implementing agreements aimed at regulating the aforementioned industrial and commercial collaborations in the asset management, internet of things, health business and reinsurance sectors. The signing of these agreements, at the end of the aforementioned preliminary investigation, was assessed as a transaction between related parties of greater significance (taking into account its total value for the entire duration of the contracts), of an ordinary nature (with reference to the specific subject matter of the individual contracts to be implemented, attributable to the core insurance business and, in any case, instrumental to the same) and carried out at market conditions.

As at September 30th, the Group held securities issued by the Assicurazioni Generali Group as well as reinsurance transactions with this counterparty; these transactions were concluded before Assicurazioni Generali was identified as a related party.

Table 49 - Transactions with related parties

Statement of financial position transactions (€ millions)	Joint Ventures, associated companies and their subsidiaries	Other related parties	Total September 30th, 2020
Assets			
Equity investments	168	0	168
Loans granted	0	0	0
Subordinated bonds	0	0	0
Unsubordinated bonds	0	0	0
Provisions	0	0	0
Derivatives	0	0	0
Other receivables	1	0	1
Current account transactions	0	0	0
Total	**169**	**0**	**169**
Liabilities			
Loans received	0	0	0
Other payables	1	1	2
Total	**1**	**1**	**2**

Economic transactions and relationships (€ millions)	Joint Ventures, associated companies and their subsidiaries	Other related parties	Total September 30th, 2020
Revenues and income			
Premiums	0	0	0
Financial income	0	0	0
Capital gains for financial disposals	0	0	0
Other revenues	0	0	0
Total	**0**	**0**	**0**
Costs and charges			
Claims	0	0	0
Financial charges	0	0	0
Capital losses for financial disposals	0	0	0
Commissions	0	0	0
Other costs	2	6	8
Total	**2**	**6**	**8**

The undersigned declare that this statement is true and consistent with the underlying accounting records.

The legal representatives of the company (*)

The Managing Director CARLO FERRARESI ______________________ (**)

____ (**)

____ (**)

(*) For foreign companies, the signature must be that of the general representative for Italy.
(**) Indicate the office covered by the signee.

Declaration pursuant to Art 154-bis, paragraph 2 of Italian Legislative Decree No. 58 dated February 24th, 1998 and subsequent amendments and additions

The undersigned Atanasio Pantarrotas, in his capacity as Manager in charge of preparing the financial reports for Società Cattolica di Assicurazione Società Cooperativa, hereby declares, pursuant to Article 154-bis, paragraph 2 of Italian Legislative Decree No. 58 dated February 24th, 1998, that the accounting information contained in this Consolidated interim report as at September 30th, 2020, corresponds to the documented results, books and accounting records.

Verona, November 10th, 2020

Atanasio Pantarrotas

Manager in charge of preparing the
Company's financial reports

INDEPENDENT AUDITORS' REPORT

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

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REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
Società Cattolica di Assicurazione - Società Cooperativa

Introduction

We have reviewed the condensed interim consolidated financial statements of Società Cattolica di Assicurazione - Società Cooperativa and subsidiaries (the "Cattolica Assicurazioni Group"), which comprise the statement of financial position as of September 30, 2020, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the nine month period then ended, and the related notes. The Directors are responsible for the preparation of the condensed interim consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity.". A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Cattolica Assicurazioni Group as at September 30, 2020 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

Other Matter

The condensed interim consolidated financial statements as at September 30, 2020 present, for comparative purposes, the data relating to September 30, 2019 that have not been audited or reviewed.

DELOITTE & TOUCHE S.p.A.

Signed by
Andrea Paiola
Partner

Milan, Italy
November 12, 2020

GRUPPO CATTOLICA ASSICURAZIONI

CATTOLICA ASSICURAZIONI DAL 1896

abc ASSICURA

BCC Assicurazioni

CATTRe

TUA ASSICURAZIONI

VERA Assicurazioni

BCC Vita

BERICA VITA

LombardaVita

VERA Financial

VERA Protezione

VERA Vita